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**Meeting the Challenges of
Value Chain Development**

A Learning Event

***Learning and Evaluating Within
Dynamic Systems***

Welcome

Simplifying the complex

Measuring the dynamic

Adapting the approach



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TED VIDEO

http://www.ted.com/talks/eric_berlow_how_complexity_leads_to_simplicity.html



Session Learning Objectives

- Discuss challenges & emerging approaches to learning, monitoring and evaluating dynamic, complex projects to ensure adaptive management and maximum development impact
- To explore the inter-dependent relationships and good practices among implementing, evaluating and learning related to value chain projects
- To review USAID's emerging focus on learning, collaborating and adapting as critical components of the program cycle
- To share results thus far with respect to the effectiveness of the value chain approach in providing sustainable development impacts
- To discuss models, approaches and mechanisms for integrating learning at activity, project, program and Agency/organizational levels
- To strengthen stakeholder collaboration in the areas of evaluation, learning and adaptive management as related to value chain development and market facilitation



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Session Learning Objectives

*To find **a-ha** moments...*

Session Flow

Welcome	Lane Pollack, USAID
Learning and Evaluating within Dynamic Systems	Stacey Young, USAID
Outreach, Outcomes and Sustainability of Value Chain Projects	Elizabeth G. Dunn, Impact LLC
8 Lessons Learned in AMAP Impact Evaluations	Don Snodgrass
Sustainability Indicators: What Next?	Zan Northrip, DAI
<i>BREAK</i>	
Learning & Impact: A practitioner example	Scott Yetter / Carlene Baugh, CHF
Learning Models, Approaches and Practices <i>World Café</i>	Brandon Szabo, IRG/KDMD
Takeaways and Wrap-Up	Panel



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Session Roles

- Tour guide
- Thought leaders
- Facilitators
- ***Participants***



And now

Let's get started....



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And now

Stacey Young
USAID



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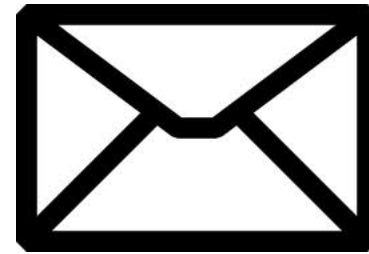
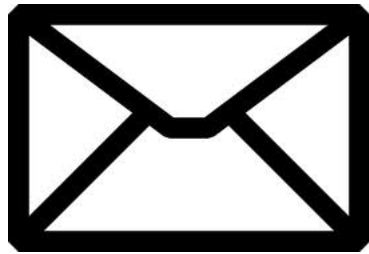
Learning, market facilitation, and aid effectiveness

February 7-8, 2012

Stacey Young, PhD
Senior Knowledge Management Advisor
USAID PPL/LER

Why learning? Why adapting?

And how do they fit together?



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Evaluation

There is considerable skepticism among AID personnel regarding the usefulness of evaluation — skepticism stemming in part from the lack of a generally accepted, limited definition of evaluation; in part from an historical tendency to equate evaluation with fault-finding; in part because of the remote relationship in the past between evaluation and program planning and execution; [and] in part from the belief that AID's limited resources can be allocated more profitably to other activities.



Short Quiz: Date?

