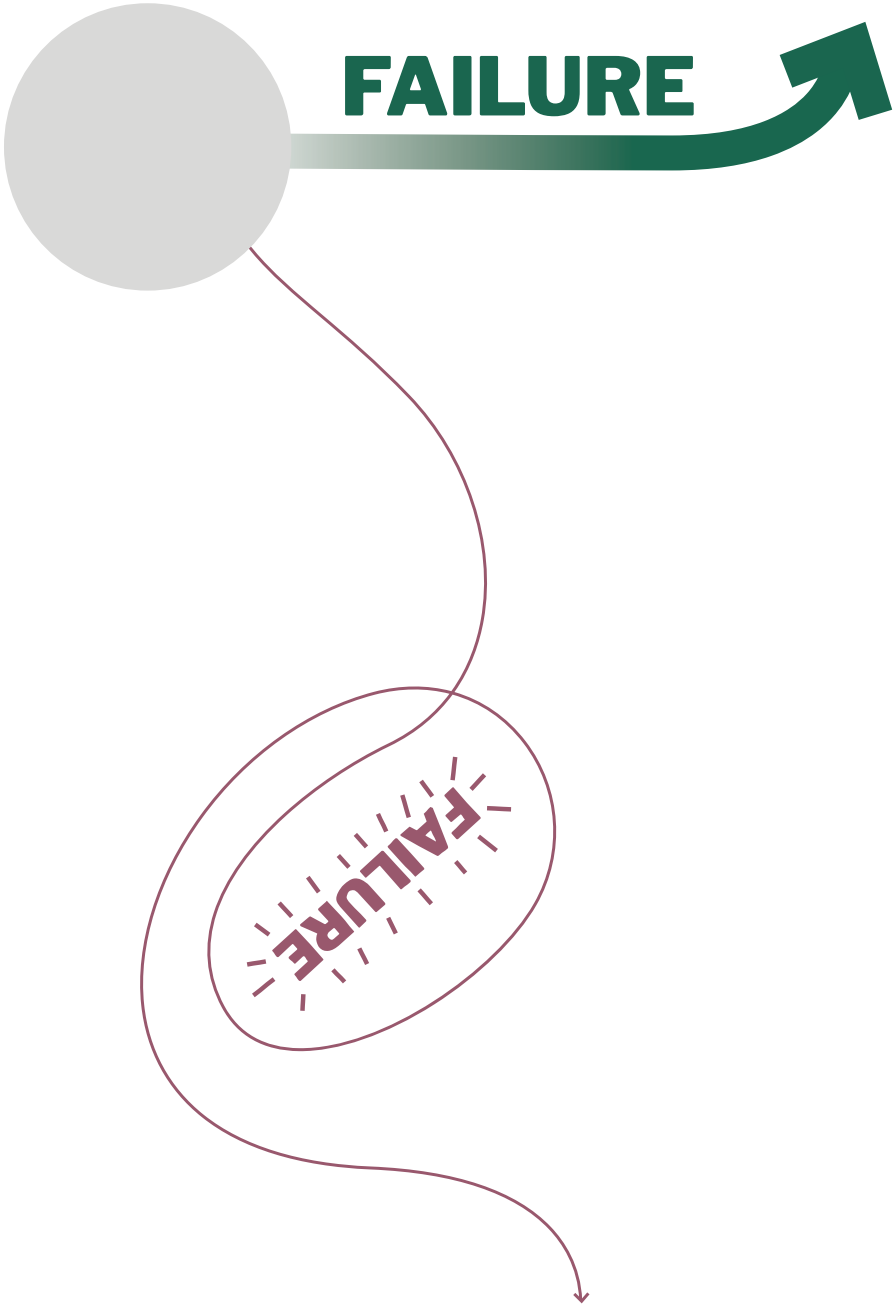
GLOBAL RESILIENCE PARTNERSHIP

Exploring failure and culture in climate resilience projects

Table of contents



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1. About this document

> *What, for the caterpillar is the end of the world, is the birth of the butterfly - would you call it a failure?"*
>
> - Grassroots NGO Interviewee

1.1 Executive summary

Climate change requires substantial changes into "business as usual" which will require a high level of innovation from a wide range of stakeholders. The ability to fail as a pre-condition for the development of highly innovative solutions is well documented in many sectors. The key question driving the investigations in the work is: Are we allowing enough failure for innovation to thrive?

The work for this report was conducted from late 2022 to mid 2023 and consisted of focused interviews with adaptation and climate funders, academics, and entrepreneurs on the ground, online surveys to a broader audience, and in depth literature reviews. There are several key findings :

1. Failure and innovation are often intertwined and could be seen as symbiotic. Innovation is about trying new things and taking risks, which inevitably involves mistakes. As such, failure is a natural part of the innovation process, as it provides valuable opportunities for learning, adaptation, and growth. However, many organisations want to embrace their innovative spirit but fear the consequences of failure.Negative responses to failure are likely to be limiting the leverage needed to affect change (in innovation and creativity) required to tackle climate change and resilience.
2. Both the literature review and the interviews show that there is a clear conflict between recognition that embracing failure will produce positive impact, and the structures and systems which govern funding and implementation. Most interviewees understand the need for being more failure positive, but acknowledge that their organisations are not doing enough to enable this and that there is intolerance to failure from donors.
3. Those who hold less power in relation to ensuring their own sustainability (e.g. when reliant and accountable to others for short-term funding) are less able to create structures and processes that work positively with failure. Those with less power are also less likely to be able to decide what is successful and what is a failure. It is a privilege to be allowed to fail.
4. From literature on failure in adaptation, there is a positive bias in reporting of adaptation projects, and organisations perceive failure as a barrier in securing future funding.
5. Furthermore, the traditional way of looking at failure assumes that we know what the solutions/right answers are - which we don't in complex systems. Climate change resilience requires innovation in complex systems, and innovation in complex systems requires making changes to the system, monitoring the results and adapting the solution pathway based on the outcome of previous changes. It is an adaptive and iterative process, which is not likely to get to a solution without failure(s) on the way.
6. We built a model for what happens when a failure occurs:
    a. There is a response to the failure which can be constructive or limiting
    b. This response takes place at the Individual , Operational, and Organisational level
    c. Behind the response there are drivers to the response: Mental models, structure, behaviour, and culture.
7. There are many people in the sector interested to talk about failures and there is need for cross organisational dialogue to move towards a more failure-positive way of working if we wish be more innovative

Our investigations suggest that setting up structures to embrace failure as part of a learning journey in our funding mechanisms, program design and organisational cultures has the potential to promote the development of a more conducive environment for innovations, more accepting of failure as part of the innovative process, and consequently more innovative climate resilience solutions. We do not prescribe how to do this but rather suggest that our findings start the sector wide conversations and actions that are needed to make this happen.

Throughout the meetings we conducted for this report we've seen that resilience professionals are willing and eager to talk about the impact of failure on innovation and motivated to begin the cross organisations dialogue needed to make changes to tackle it. We suggest further work in the area of failure and innovation in resilience to help the sector shift the prevailing culture which impedes the development of the disruptive innovations needed to increase resilience to withstand climate change. We conclude the report by acknowledging the inherent power dynamics of failure and call the funders and intermediaries to shift patterns, structures and mental models to embrace failure and ensure justice in complex, uncertain contexts of climate resilience programming.

1.2 Why examine failure? And why now?

The Global Resilience Partnership was commissioned by Irish Aid to undertake an investigation into types of failure and how our attitudes to failure might help or hinder innovation, in particular for climate change resilience projects. Climate change and the resilience challenges that it poses, requires substantial changes into "business as usual" which need a high level of innovation from a wide range of stakeholders. The ability to fail as a pre-condition for the development of highly innovative solutions is well documented in many sectors. The question driving the investigations in the work is: Are we allowing enough failure for innovation to thrive?

Through the experience of many years in innovation in the resilience context, the innovation department of GRP formed a working hypothesis that there may be systemic barriers to the level of innovation needed to move the needle in climate change. The systemic barriers are seen in the way that aid and development funding is conceived, developed, implemented and evaluated. The work presented here is a start on probing this hypothesis by first looking at the nature of failure and the individual, systemic and organisational responses which present themselves when failure occurs.

The work for this report was conducted from late 2022 to mid 2023 and consisted of:

- Literature review on failure and its link to innovation
- 30+ focused interviews from a cross section of stakeholders operating in the resilience sector
- An multi industry online survey of attitudes to failure
- Presentation of the failure model to selected stakeholders for refinement and applicability

The target audience for this research is organisations active in climate change resilience from any stage of the "funding chain" i.e. from funding to implementation of resilience projects.

The main audience for this report is those designing programs to support climate resilience, including grant funding, climate resilience support “ecosystems'', climate smart investments, sustainable development initiatives which involve resilience, etc. The findings in the report and the conversations around recognising failure which we hope will follow it, may also be of interest to those designing the policy on which these programs are founded. Specifically we see the following as our main audience:

- GRP partners
- Bilateral and multilateral funders
- Foundations
- Entrepreneurs in Climate innovation

We believe the findings in this work are applicable to any sector or organisation working on systemic or complex problems. By this we mean, problems where there is no one clear solution path at the beginning but rather the nature of the problem is that a solution path emerges, based on trial and error testing of the impacts of small changes to the system.

In particular, we feel that multilateral and bi lateral funding agencies should take note of this work in their programmatic scoping and design, as they often have the most impact in removing or damaging failure positive cultures within resilience.

2. Background and context

> *The only way to learn to ride is to fall off the horse. you will have to fail 80% to be fulfilled. every single first kiss on the planet was done by someone facing failure."*
>
> - Climate Change Entrepreneur

2.1 About the Global Resilience Partnership

GRP advances resilience through identifying and scaling on the ground innovation, generating and sharing knowledge, and shaping policy. Resilience, as the capacity to persist, adapt, and transform in the face of change, underpins sustainable development in an increasingly unpredictable world. We envisage an inclusive world in harmony with nature, that is better prepared to cope with shocks, adapt to change, and transform – all within planetary boundaries. Our Partnership consists of 80+ organisations that have joined forces to work together towards this vision. GRP delivers a suite of strategic interventions through three work areas that set out to add value to the work of our individual Partners:

- **Innovation**: GRP identifies, supports and scales on the ground innovation.
- **Knowledge**: GRP generates and shares the latest knowledge, promotes learning and advances research.
- **Policy**: GRP accelerates ambition and action on resilience to shape policy and increase investments where it is needed the most.

Our innovation efforts inform the knowledge we generate, and our policy work is influenced by both innovation and knowledge. We utilise our innovation projects as case studies and examples for research and policy development. The knowledge we generate and share, in turn, guides our approach to implementing innovations on the ground and informs our policy engagements. Working in this way we are able to leverage the full potential of the Partnership and create a whole that is stronger than the sum of its parts.

The GRP approach is founded in strong partnerships and designed to help Partners to collaborate. Collaborations and the activities being implemented help build the capacity of stakeholders in building systemic change that enhances resilience. We nurture group dynamics of trust and mutual support, where Partners know their importance in contributing to GRP's vision. A collaboration of high quality among colleagues is essential. We aim to learn from each other regardless of mandates, roles or responsibilities, in contrast to working in silos.

GRP began working on failure in 2020 through its incubator and published case studies of learning from failure based on its experience with incubated solutions. The aim of the case study **publication** was to share learning and insights from GRP's experience of working with Challenge Funds to drive innovation in resilience practice, by creating a safe space for Challenge Winners to test, learn and adapt their projects.