2008

2012

1995

1965



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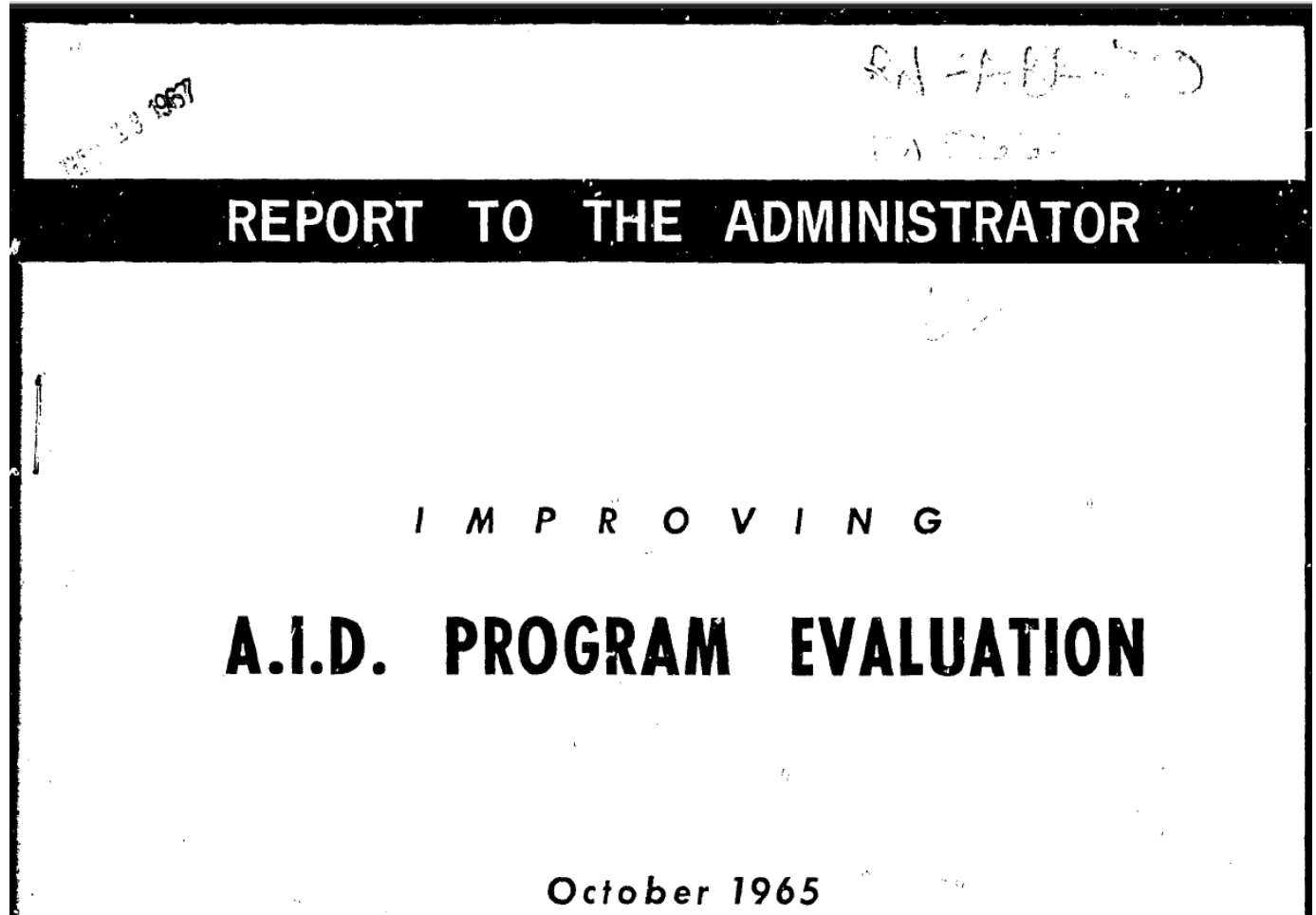
<sigh>

2008

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What to do?

- ✓ evaluation defined – new evaluation policy
- ❑ evaluation = fault-finding – learning/accountability tension
- ❑ remote relationship between evaluation and project planning & implementation
- ❑ belief that resources are best used elsewhere



Implementation



the sad tale of the target that trumped results

static planning

misconceived accountability

IP management/Donor failure to learn and adapt



What's happening here?

Static planning vs. dynamic environments

- Theory of change/strategy, project design and implementation all assume significant predictability and stasis
- Development efforts take place in uncertain, dynamic contexts

This mismatch is a critical obstacle to effectiveness in development programs



Activity Level

Example: market facilitation approach

Goals are set – action is not aimless

Test interventions iteratively

Invest in feedback loops -- observe and analyze, feed results back into next test

Maintain conditions for feedback loops to work:

- strong internal culture of encouraging feedback and making it count in terms of iterative course correction
- empowerment of staff
- incentives for analyzing and sharing observations and learning, etc.



Project Level

- new project definition
- in practice, collaborating, learning and adapting will be the glue that make the project more than the sum of its constituent activities
- implementation and learning will need to focus on:
 - seeking synergies
 - locating your work in relation to others' and tracking their trajectories
 - sharing what you're learning (technical and contextual)
 - pushing your leaders to fund and support this work
 - figuring out how to demonstrate the benefits of it and reporting on that up through the organization



Organizational Level

1. attachment to results, not proxies and plans
 - dynamic, not static
2. rejection of false dichotomy of accountability vs. learning
 - fund, plan for and reward learning
3. extended view of partnerships – donors, implementers, “beneficiaries” **and other country actors**
 - facilitation, country-led development



Sustainability

Catalyzing learning among local actors

Donor support is one of the dynamic factors—not static/assured

Country-led, country-owned development requires it



USAID Strategic Learning Plan: Goal

To leverage collaborating, learning and adapting to increase the effectiveness of USAID's development efforts



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USAID Strategic Learning Plan: Objectives

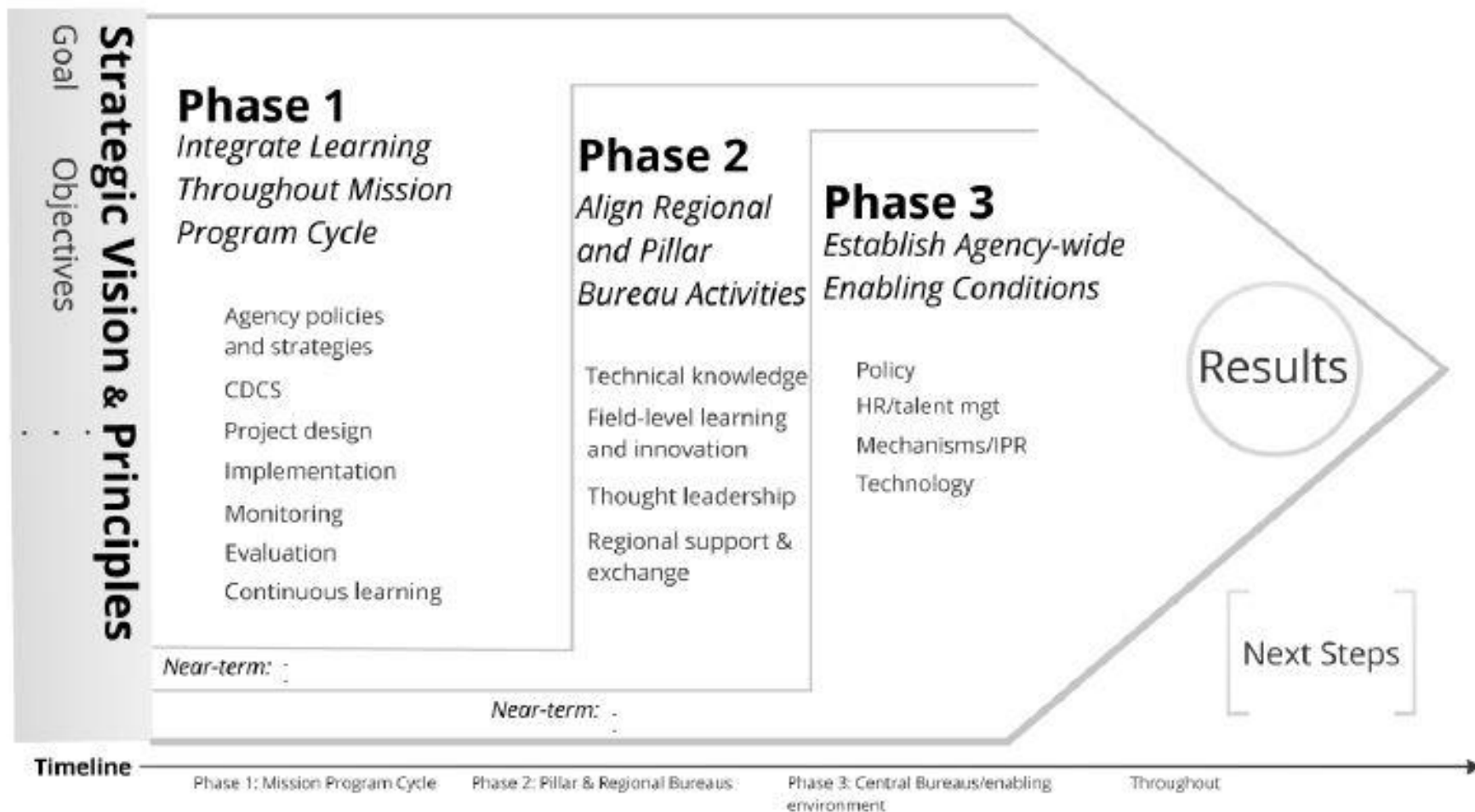
1. improve the quality and relevance of USAID's development practice by grounding it in evidence and making it **quickly adaptive to new learning and changing contexts**
2. extend USAID's influence and ability to leverage other actors' resources and actions
3. **catalyze learning among country development actors to build capacity and facilitate country-led development**