2.2 Characteristics of Climate Resilience

The world is facing complex, nested challenges such as conflict, climate change, and biodiversity loss and these further compound the difficulties posed by stressed

economic and social systems of countries around the world. Climate Resilience emerged from the need for a new approach to enable people, households, communities, countries, and/or systems to cope with unforeseen events and transform in the face of sudden or protracted crises. Resilience is about having the capacity to persist, adapt, and most importantly transform in the face of change. Any approach that deals with climate resilience can take into account the following:

- **Embrace Complexity and Challenges:** Working to identify the root causes of complex development challenges, and how these can be addressed within the political, economic, ecological, and social systems in which they exist.
- **Recognise Constant Change:** Risks and stresses are becoming increasingly unpredictable, uncertain, and unavoidable. Systems that have the capacity to navigate dynamic and uncertain futures are required.
- **Enable Inclusive Decision Making:** Putting people and communities, especially women and marginalised groups, at the centre of decisions and empowering them to help develop equitable and sustainable solutions. The Locally Led Adaptation Principles underpin justice concerns where power and agency of decision-making is devolved to the level of communities, marginalised groups, indigenous groups, women, other genders, youth and children.
- **Enhance Ecosystems Integrity**: Approaches to development must ensure a good life for all while maintaining the integrity of the Earth's ecosystems.
- **Promote Flexibility and Adaptive Learning:** A rigid or fixed solution will not build resilience for change; approaches need to be adaptive and responsive, constantly learning from what does and does not work.
- **Leverage Innovation and Opportunity:** Developing new solutions and innovations that engage with the complexity of development challenges will not only help build resilience but will be essential to transforming to sustainable and just development.

2.3 Enabling Transformative Change Through Learning from Failure

Climate resilience involves transformative change - i.e. deep societal changes to power structures, knowledge systems, values and world-views - which necessitates a high degree of innovation, and the uncertainty of a new normal requires us to take a hard look at how those of us working in the sector approach failures. This report sets out to investigate the links between failure, creativity and innovation as it applies to climate resilience initiatives.

Our aim is to create a model for failure that can help shape thinking and approaches for all actors in climate resilience. Furthermore, we investigate how failure is perceived throughout the "funding chain" of resilience initiatives from donors to fund managers to support organisations to implementers on the ground and beneficiaries/ end customers who are impacted by resilience projects.

Climate change resilience initiatives are, more often than not, tackling complex problems of a systemic nature. When we look at a systemic issue, the outcome of an action can not be predicted with a high degree of certainty so there needs to be room for experimentation, failure and learning. Complex problems are often not possible to break down into simpler problems or tasks and usually require a high degree of coordination between diverse stakeholders, who may have opposing views on what success looks like - the definition of failure and who gets to decide what failure is, may not be clear.

The overarching goal of this piece of work is to inform organisations on the interplay of attitudes to failure and ability to innovate. It seeks to shed light on the systemic barriers to being more innovative and furthermore to stimulate a conversation within the sector

on how best to design programs for the level of innovation needed to move the needle in climate resilience.

2.4 Embracing failure as a pre condition for innovation

In business, innovation is the practical implementation of ideas that results in the introduction of new goods or services or improvement in offering goods or services. In any sector, innovation is often seen as something that is difficult to agree on, more challenging to promote, yet is universally seen as something everyone wishes to increase. Innovation implies change, and yet, in almost all sectors change is difficult. The same is true in the development and climate space where innovation is viewed through the lens of finding ways to help vulnerable communities protect themselves and their environments from the impacts of climate change. In this space, it is clear that "business as usual" implies that the most fragile populations and ecosystems will be among the first to be affected and likely the most affected by climate change and by policy decisions, decisions which are often made far from where the impacts are felt.

In the development sector innovation has been considered as a linear process, meaning that inputs and actions have known and predictable outcomes. This model does not take into account the context for development programmes and often doesn't take into account all variables, such as economic, ecological and social. The mental model of linear processes does not allow for failure as a normal and expected part of the innovation process, and thus limits the extent to which our projects can be innovative and can therefore truly change our ways of working and doing business: it limits our ability to move away from business as usual. We believe that understanding and valuing failure is a systemic change that needs to be encouraged in order to increase innovation in our sector.

3. Our approach to developing the failure model

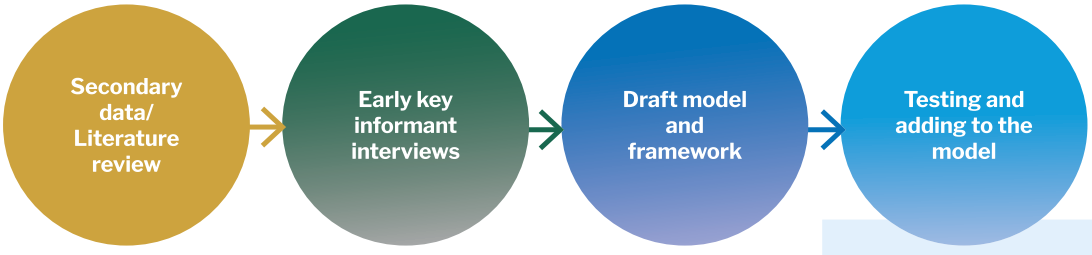
> *Responses to failure are wrapped up in a history of lack of trust on all sides. Funders start with a simplistic view of what their desired outcomes mean on the ground and hear of NGOs defrauding funders. The lack of trust often goes two ways as the NGO assumes there is a sales agenda by the corporate funder. This leads to 1-2 year very strict logframes to rigidly tie the NGO partner to doing things in a planned micromanaged way. There needs to freedom in how to reach the goal.*
>
> *[Additionally] There is a mismatch between corporate and NGOs as quarterly results are meaningless in human development."*
>
> - Corporate Funder Interviewee

3.1 Overview of the Methodology

Failure as a concept covers a wide-range of different disciplines. Our approach builds and expands on existing knowledge and experience from many sectors. All sectors and organisations experience failure, and the influences of those experiences are dependent on a number of factors from the personal to the systemic.

This report was built on a foundation of literature reviews, which provided a framework for interview and survey questions. The interviews were in depth, qualitative interviews, using a standardised interview guide, the outcomes of which were analysed thematically. An evidence review was carried out as a follow up to the interviews, where team members identified further secondary sources and examples in line with the findings of the interviews. The surveys were distributed through GRP communications channels, including newsletters, knowledge platforms and LinkedIn.

Findings from the literature review, the focused interviews and survey were used to dissect elements of failure in climate resilience work, from which we developed a model for thinking about failure. The model was presented to a few key stakeholders for feedback on the usability of the model.



- +30 interviews with expert climate change stakeholders,
- public survey questionnaire,
- sense-checking with partners

3.2 Key findings from the literature review

Innovators have spoken for many years about the importance of failure, driven by the working culture popularised in Silicon Valley through the work of Apple and Google and others. Embracing failure to demonstrate how innovation requires a culture that is open to risk, to learning from failure to enable people to try something out without fear, and starting again when it doesn't work. The meme-friendly stories about fireworks being invested by mistake by a chef mixing spices, Dyson and the thousands of prototypes it took for the vacuum cleaner to be invested, and the recipe for Kellogg's Corn Flakes being the result of a mistake when mixing something else helps spread the concept of "successful failures", bringing up-to-date the old stories of how those who try again, get there in the end - and with substantial financial gains. The literature points towards ongoing discussions around this, with those in the start-up space speaking of the importance of "feeling the fear and doing it anyway" and providing coaching ideas and support to those innovators and entrepreneurs who may feel that although they understand that they should be open to failure, they still have personal issues with it.

Organisational psychologists, such as Amy Edmonson, have taken these concepts and recognised how embracing failure is much harder than it may at first appear.

Edmonson uses a spectrum to identify categories of failure. It is interesting that this categorisation includes a level of "intentionality" on the aspect of failure.In other words, it includes the intention of the person or persons involved in the failure. From the spectrum of failures, we identify three overarching categories: preventable, complexity-related, and intelligent.

- Preventable failures in predictable operations (e.g. industry production lines) are those which have the most identifiable reasons, where lessons can be learned, and where unexpected outcomes are particularly "bad", to use Edmundsens terminology.
- Unavoidable failures in complex systems occur because circumstances are not predictable and the system needs to adapt to create positive outcomes, something which is not always possible. Although serious failures might be avoided by following risk management strategies (for example patient safety protocols in hospitals) process failures are almost inevitable in these complex scenarios, and should always incorporate learning feedback loops in order to continuously strengthen the system.
- Intelligent failures provide information that helps an organisation or system progress and grow. "They (intelligent failures) occur when experimentation is necessary: when answers are not knowable in advance because this exact situation hasn't been encountered before and perhaps never will be again. Discovering new drugs, creating a radically new business, designing an innovative product, and testing customer reactions in a brand-new market are tasks that require intelligent failures" (Edmonson 2011 HBR).

We note that Edmonson's model has complexity "infused" into the scale as part of the definition, i.e. that the scale itself merges the definition of failure with the complexity context that occurs in.

Edmunson takes an organisational psychology approach to consider how organisational structures and behaviours often work against celebrations of failure, and outlines the centrality of human psychology and work-place and leadership cultures in making failure tolerance or failure positivity work in practice. Generally organisation psychology researchers and authors talk of the importance of psychological safety, of structuring organisations to allow people the space to feel safe to fail, and, importantly, of the centrality of setting up learning systems to allow this to happen.

The Centre for Public Impact ("Why failing isn't final": 2017) takes a similar consideration in looking at what failure means in the public policy space, a space in which failure has impact for many more people than a typical organisational failure. They talk of productive and unproductive failures, with a clear focus being on what comes out of the failure so that the results or outcomes of the failure are infused into the definition of failure. In this examination of policy failures scale is also central, with failures on a smaller scale from which learning emerges and is acted upon to make right the issues caused by the initial failure, being seen as the most productive forms of failure.

The discussions on failure in a study emphasise that learning from failure is not automatic or instantaneous, and the process is complicated by interpersonal and intrapersonal factors, including negative emotions triggered by failure (Weekly, 2021). Venugopal's (2018) study further supports this perspective by highlighting the social construction of failure in development, influenced by multiple, changing factors such as beneficiaries, definitions, goals, and indicators of success. The framing and consumption of failure are noted to be influenced by confirmation bias, where evidence is selectively sought or interpreted in ways that align with existing beliefs (mental models), expectations, or hypotheses. Baumard and Starbucks (2015) introduces the concept of "intelligent failure," emphasising that people should choose actions that yield diagnostic information, limit the costs of failure, generate feedback quickly, and focus on familiar domains.

It is also important to consider how failure impacts policy and practice, with a focus on learning and evaluation systems which allow for failure and complexity. Such research outlines how the definitions of and acceptance of the importance of failure can be built into decision-making and implementation, through the creation of human learning systems which enable narratives of progress to feed into evaluation, thus softening the edges of failure. In simple terms, in these systems we concentrate on the "story" of a project rather than only the ending.

The reality of how failure limits, stifles and drives fearful behaviours is clear from the lived experience of those implementing projects and programmes in the world of international development. There are examples of how organisations and funders have tried to embrace failure, but have not sustained such practices due to the practicalities of the funding systems they operate in. There have been many calls from those delivering projects to build structures which see longer-term goals than shorter-term funding and evaluation cycles. Westoby and others (2020) point out that failure in adaptation and resilience interventions is grossly underreported because of the nature of funding cycles, programme design and implementation.