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USAID Strategic Learning Plan (draft)



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Implications

- market facilitation embodies much of what this plan aims toward
- some missions are beginning to think through how to operationalize these objectives
- we need your help in articulating facilitation approaches and the processes you use to implement them





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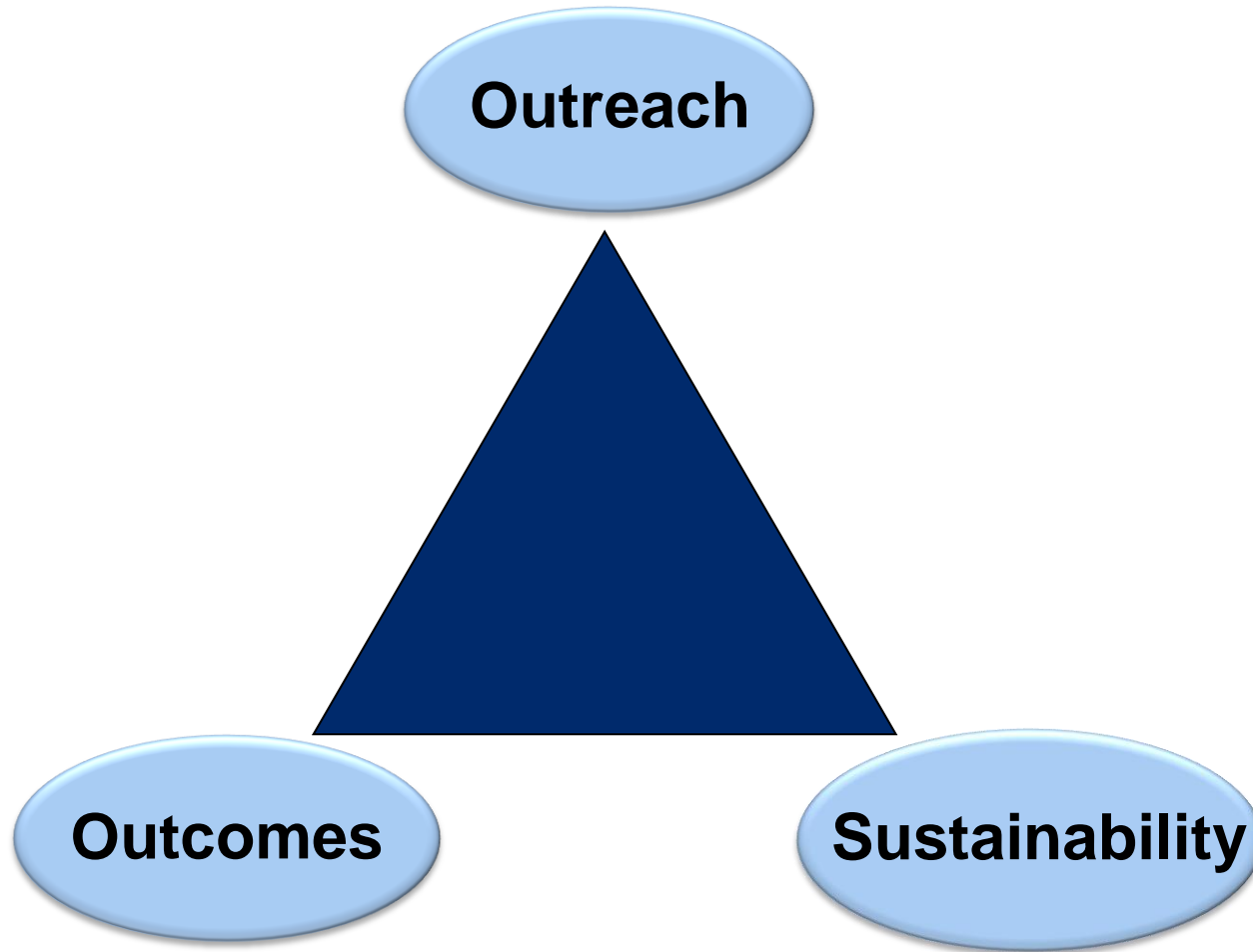
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Outreach, Outcomes and Sustainability of Value Chain Projects

Elizabeth G. Dunn, Impact LLC

Triad of Project Effectiveness

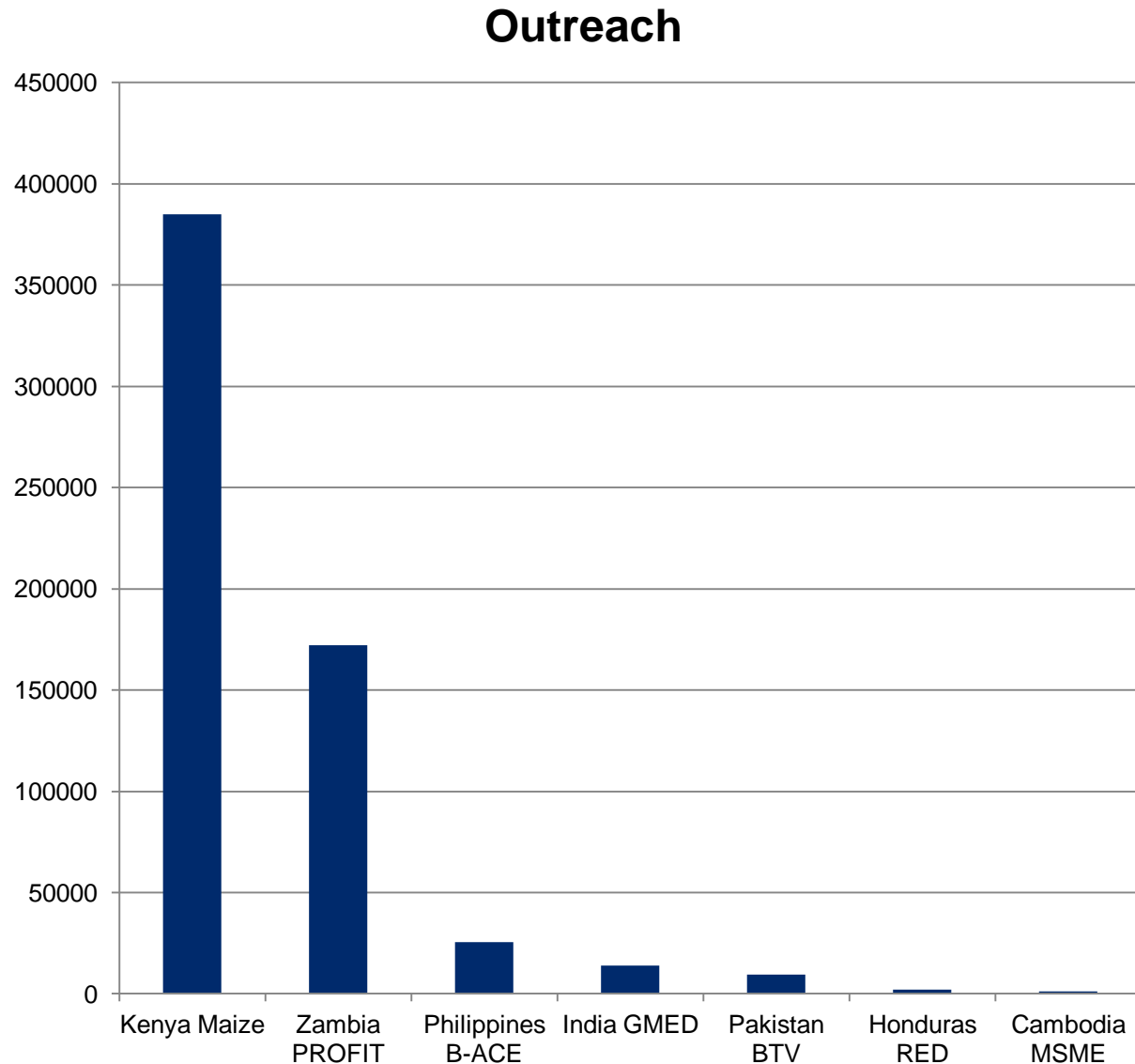


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Outreach

- Measured as number of beneficiaries
- Surprisingly hard to compare projects
 - Different sizes and types of firms
 - Different outreach categories