From the literature review, we pick up two main thrusts in the discussions around failure:

- ***Perceptions and definitions of failure*** - What is a failure? How to diagnose when a failure occurs? We found that the literature pointed out that how people respond to failure is a key factor in defining what failure means. Edmunsons failure spectrum is a useful model for this.
- ***The drivers of how we respond to failure*** - Overall, the literature points towards key elements which influence responses to failure focusing in particular on psychological, cultural, structural and

behavioural drivers to responses which emerge at organisational, structural and individual levels.

Along with the above concepts (perception of failure, definitions of and responses to failure and unpacking the drivers to these responses), the literature review showed several key crosscutting themes around the subject of failure as it pertains to climate change resilience projects:

- ***Complexity:*** Not all systems are complex however complex systems have emergent properties that make it (nearly) impossible to predict outcomes. Climate resilience work is operating in complex systems, which should influence our thinking on failure.
- ***Uncertainty:*** Climate change resilience is focused on systems which are constantly needing to adapt and adjust to shocks and stresses from climate-related and other events beyond the control of those experiencing the impacts of those shocks and stresses. Planned projects and programmes are therefore open to impact from external factors and so definitions of failure are central to consideration as to whether or not these projects/programmes have failed, if the failure is in part due to external factors.
- ***Power:*** The business sector has a widely agreed upon definition of success, often based on quantifiable market metrics. In contrast to this, international development and climate change resilience stakeholders often exist in opposition to each other; projects considered a success in the eyes of the donor or implementer can be perceived to be a significant failure for the end-user. Thus defining what is a success and what is a failure is beset by power dynamics and it is often those with the money and resources who define what is a failure and what a failure means.

4. Our model for failure

> *Failure is to be expected when we are working for complex systems and it's quite commonplace in our workspace. But it's not regularly talked about by donors. There's pressure to get short-term results in order to get funding and long term structures aren't really set up to acknowledge and learn from failures.*
>
> *There is a culture of speed over quality and we are focused on the short term. the culture of the way we work has been pretty static over 30 years, and although we are having the right conversations at the strategy layer but its not changing the culture"*
>
> - Interviewee from international NGO

4.1 Introduction to the model

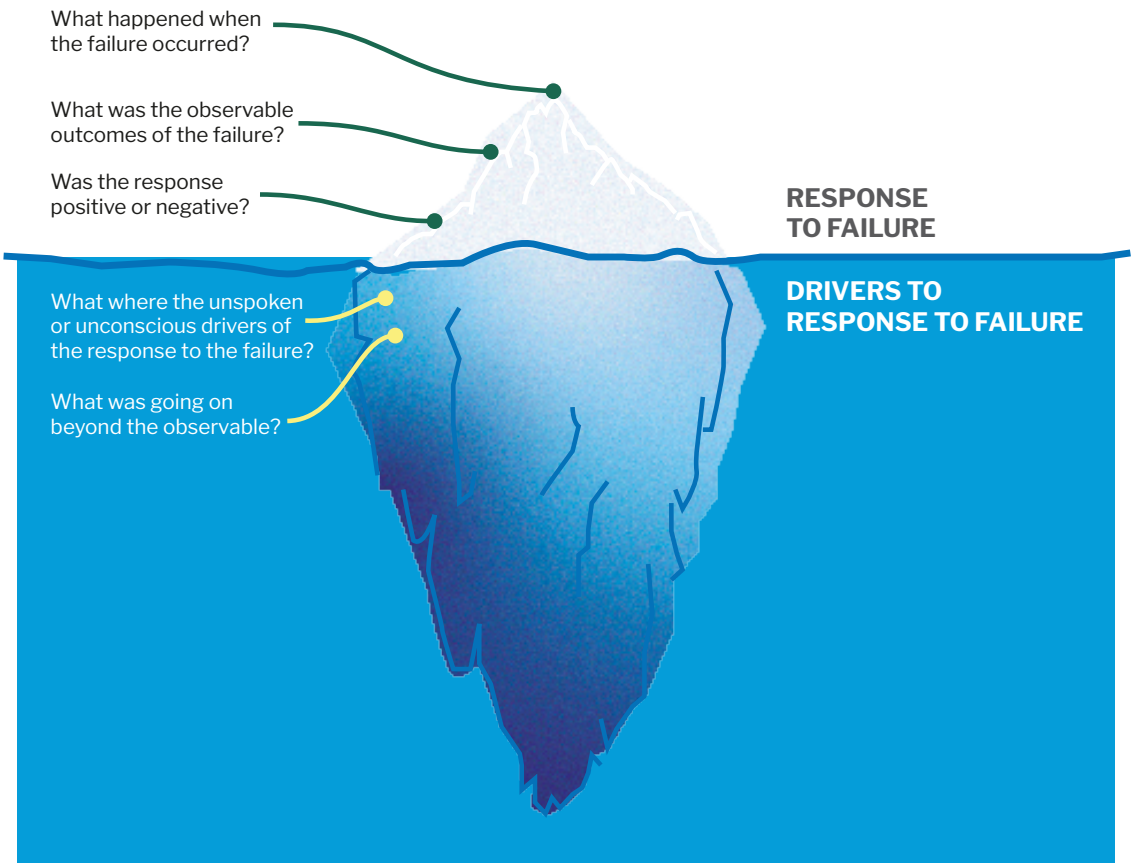
Both the primary and the secondary research provided us with a series of themes which contributed to a multi-dimensional model of failure taking form. The existing literature provided research on types of failure. Our objective was to build a model of what happened when a failure occurred, including:

- Who judges that a failure has occurred?
- What are the responses to the failure?
- What are the drivers to a response?

In considering failure, we need to ground the discussion with some definitions:

- ***Failure:*** We do not define this in totality but assume that some entity or organisation has a failure.
- ***Goal or Outcome:*** Most of the time, a failure is defined in relation to a goal or an expected outcome. This is not the only way to define a failure but it is useful to conceive of a series of activities which are intended to lead to a goal or outcome. All of our models are based on the premise that a goal has been set before activities begin and that progress is tracked towards that pre-defined goal.
- ***Implementation Pathway:*** This relates to steps, waypoints or a sequence of activities which work towards achieving a goal or expected outcome.
- ***Responses to failure:*** This relates to what can be observed when a failure occurs. Responses can be observed at an individual, operational or organisational level. Further details on these levels are given in Section 4.3
- ***Drivers to a response (to failure):*** These relate to the invisible influences or unconscious processes which are working to create a response to failure, such as power structures, mindsets, narratives and worldviews/ mental models.

It was clear that when building a model of failure, we could not look at failure, the responses to failure, or even drivers to failure responses in isolation, nor could we consider failure at only one level but rather on the individual, operational, and organisational. As has been evidenced in the literature review and in our primary research, all of these features interlink: the responses, drivers and perceptions of failure and the level (individual, operational, organisational) at which these take place.



In building the model, it was important to consider the purpose of the model that we have developed and whether it is to be used for learning, diagnosis, correction or planning.

- Do we want a framework that tells us how to learn about and from failure?
- A model that helps us diagnose what has happened in a response to failure?
- Or helps in correcting responses to failure, or one that helps us to plan failure positively into a programme or project?

The answer is that we intended that the model will serve all of these purposes. As the conceptualisations around failure are interwoven, so are the ways in which we should learn to work with failure. We need to learn how to "learn to fail", but we also need guidance on how to drive positive responses to failure, to diagnose why a project has experienced an efficiency-stopping response to failure and what to do when a response goes wrong.

Therefore, we aimed to develop a multi-level model of failure which reflects the key themes from our research, and which would provide foundations on how to think about failure in order to use failure in a productive way. It should be noted that the key themes of power, uncertainty and complexity that we identified in the literature review, exist outside of the models we developed but should be seen as influencing each type of failure. In other words, when looking at a particular failure in the real world, along with fitting it to a particular response model, we should also consider these key themes and how they influenced both the definition of failure and the response to it.

4.2 Modelling Responses to Failure

Given that types of failure have been relatively well covered in the existing literature, we turned our attention to modelling the different kinds of responses to failure. The

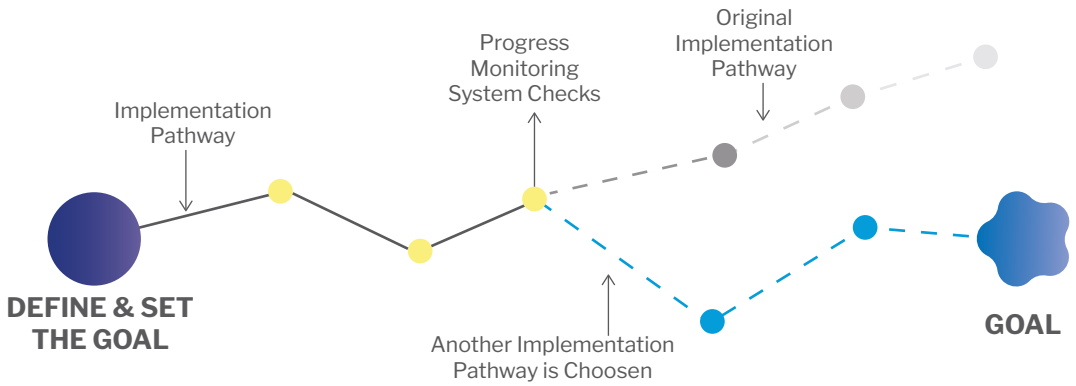
evidence gathering we undertook through literature reviews, GRP case studies and our interviews shows multiple responses to failure within projects and programmes - from the productive/intelligent in which learning is gathered and progress is made - to the unproductive/catastrophic in which people's livelihoods suffer, blame is apportioned and/or stakeholders attempt to cover it up or pretend it never happened. Building on our research we identified three archetypal models for response to failure: Goal Seeking Proactive, One-point Limiting and Continuously Constructive.

All of these models are based on the premise that a goal has been set before activities begin and that progress is tracked towards that pre-defined goal. Each model hinges on response activities in the journey to reach that pre-defined goal. We call this sequence of activities to reach a goal the implementation pathway.

It should be noted that the assumption of a pre-defined goal and a known implementation pathway is a mental model in its own right. This mental model is prevalent in international development, where it is assumed that implementing a known pathway will lead to predictable results.

Goal Seeking Proactive model

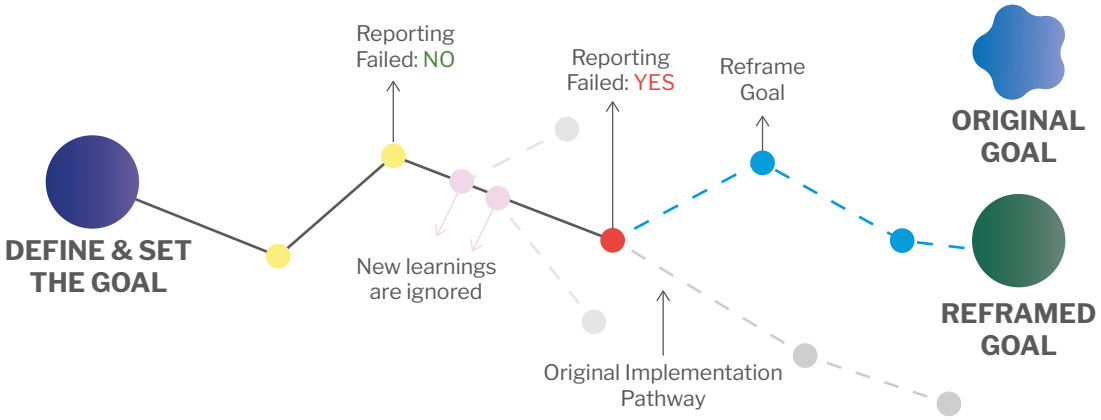
Here the goal remains the same, but when progress monitoring determines that goal not being achieved, another implementation pathway is chosen. The goal must be achieved in order not to fail, but there is recognition that monitoring systems will allow for learning and thereby help guide the direction of the implementation pathway. Such a model requires a robust monitoring and learning system. In this model, other goals (or multiple, possibly conflicting, goals) are not taken into account.