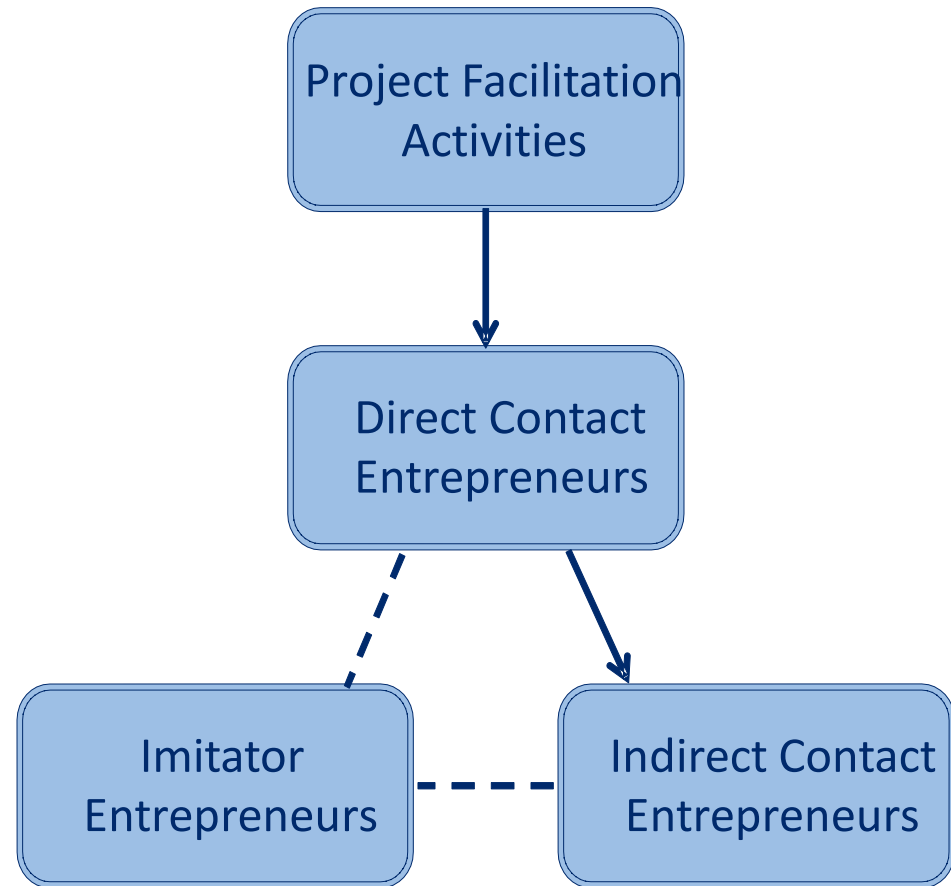


Types of Outreach

Direct contacts: traditional beneficiaries who interact with project activities

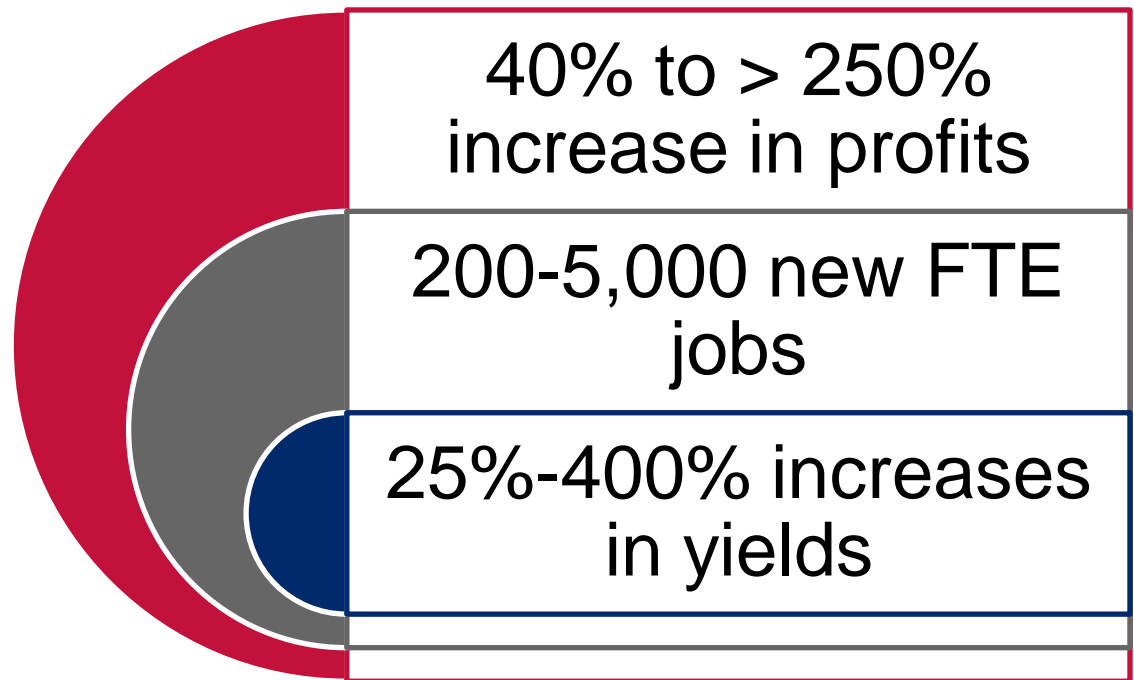
Indirect contacts: firms with commercial/market linkages to direct contacts

Imitators: firms that benefit by copying new practices (“demonstration effect”)