Goal and Path Restrictive

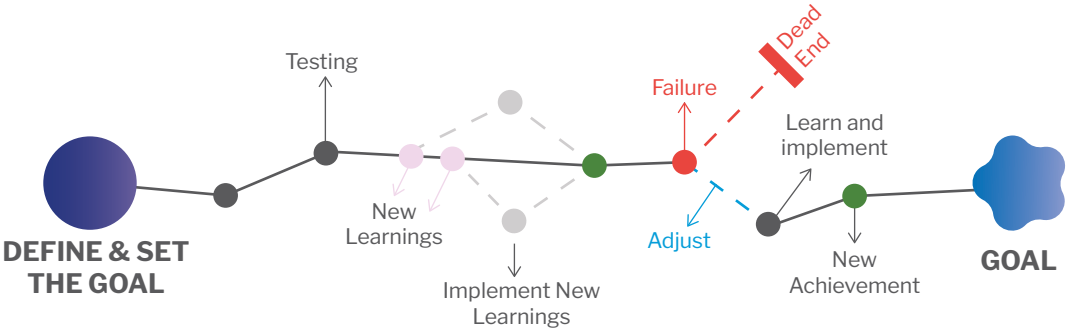
This model does not allow for deviation from the pathway set towards achieving a goal. There is a clear, singular goal, and a pathway to that goal and reporting which will indicate failure if that path is not followed, and the goal is not achieved in the way set out in the programme plan. This project will continue moving forward along the agreed implementation pathway no matter what learning or information is being gathered along the way. If the goal is not achieved, this is seen as failure.

- In some cases, after failing, the goal will be reframed to shift from failure to success and the goal will then be described as having succeeded and the programme will move forward.
- In other cases, that failure will prompt an environmental change or shift which may impact future goals and/or attempts at implementation.An example of this is when a project failure creates a regulatory change which allows future similar projects a better chance at success.



Continuously Constructive

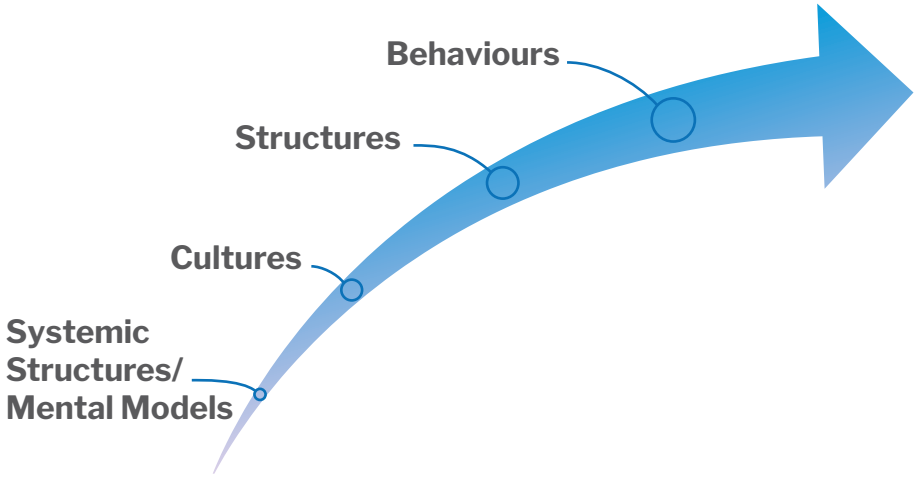
This model shows a process of continuous learning, adaptation and rapid cycle testing, where failure is inbuilt into the process. There is a goal to be achieved which is defined before activities begin, however, as the project process develops, and learning is gathered, the project goal may shift and the organisation or project may pivot and thereby change the goal. There will be recognition of different impacts and achievements, as well as challenges and blockers throughout the project process, so that multiple goals may have been achieved during the project period. Failure, or failing to achieve an expected outcome, is part of this process, as the project is focusing on testing and learning in order to achieve beneficial outcomes rather than rigidly focusing on a pre-set goal or a specific implementation pathway.



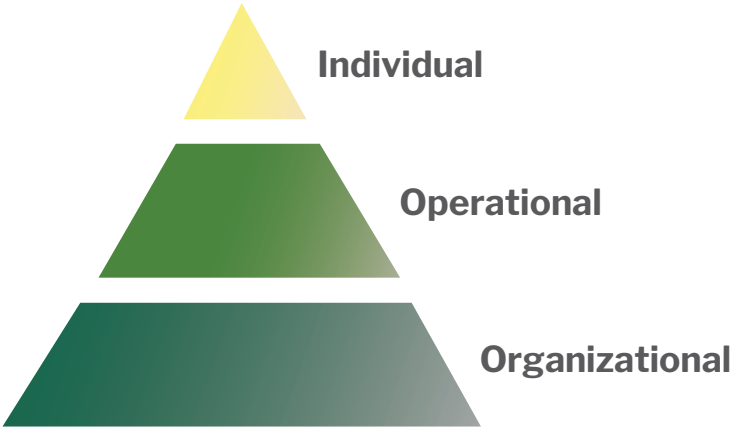
As they are constructed from perspectives on failure, these project archetypes will be recognisable to many, especially in how they approach goal setting, monitoring, learning and outcome reporting. Many in our sector have experienced working on projects where deviation is not allowed, and of those examples of projects in which the goal has not been achieved and a wall of silence appears rather than healthy learning inquiry. The contribution of this research is primarily on how to start unpicking the cultural elements which are driving these unhelpful responses to failure. This throws up another important question: How do some projects end up being “goal or path restricted” whilst others tend more towards being “continuously constructive?”. This line of inquiry focused our team on modelling the drivers to a response to failure.

4.3 Modelling drivers to failure: mechanisms and levels

Our research points towards four different elements driving a response to failure:



The elements of systemic structures and mental models operate at a collective level. This is where power imbalances are born, where racism, gender inequality and disenfranchising behaviours are experienced, where ways of thinking are embedded into systemic structures and therefore into our institutions and organisations. The influence of mental models can be seen in our behaviours: mental models influence how structures are put into place within organisations, projects and programmes and these structures drive behaviours (often through the reward systems we put in place). These systemic structures influence workplace cultures - let's take the example of an organisation with financing and accountability reporting structures which do not allow for experimentation, these structures create an organisational culture in which quantifiable outputs within strict time frames are seen as key, and the impact of activities may not have much focus in the organisation.



The drivers of a response work in different way at different levels:
There may be particular cultures (e.g. geographic, sectoral, organisational) which

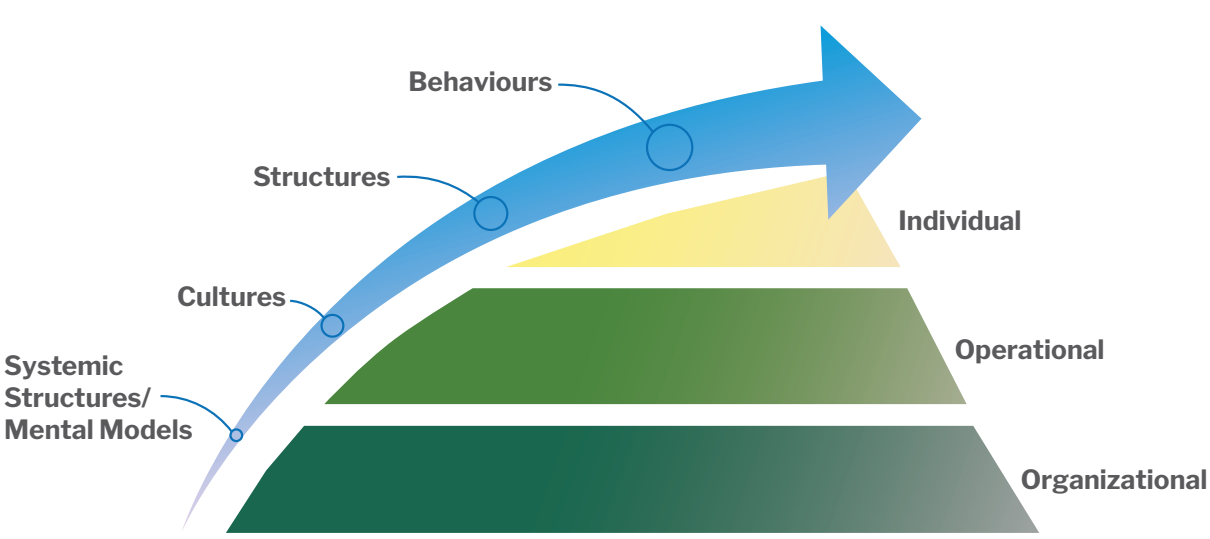
influence a response to failure, but that influence will be observed differently at organisational, operational and individual levels. For example, a culture of high competition may drive a very negative response to failure, and will be observed as follows at the different levels:

- **Individual Level:** Individuals are extremely fearful of failing or losing "rank" in the organisation, resulting in less willingness to share and work with others, and a higher likelihood of hiding mistakes and over-estimating results.
- **Operational level:** A culture of competition is evidenced through bonus schemes or salary negotiations which are based on quantitative outputs or curve grading, and are fiercely guarded.
- **Organisational level:** Where the price of failure is high, management may be more top-down and directive. Where competition is high, departments may avoid working together. The culture may be driven from an organisational or strategic level by highly stretched financial targets, strong ownership of directors by the board and strategic objectives which emphasise achievement of short term goals over longer term learning and sustained performance.

It is necessary to understand how the drivers to a failure response act through different mechanisms and at the three different levels. The mechanisms may be similar, but will be observed differently at the different levels.

There are 4 drivers to a failure response...

...and 3 levels at which drivers can be observed, this leads to a multitude of possible responses to failure...



Working from the understanding that this model provides, and using it to frame evidence gathered from both secondary and primary sources, we can use this approach to set out what the drivers look like in action in a project or program. In the following table, we have used this model to lay out the kinds of mental models, cultures, structures and behaviours that drive constructive responses to failure at each of the levels.

Table: Drivers to a constructive response to failure

LEVEL OF RESPONSE	EXAMPLES OF DRIVERS TO A CONSTRUCTIVE RESPONSE TO FAILURE			
	Systemic/ mental models	**Behavioural**	**Structural**	**Cultural**
Individual	Operating from a mental model where the individual embraces uncertainty and complexity	Open to learning and experimentation; a positive, problem-solving attitude	Clear understanding of focused, adaptable, learning approaches to projects	Open to learning with others, collaborative experiments encouraged
Operational	A learning attitude which recognises that failure is a possibility to be built on	Adaptability recognised as a key strength in recruitment	Containers set up to allow for short-term experimentation	Open communication, transparent feedbacks and assessment
	Recognition of power hierarchies within the team, and what that may mean in relation to fear of failure	Open spaces in meetings to discuss failure as a key learning moment, with leaders discussing their own failures	Longer-term contracts which allow for adaptability and safety to encourage experimentation	Consideration of the perspectives of all members of the team in relation to failure
	Learning from failure is necessary to achieve success in projects	Patterns of documenting, capturing failure in knowledge management systems encouraged	MEL systems that are set up to recognise course-correction and adaptive management as ways to learn from failure	Safe spaces within MEL systems to report failures, positive reporting of learning from failure encouraged
	Investment in failed projects is necessary for effective projects	Donors as partners in process of project design	Financial systems that enable experimentation,	Accountability towards communities, driven by donors
Organisational/strategic	Growth mindset that embraces uncertainty and complexity of context in strategy	Flexibility and adaptability while approaching strategic and organisational goals	Theories of Change allow long-term goal setting complemented by fundraising	Culture of safety, experimentation embedded in organisational strategy
	A strategy that emphasises partnership and collaboration to bring in multiple, diverse and plural perspectives perspectives	Transparency in information flow, collaborative behaviours	Systems in place for consensus building, resolving conflict and driving solutions as partnerships, networks or coalitions	Creation of a safe culture for naming discomforts, open for collaborations with long-term goals in mind.

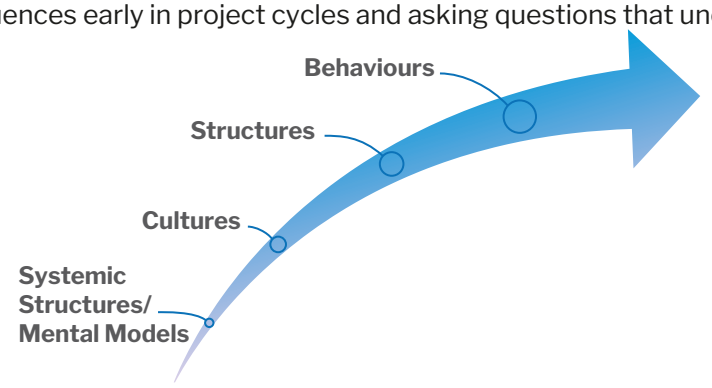
4.4 How to use this model to shift our responses to failure

In developing the model, our overarching goal is to stimulate conversations within the climate change ecosystem on failure and how to incorporate a more failure-positive approach to the complex problems we are tackling. We propose that conversations should happen around all four drivers in response to failure.

We acknowledge that it isn't easy to delineate behavioural, structural, cultural and mental model shifts from each other (mental models and cultures drive structures and behaviours), and similarly for individual and collective (operational or organisational) responses (i.e. individuals make up collectives, and it is very difficult for individuals alone to shift collectives). So while we recognise that the responses and drivers are nested, we have attempted to simplify through examples how these models can be used to shift responses to failure.

Shifting Behaviours

Individual behaviour change faces the barrier of being trained in a succeed-or-quit mode since childhood. The focus on grades in schools in many cultures around the world spills over into the development sector with people trained to aim for success in all that they do. A failure-tolerant behaviour for an individual can actually be inculcated from young ages, but even as adults, it is possible to embed behaviours such as habits of documenting failures in learning processes, learning to recognise unintended consequences early in project cycles and asking questions that uncover assumptions,



encourage experimentation, and promote openness in discussing individual failures without stigma attached to them.

Behavioural changes such as a focus on strengthening knowledge management through time for documenting successes and failures, regular check-ins with the team to discuss failures and learn from them, could drive failure-positive operations.

Finally, for organisations to become more failure-tolerant, behaviours like avoiding linear fixes for systemic problems under external pressures (such as funding or political), taking time to review, reflect and revise strategies and map unintended consequences, partnering with others who may or may not have convergent perspectives, and designing projects with strong elements of justice embedded within project design could be encouraged.

Shifting Cultures and Structures

We consider these two drivers together as culture influences the structures we develop and structures (such as salary incentives, indicators and metrics) influence the culture which emerges. What would a failure-positive culture look like? What structures should be in place to encourage failure-positivity? What changes are needed to our structures in order to become more failure-tolerant?

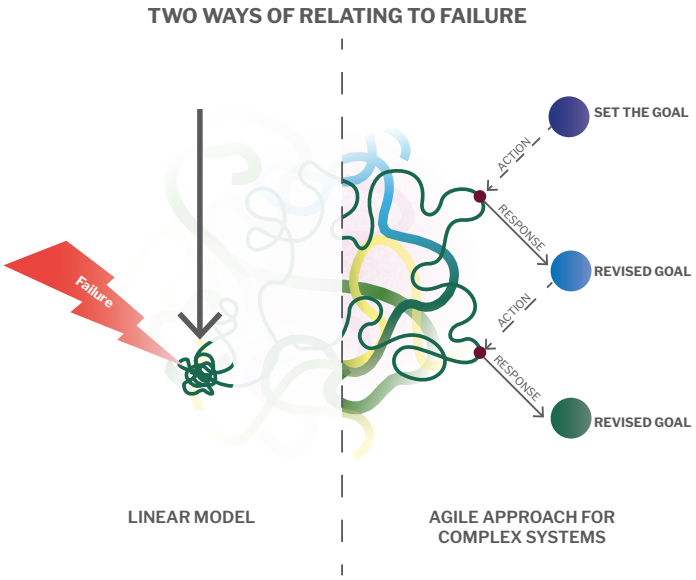
For example, structuring contracts which have defined outcomes and defined implementation pathways as well, is particularly unhelpful and needs to be avoided in innovation contexts. In some development areas, using contracts and fund disbursal mechanisms that focus on the goal or outcome and leave the implementation pathway open have seen good success (e.g. Results-Based Financing), but this might not be fully appropriate for complex problems where the results of actions are not 100% predictable. As a sector, we need to experiment with new structures which allow for flexibility and work in line with a complex system mental model.

Apart from fundraising and contract structures, MEL systems also need to undergo a change to create cultures that are open to learning from failures. Rigid, short-term goals and metrics can act as barriers in shifting cultures towards learning. Safe spaces in process-design that encourage reporting of failure without any stigma or consequences attached, open discussions of individual failures especially by leaders, and embedding of justice, power and agency to learn from failure within accountability structures can shift cultures for organisations, operations and individuals.

Shifting Mental Models

Shifting our response to failure in the context of climate change resilience will involve actions on several levels and is likely best done from the deepest level of the model "upwards". In other words, we suggest tackling mental models/ systemic structures first. All actors involved in climate change resilience need to ensure that those working in the sector understand the nature of the problems we are working on. In essence we need to ensure mental models that embrace uncertain and complex systems rather than "linear" understanding of systems are built for failure-positivity across individuals, operations and organisations in the sector.

In case of the climate resilience projects, literature states that there is a gross underreporting of failures. We tend to either continue to intervene in a business-as-



usual manner despite failing to show impacts (by changing indicators and metrics that suit this demonstration of "success"), or we hide failures entirely by not discussing or reporting them at all. Issues such as conflicting donor priorities, perceived competition in attaining future funding rounds, etc have been reported as reasons for these behaviours in the sector. The underlying paradigm or mental model driving these behaviours is that adaptation and resilience interventions are linear systems with direct cause-and-effect relationships. This mindset leads to a brittle programme design where failure breaks the flow of the implementation pathway towards the goal, due to the inherent complexity and iterative nature of adaptation and resilience interventions. By embedding learning feedback loops within the programme design, we can learn to embrace failure as a learning moment, and "expect" it to happen through a process in which we are interrogating a complex system through experimentation in order to gain new information which can show the next step in an emergent implementation pathway or give a clearer picture of the likely end state or outcome of a set of actions.

Towards more failure-tolerant climate resilience programming

Creating an environment which is more constructive in responding to failure depends both on gaining acceptance of the need for failure from 'upstream' stakeholders (such as donors, organisation leaders) and ensuring fragile 'downstream' stakeholders (such as implementers or communities) are protected. It should be clear why funding partners need to agree on the expected level of failure in activities they are funding. Less obvious sometimes is that highly vulnerable and fragile stakeholder communities and customers may see failure as final and lead to a community giving up entirely on a problem that the project attempted to solve. It has also been observed that even a "good" failure, where the learning aspects are appreciated, might have catastrophic impacts for some individuals, especially at community level.

We visualise a funding stream for climate resilience, which is very often driven by government policy and public money, as consisting of monetary flows originating in government and passing through some intermediaries on the way to a project, programme or business which serves communities in regions highly affected by climate change. Stakeholders to the left of each box hold the financing decision for stakeholders to the right, and strongly influence how the work done by stakeholders to the right is judged (monitored and evaluated).

There are also flows of information between stakeholders, which are not modelled here

for the sake of clarity. The frequency and style of communications vary greatly between each set of stakeholders and it is likely that information can get miscommunicated and distorted along the chain. Issues of power, uncertainty and complexity impact information and communication along the chain as well. For the purposes of examining the failure model, we have set aside further consideration of the information flows but this should be kept in mind in our conversations on failure positive climate resilience projects.

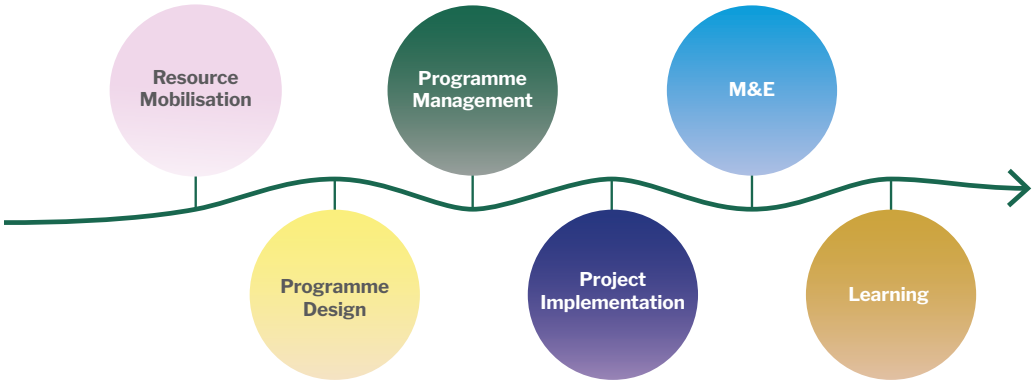
Note that this is a generalised model, not all steps are seen in any one funding flow and funding also comes from private entities (foundations, CSR funds etc) as well as government. Very often funding by private entities is governed by the opinions of the board (in case of philanthropies, Corporate Social Responsibility funds, etc.) or shareholders (in case of equity funding), so the same model can also work in the case of private funding.

5. Recommendations & Conclusions

> *"What if we were to create forums on failures as often as we talk about successes? If we can't have failure discussions in stable democracies where no one gets killed [for discussing failure], how do we expect other countries to do this? We need to identify and create space for the partners to talk about failure."*
>
> - Interviewee from a Bilateral Donor

5.1 Recommendations for Programme Cycle

The process of climate change resilience programmes and projects typically can be divided into five phases and there are different recommendations on creating constructive responses to failure for each phase over the programme cycle. The recommendations below are strongly rooted in the experience of the interviewees and the learnings from their stories of constructive failure responses in the climate resilience sector. These recommendations cut across the drivers to drive constructive responses to failure.



The recommendations for a climate resilience programme cycle that is constructive towards failure are as follows:

- **Resource Mobilisation**
  - Mental models that drive accountability towards communities can be driven by donors
  - Learning from failures can become an important cultural shift driven by funders by organising convenings, encouraging reporting and creating a culture of safety and collaboration rather than competition for resource mobilisation.
  - Contracts with pre-defined goals and implementation pathways can be avoided, and instead funders can focus on co-creating programme design for emergent outcomes, pathways, and goals.
- **Programme Design and Management**
  - A focus on long-term impacts rather than short-term gains is critical for mental models that embrace the complexity and uncertainty of climate resilience
  - Structures for Monitoring, Evaluation and Learning
  - A fundamental paradigm shift from "Go fast, work hard" to "Go slow, work smart" is needed. Elements of systems change in programme management can be included by

identifying unintended consequences, embracing complexity, uncertainty and power dynamics, and iteratively acting on leverage points for systemic action.

- MEL structures can reward learning and experimentation rather than success and failure of reaching target metrics only. Safe spaces for learning from success and failure in experiments can be created as a part of the culture of reporting, rather than rigid standards and benchmarks that only capture the binary of success and failure.
- Power dynamics in programme design and management can be addressed through "Downward accountability", i.e. programme design for communities can be co-created with communities as decision-makers rather than beneficiaries.

- **Implementation**
  - A mental model that embeds failure as a necessary part of the process of experimenting for implementation, while embracing the unknowns in the system with humility is important for implementation of climate resilience projects.
  - A culture of trust and transparency between implementing partners, communities and donors would foster collaboration, partnerships and working towards common long-term goals, rather than competition for near-term gains.
  - Monitoring, Evaluation and Learning
  - Learning-oriented growth mindsets or mental models could shift how MEL systems can be designed.
  - Systems that provide safe spaces for reporting failures, rapid learning cycles and experimentation are important for failure-positive MEL.
  - Operationally, MEL systems can include narrative shifts in outcomes through harvesting and work towards directing support (and funding) towards "failures" rather than "success stories".

5.2 Recommendations for the organisations in the climate resilience programming ecosystem

In reflecting on recommendations for organisations, we considered that the concept of power has been discussed in this report at various stages. We have discussed power in terms of who has the privilege to fail and who stands to bear the consequences of the failure in climate resilience programming. Therefore, we wanted to highlight specific recommendations for organisations playing different roles in the climate resilience programming ecosystem.

- **Donors/ Funders**
  - Create a culture where failures can be discussed and understand how much your upstream stakeholders (shareholders, tax-payers) will support a failure-positive culture.
  - Where donors are government entities: Start the dialogue with the public and taxpayers on the nature of climate resilience and complex system work. Building trust with the public will be key to your ability to engage in innovation.
  - Set the scene by ensuring that you are clear on how you define success, and what failure means to you.
  - Be systematic about building a failure-positive culture and build time for reflection and learning from failure into the project expectations, metrics and outcomes.
  - Normalise talking about failure and make sure your hiring criteria, promotion criteria and performance evaluations support this.
  - Consider learning approaches to monitoring and evaluation - making sure that Monitoring & Evaluation is always Monitoring, Evaluation AND Learning - and that responses to learning are valued highly.
  - Acknowledge the need for patient funding to avoid unintended consequences in the longer term, providing a safe space for testing and failure without consequences on funding.

- **Intermediary Organisations (usually international or local NGOs)**
  - Act as champions of failure; slower, more effective project implementation and programme management and metrics that prioritise learning as well as outcomes.
  - Initiate and convene upstream-downstream conversations on failure within the funding chain model. Hold space for the necessary conversations on becoming more failure tolerant.
  - Shift practices of programme management and project implementation towards slower, systemic efforts that embrace power dynamics, uncertainty and complexity rather than emulating donor pressures towards grantees to achieve known outcomes along predetermined implementation paths.
  - Convene platforms for peer-peer learning for failure, encourage innovation in climate resilience processes and solutions

- **Project Implementers and Resilience Entrepreneurs**
  - For leaders in implementing organisations: open up to your own failures.
  - Be very clear with your funders what the problem you are tackling is, what your approach to failure will be and how you are going to learn from what you are doing. Expected learning outcomes are a good idea to track, alongside KPIs.
  - Understand and communicate what safeguards you have put in place to keep stakeholders safe, especially when working with vulnerable communities.
  - Start with a learning system and feedback loops in mind, taking into consideration what this means for your organisation, who you need to involve, how you will work with your team, what culture is needed. Develop MEL systems that are strong on the L, ensuring you are capturing what it is you need to know in order to keep moving forward.
  - Build workplace cultures where people are at ease with change and learning and failure.
  - Be prepared to demonstrate what you have learnt, and what you have done with that learning.
  - Stakeholder engagement is key to dealing with failure - we need to understand the consequences for our range of stakeholders, so work with them from the start to understand the boundaries for experimentation and what failure means for them.
  - Project planning and implementation should have balance between the long-term (to avoid externalities/ unintended consequences) and the short-term (to ensure interest from all actors)
  - Avoid introducing highly innovative products, services and projects to highly vulnerable populations where failure may alienate or negatively impact the community.

- **Community Organisations and Representatives**
  - Resilience is the ability to navigate surprises, changes, and failures that come with such uncertain, complex problems. Community organisations and their leaders could support communities through facilitating power dynamics within communities
  - Act as listeners and facilitators for community-centric efforts instead of acting as knowers of solutions and champion community knowledge and traditional solutions to upstream stakeholders.

Finally, irrespective of which role your organisation takes in the climate resilience sector, the following recommendations are for you, the reader of this report:

- Start the discussion around complex system and failure positive culture within your organisations and your partners
- Create and participant in a cross sector working group(s) on failure, innovation and climate resilience
- Understand the needs and limitations of your upstream and downstream stakeholder and start the conversations on what embracing failure in your programs would need

5.3 Conclusions and Next Steps

In order to promote innovation and safe spaces for learning from failure in climate resilience, changes need to be made to the way we design, fund and implement projects. These changes need to take into consideration the complex, uncertain, systemic nature of the environments and contexts in which climate resilience projects are implemented. **This report, thus, is a call to individuals, organisations and the development sector as a whole to shift behavioural patterns, operations, cultures and mental models towards failure.**

The models presented in this document serve as "conversation starters" for a core group of first movers in climate resilience funding, convinced of the need for the above-mentioned shifts. Our intention has been to highlight failure-aversion as a main barrier to innovation in complex systems change projects that we fund and implement, rather than to set out prescriptions with regards to solutions. Through the structured interviews for this research, we found many professionals across different organisations climate resilience who understood the importance of talking about failure and who are motivated to have conversations about failure in their own organisations. These individuals form the potential for acting as first-movers in bringing about changes needed in how we treat failure in the sector.

In the conversations that we have had to develop this report, we realised that many of our audiences and participants have pointed out the helplessness they experience as individuals who are part of failure-averse systems in trying to shift towards constructive ways of dealing with failure. We therefore set out recommendations for the programming cycle as well as for actors within the climate resilience and development ecosystem to outline actionable items, which are feasible in climate resilience programming.

The power dynamics of failure have consistently surfaced as a key theme in this report. We recognise that typically, the onus of recognising and treating failure constructively is on "upstream" actors such as funders and intermediary organisations, while communities and implementers stand to face the consequences of failure. We would therefore like to raise a particular call to action for donors and intermediary organisations, who have the power and privilege to fail, to shift patterns, structures and mental models to create reflective, nimble, just systems that embrace failure as a necessary part of processes within uncertain and complex contexts.

Finally, we suggest further research into trust, innovation, failure and individual psychosocial resilience of climate resilience professionals in navigating through failures as next steps. Future research to expand on the primary survey used in this report would also add value to research on attitudes and perceptions of failure among climate resilience professionals. We encourage the readers of this report to use the models and the taxonomy of failure used in this report to start conversations within their organisations. We also encourage that these conversations close the learning-into-action loops in climate resilience programming and policy processes such as the Global Stocktake, while using the recommendations outlined in this report as a guiding tool to create more constructive cultures around failure.

> *"This is a very very important discussion and vital to what we want to achieve in climate change. Talking about failure is the only way to get between climate doom and doing nothing."*
>
> - Climate Change Entreprenur Interviewee

Research References

Articles and Publications

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- **Why failing isn't final: A new taxonomy of failure in government**, Centre for Public Impact, BCG. 2017.
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- **Organizational resilience – When rules find their limits**. Elmar Kutsch, Mark Hall and Neil Turner. Whitepaper 2015.
- **Leveraging SETS resilience capabilities for safe-to-fail infrastructure under climate change.** Kim, Carvalhaes, Helmrich, Markolf, Hoff, Chester, Li and Ahmad. Current Opinion in Environmental Sustainability 2022.
- **Facing failures: A framework for understanding and identifying failure in international development**. Leanne Zeppenfeldt. MSc Thesis, Wageningen University. 2020.

Website Links

- **WEBINAR | Failing Productively in Systems Change: Key Mindsets & Practices**, Tamarack Institute.
- **A summary of Growth and Fixed Mindsets**, by Carol Dweck.
- **Failing forward: how to encourage sharing of what is not working**, ODI.
- **Using "FIXES THAT FAIL" to get off the problem-solving treadmill**, Systems Thinker.
- **FailForward** - A Failure Consultancy
- **Failconomy** - Collections of lessons from startup and other failures
- **Failfestival** - Events to speak about failure in international development
- **https://www.admittingfailure.org/** - Resource website with stories of failures by EWB Canada

Appendixes

A.1 Project Primary Research in Detail

A1.1 Research Approach and Sources

The primary research carried out for this report took two forms:

- Targeted one-on-one interviews
- An online survey disseminated by email and social media

Interviews

A set of in-depth, qualitative interviews were carried out with a selected sample of people, identified through recommendations of the team and wider colleagues and the sample respondents focused mainly on those working in climate change resilience and related areas. Our aim was to talk to people who had extensive experience as either funders, implementers, innovators or business leaders, with representation from both the Global North and the Global South, and different gender and professional identities. Diversity in the respondants was considered to be particularly important considering power as a key context for experience of failure.

A short interview guide (6 questions) was established, building out from the findings of the literature review. Through the interviews, we aimed to gather first-hand perspectives on the key themes that had emerged from the literature review, as well as to expand those findings and to identify case studies and stories to illustrate emerging concepts in failure. 30 interviews were carried out, and thematic analysis was undertaken.

Survey

A survey was carried out in order to gather high-level data on attitudes to failure from a range of different industries and sectors, in particular to understand the differences in responses across those different industries and sectors. The online survey was disseminated through GRP social media and through the personal and professional networks of failure team members. 93 responses were received.

A1.2 Interviews: Key Findings

Our interviewees were selected from a range of different professional and personal contexts with climate resilience and related areas, nonetheless the understanding, experiences and accounts of failure were remarkably coherent across the interviewees. As a whole, the interviews tell a story of conflict between understanding how things should happen, and seeing how they actually happen in relation to failures. That conflict, demonstrating how structures and institutions sometimes work against what is known to be the required positive and human response is clearly understood. However, some organisations are attempting to tackle this mismatch, whereas in others (often where power over financial sustainability is less strong) there is less agency in making those decisions.

Failure is negative if it is attached with shame and treated as an outcome or a result of an intervention, but is immensely helpful if it is attached to learning and treated as part of a process of learning and achieving a larger outcome. In the past decade, a large shift in the way we treat individual failure has been noticed on social and conventional media (NY times, CV of failure, LinkedIn, etc), and to a lesser extent organisational failures, especially in the innovation and start up sectors (The Failure Institute, F**k Up Nights, Fail Fests) but this examination doesn't hold universally true for organisational failures. A collective examination of or reflection on failure is difficult when behaviourally, we have been trained to fix accountability for the success (or failure) of targets. Metrics - and therefore, accountability - for success (and therefore, failure) are fixed for the hierarchy of organisations that are involved in funding, designing and implementation efforts of any intervention, thus making it difficult to be nimble in learning from failure especially when dealing with complex systems. Thus, we find it difficult to learn from organisational or strategic failure.

The learnings from all interviews is structured into key findings in three areas:

- Perception of Failure (Individual and Workplace perceptions)
- Responses to Failure (Positive and Negative)
- Drivers to Responses to Failure
-

A1.2.1 Perceptions of failure

Our findings on interviewees' perception of failure are organised into what the interviewees personally thought of the word "failure" and what they estimated the attitude to failure was in their current organisation.

On an individual level we found the following reflections on failure:

- Failure assumes that we know what the solutions/right answers are - which we don't in complex systems
- Failure depends on criteria of success
- Judgement is implicit in talking about failure - and who decides on what is a failure and what isn't?
- Failure in development is often more about compliance and management than anything else
- There is shame and blame attached to the word failure
- Failure can be opportunity to learn
- Unncessarily negative connotations - emotionally loaded word
- Attitudes to failure driven by attitudes to risk and context

'You generally learn more from the failures, because the failures were the more difficult the more innovative things that you were trying to do."

'I feel negative about it and maybe that's a product of upbringing and maybe a byproduct of western democracies that we need to succeed. The initial feeling has been replaced by failure as a learning process and this speaks to the structure of high-risk projects. The impact is inherently risky and we can't see it only through a financial lens. we shy away from failure but we need to embrace it to move the needle.."

When asked about their perceptions on the attitude to failure in their workplace, we gained the following insights:

- Workplace attitudes to failure depends on leadership, culture and status
- Balancing impact of failure on different stakeholders is difficult
- There are no Incentives to talk about failure
- Generally a negative perception
- Individual failures might be ok, but organisational/project failures not - as linked to funding
- It is a privilege to be allowed to fail, so it depends on who fails
- "Give it a go" cultures do exist - mostly amongst innovative start-ups.

'Failure has niversally has a negative context which is disappointing given that we need innovation. we are an organization of fund managers and that drives the attitude towards failure. This flows into our donors as well - we had a metric of hitting 40% failure [in our investments] but our actual failure rate was lower. I believe that was a failure because it indicated that we invested in companies that were too safe." - Interviewee from Impact Investment

'We want to see active evidence of people learning lessons, and rather than just, we failed, and we move on, but understanding why they failed and what actions they need to take to do things differently in the future. And I think that's the most difficult bit for our business is that when an idea fails, we as the institution, and certainly the donors are inclined to try and bury it."

Interviewee from a Donor organisation.

A1.2.2 Responses to failure

When a failure occurs, there is a reaction or an observable response to that failure at individual and organisational level. We asked interviews what they thought a negative response to a failure would look like, and equally, asked them to share what positive response to failure is from their perspective.

The interviewees saw the following as indicating an negative response to failure:

- Tendency to look for and place blame for the failure
- Funding pulled, project stopped after a failure
- Learning not gathered or shared
- Ignoring what has happened and moving on
- Failure can have an individualised impact - people losing themselves in the process
- All deviations from a single predefined plan are projected as failure
- Not recognising that what has happened is a part of the puzzle - which is definitely the case when dealing with complexity
- "Spinning" what has happened to make it appear as if it was not a failure

Our interviewees were then asked to think about what positive responses to failure would look like:

- Learning from the failure
- Adaptation - something about the task, project or individual changed as a result of the failure
- Promoting a culture of safety (psychological) in place to allow for growth and learning from the response
- Treating the failure with empathy
- Flexibility in structures to allow for adaptation and learning
- Reflecting on of when the project or activity could work, and how it could work in the future rather than seeing the failure as final
- Reflecting on what the outcome looks like from multiple perspectives - what are the impacts for different stakeholders? How do we make the outcome safe for all stakeholders?

'I take the lens that we try a different way, and we succeed in a different way, or we approach a different perspective on a particular effort, then I wouldn't call it failure. And I think that there needs to be much more long term ambition behind this kind of initiative. It needs consistent longer horizons, from visionary leaders and investors and, and support groups that are willing to allow failure within a much longer time horizon"

Examples:

1. An interviewee worked on a project which aimed to establish better farming inputs for a set of poor communities, based on the assumption that affordability was the main problem, as they observed people buying small quantities and resources being controlled on a community level authority structure. However, as the project evolved and failed to achieve results, they uncovered that market based affordability wasn't the issue and it was about social capital and social risk management. They also found that training wasn't the problem in relation to supply chains, it was trust. The project dealt successfully with this failure because the project was envisioned as a learning journey from the start, rather than the implementation of a solution, devised without community input. Because of this, adaptations to the program could then be made.

2. Another interviewee spoke of an investment in an organic fertiliser company in East Africa. It was found that there was no legislation that allowed for the investment to happen. The company therefore moved to another country, but the fact that the investment was removed from the original country resulted in that country implementing a regulatory reform process and legislation was changed.

A1.2.3 Drivers to responses to failure

Our interviews asked respondents to think about WHY an individual or organisation reacts the way they do when faced with failure. Why do some people/ organisations respond positively and others do not? What is driving their response to the failure? What might be happening beyond the observable response? Overwhelmingly, our interviewees cited that the driver to responses to failure is related to organisational culture, which is driven by leadership, and that their response is often driven by funding and type of organisation.
Other drivers to a response to failure identified through our interviews were:

- Personal context - differences in personality and personal attitude to failure
- Perceptions of linear progress which are not useful for complex systems

- Unrealistic goals
- Donor pressure and public perception/ voters opinion (in the case of governments)
- Metrics and reporting systems
- Consequences of failure - what are the costs of failure for the individual or organisation
- Status/power feeds into how a person or organisation will respond to failure
- Risk appetite drives how failure is viewed
- Shame and fear can drive highly negative responses to failure
- Level of psychological safety at organisational level is an important driver of responses to failure

'I guess my background from an operational perspective is really about understanding things that might happen and mitigating them. So a negative response is failure to prepare, in itself, failure to prepare for failure.[havingna mindset of], 'I don't understand where things might go wrong" [and] Not having mitigation strategies to prevent those things, but also not thinking about what mitigation and adaptation means"

'In different societies, the consequences of being a failure are lesser or greater. In more developed societies, there's a safety net. In others there isn't. So if you fail, and you're consistently seen as a failure, then the chance of you coming to a fairly sticky end is reasonably high.:"

A1.2.4 Themes emerging from examples of failures

We asked interviewees to share a specific example of a failure in their organisation or career that was handled, or responded, to positively. We then asked interviewees for their opinion on what factors drove the positive response to failure. We looked for commonality in the drivers to the positive response and in what happened as a result of the failure. Overall, when the response to failure is positive, it leads to change of some kind. In terms of the drivers to positive responses, broadly what allowed or enabled a positive response was that there were systemic characteristics of either the organisations or the programs that allowed failure.

What happened as a result of the positive response?

- The organisation learned from it and/ or integrated learnings into the eventual solution to the problem
- It resulted in shifts in part of system that was stopping things from working
- The organisation understood better what collaborations were needed
- The donor changed their reporting and metrics requirements
- The organisation or company pivoted/adapted
- The organisation tried new partnerships

- The organisation understood the issue better and from a wider stakeholder perspectives
- The organisation devised new ways of working

What drove those responses? Why were the people and organisations in the example able to adopt a positive attitude to failure?

- The donors of the project were open to experimentation
- Leaders were open to learning from failure and creating a culture which allowed for it
- The project was set up from the start to have a clear vision/goal on what problem was being tackled and allowed for consideration of multiple solution pathways
- Having very good learning systems in place
- Great links with M&E to support learning
- Being able to explain what had happened and why
- Creating a safe space for test and learn approaches
- Trust had been built up between the team and with leadership

A1.2.5 Conclusions from Interviews

Our interviews targeted individuals working in diverse areas of climate change resilience and related areas. There was a high degree of consensus among our interviewees, that failure is best approached as part of a learning journey towards an eventual solution path and that one of the main drivers needed to promote a failure-positive space was the organisation culture (and related metrics/measurement). Finally, the interviewees showed broad agreement that there were sector wide improvements needed to allow more failure positive approaches to projects, programs and funding and that this would lead to better outcomes in the climate resilience sector.

Additionally, our interviewees were very engaged in the topic of failure and showed interest in being involved in a cross sectoral community of practice in promoting failure positivity.

A1.2.6 Interview Guide Questions

Q1: Interviewee name, organisation and position (note if anonymity requested)
Q2: What do you think of when you hear the word failure?
Q3: When you consider a positive response to failure, what do you see?
Q4: Likewise, if you envisage a negative response, what does that look like?
Q5: What do you feel to be the general feeling around failure within your workspace?
Q6: What do you think drives a response to failure? What have you seen driving a response to failure?
Q7 A: Can you give an example of a situation in which failure was addressed positively?
B What happened as a result?
C What helped that to happen?
Q8: Do you have anything else you would like to add to this discussion?

A1.3 Online Survey: Key Findings

The primary research carried out for this report took two forms:

- Targeted one-on-one interviews
- An online survey disseminated by email and social media

In this section, we discuss the results of the survey. Whereas, our interviews were primarily for those with exposure to climate change resilience, the intent of the survey was to get responses from as wide a selection of participants as possible, working in many different sectors.

In including the survey, we wanted to see if there were variations in the attitudes to failure in people working in different sectors such as Public Sector, Corporate, High Innovation Settings (universities, R&D labs, business sectors known for innovation), NGOs and others. Examples of the driving questions behind the survey were:

- Would we see commonality in attitudes to failures among people working in the same sector?
- Would respondents in innovative contexts have different attitudes to failure than average? Would they have different attitudes to failure than people working in climate resilience?
- What conclusions or correlations could be drawn on attitudes to failure across sectors?

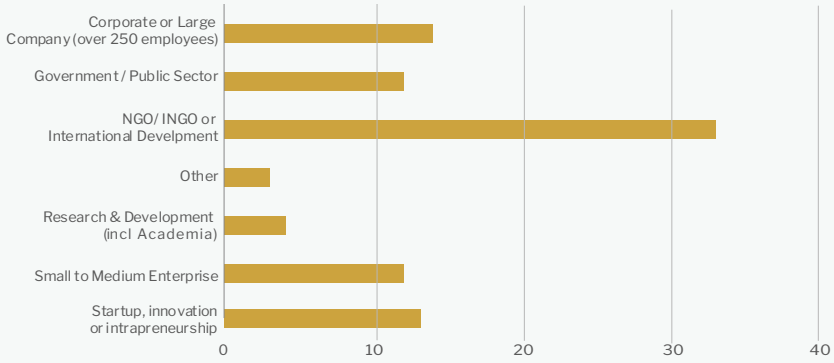
The survey was sent on social media channels of GRP and reshared by the team to their personal and professional networks. The response rate was low (90 surveys) and it is recommended that the below findings are taken as directional only and not statistically significant. The survey was not in the initial scope of the report and was an add on which the team worked with to verify hypotheses, we recommend a more wide ranging study to verify these initial results.

A1.3.1 Survey Questions

Q1: For a highly innovative project, product or company, what is your estimate of the failure rate? [Ans: below 25%, 25-50%, 50-75%, Above 75%]
Q2: How often does your sector promote professionals with a history of two or more failed projects/ programs/ products or companies? [Never, Rarely, Frequently, Very Often]
Q3: How often are failures documented and discussed in your sector? [Never, Rarely, Frequently, Very Often]
Q4: How often have you witnessed your organisation learning from failure/ failed project, programme or product? [Never, Rarely, Frequently, Very Often]
Q5: If you were put in charge of a project or programme or product with above 80% chance of failure, would your future career prospects be a large concern for you? [Yes, No, Other]
Q6: What sector do you work in? [Large Corporate, SME, Startup/ Innovation, , R&D, Academia, Public Sector, NGO, creative or Performance Arts, Other]
Q7: As part of your work, are you currently engaged in any of the following industries? [Pharma, Medtech, Consumer Goods, IT/Blockchain/MobileApp, Startup Ecosystem]
Q8: How many years of working experience do you have in the industry/sector in which you are currently working? [0-5 years, 6-10 years, 11-20 years, 20+ years]
Q9: What is your position? (Optional) [Employee, Founder, Senior Manager, Executive (c-suite), Other]

Due to the low number of responses, we regrouped the original 8 categories into 4, by aggregating similar sectors. Private sector groups SMEs and Large Corporates, Innovative areas groups startups, innovation, academia and R&D. Most respondents were from the Private Sector, Government/ Public Sector or NGO sector.

Failure Rate

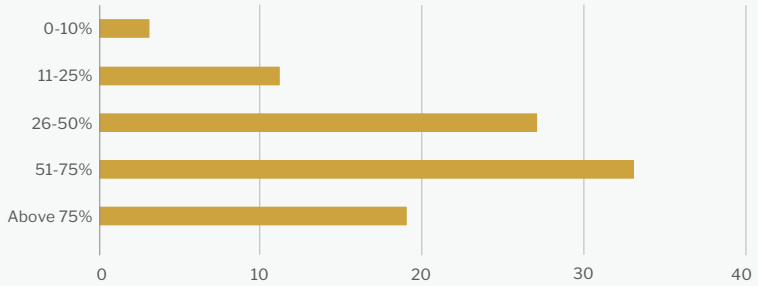


We've grouped the main findings under the following categories:

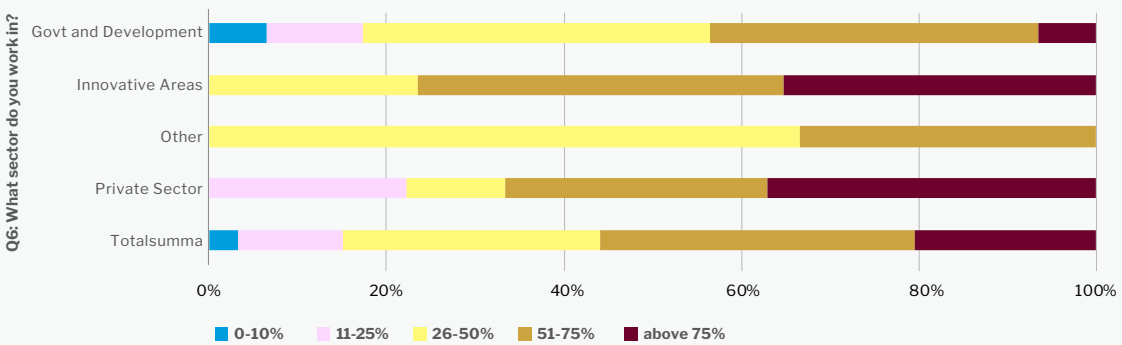
1. **Understanding of Innovation and expected failure rates in innovative projects**
2. **Evidence of Learning from Failures**
3. **Opinions on the career implications for involvement with failures**

1. Understanding of Innovation and Failure Rates: Most highly innovative projects have a failure rate of over 75% though most respondents thought it was in the 51-75% range. We also saw that respondents working in innovation and startup feel that failure rates are higher for innovation than those working in International Development and NGOs.

For a highly innovative project, product or company, what is your estimate of the failure rate?

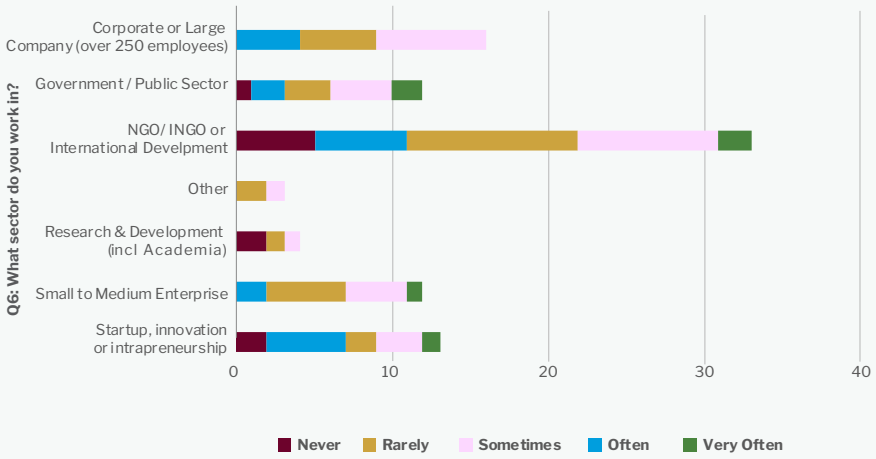


What do you estimate is the Failure Rate of highly innovative projects?

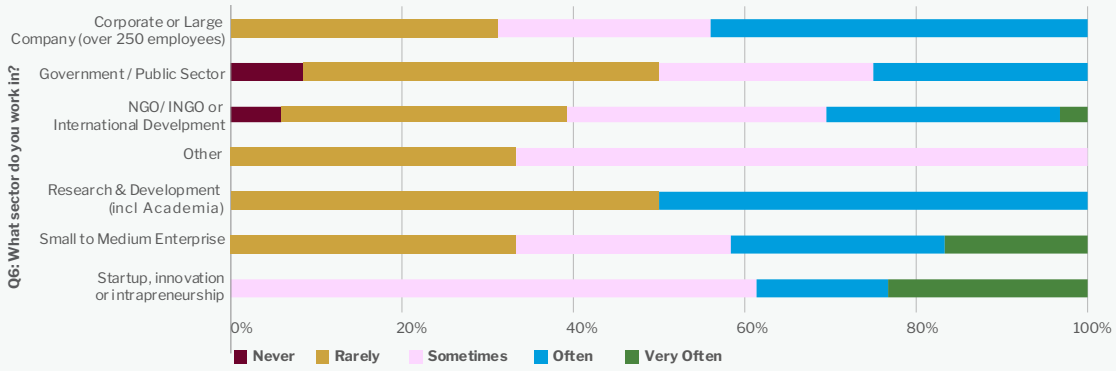


2. Learning from Failure: In most sectors failures were discussed at least some of the time. From the results of our respondents, it seems that organisations in all sectors do learn from failure but our results suggest it's not a systematic process given that the range of responses was quite broad. On the whole, organisations in innovative sectors appear to be most likely to learn from failures, which matches the fundings in the literature about the links between innovation and failure. We did not find a very big difference between the likelihood to learn from failure in sectors other than innovative sectors, most showing over 60% of respondents giving an answer that learning happened either Never, Rarely or Sometimes. The survey defined learning from failure as observing a change in behaviour or ways of working as a result of the failure.

How often are failures documented and discussed in your sector?

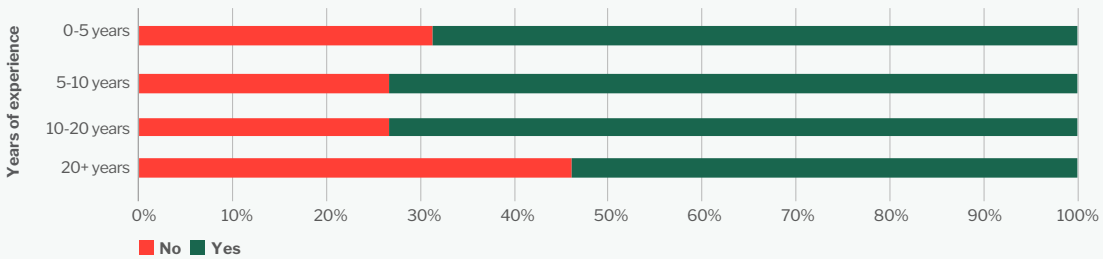


How often have you witnessed your organisation learning from failure/failed project, programme or product?



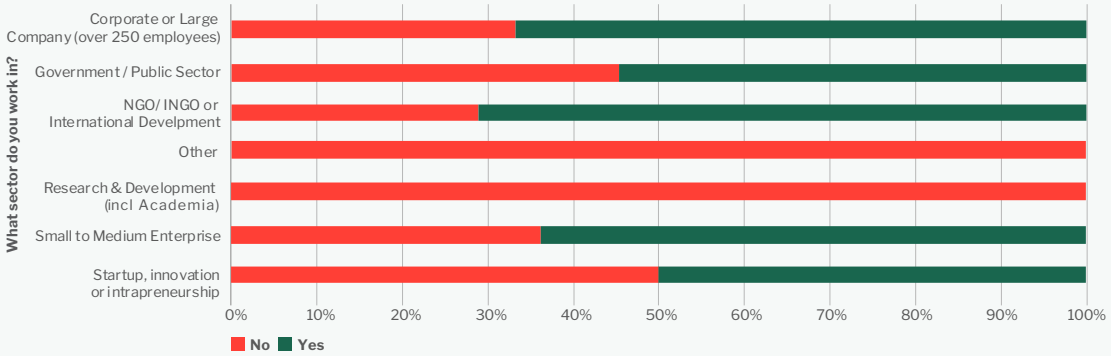
3. Career implications of failure: Twice as many of our respondents (58%) were worried about their career progression if they were involved in a failed project, than those who were not worried (28%) about their future career. We found that those at the beginning and in late careers were slightly less worried about failure than those who had 5-20 years of experience.

If you were put in charge of a project or programme or product with above 80% chance of failure, would your future career prospects be a large concern for you?



NGO/ International Development respondents were on the whole more concerned for their career prospects if they were involved in failure and almost 25% more concerned for future career than innovative sectors.

If you were put in charge of a project or programme or product with above 80% chance of failure, would your future career prospects be a large concern for you?



A1.3.2 Conclusions from the survey

This survey shows a partial picture of how attitudes to failure vary across sectors and between people in different stages of their career. The intent was to understand directionally where the attitudes of individuals in climate resilience varied or were similar to people working in other sectors, and in highly innovative sectors in particular.

Our results showed:

1. Respondents working in innovation and startup feel that failure rates are higher for innovation than those working in International Development and NGOs
2. On the whole, organisations in innovative sectors appear to be most likely to learn from failures. However we did not find a very big difference between the likelihood to learn from failure in sectors other than innovative sectors, most showing over 60% of respondents giving an answer that learning happened either Never, Rarely or Sometimes.
3. Respondents in most sectors showed concern for the career implications of failure. NGO/ International Development respondents were on the whole more concerned for their career prospects if they were involved in failure and almost 25% more concerned for future career than innovative sectors.

The survey was completed in a limited time and needs many more responses to build statistical significance. We suggest further work with a more comprehensive sample size and a specialised survey team, to dig deeper into attitudes to failure and to validate the findings presented above.

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