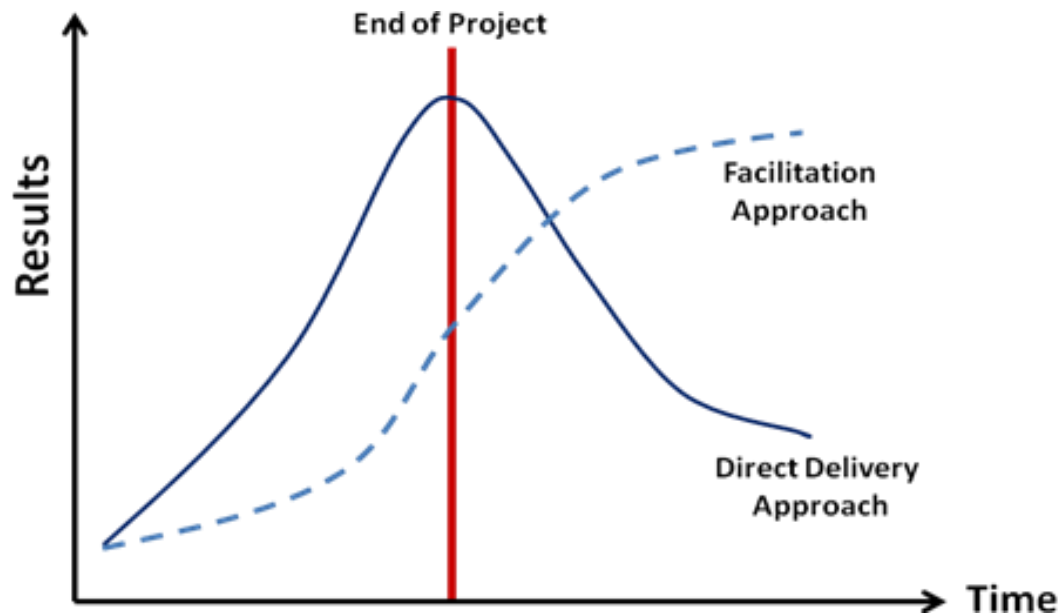


Outcomes

- Can occur over short, medium or longer time periods
- Outcomes that have been “proven” to be caused by the project are called “impacts”



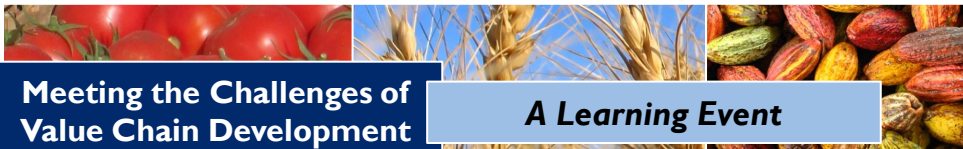
Sustainability



Does facilitation approach imply that outreach and outcomes appear more slowly but last longer?

Firm behaviors that might predict sustainability:

- Demonstrating more responsiveness to end markets
- Experiencing win-win relationships (building trust)
- Upgrading beyond what project had introduced



Conclusions

Projects reviewed:

- **Have extensive outreach**
- **Exhibit positive economic and social outcomes**
- **Likelihood of continued growth and development beyond life of project is enhanced by systems approach and indirect facilitation**



Conclusions

Q&A



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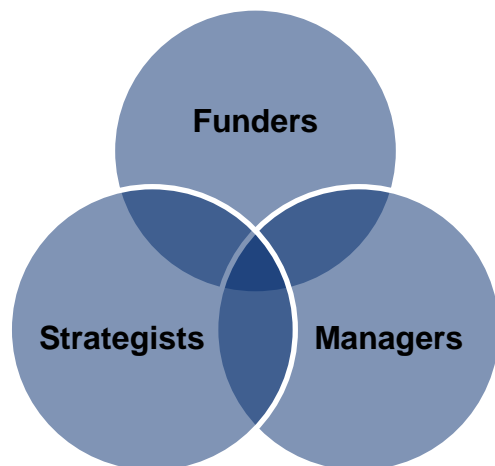
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8 Lessons Learned In AMAP Impact Evaluations

Don Snodgrass

Lesson #1: Impact evaluation is important

- Important parties want proof of results



- To meet these demands, credible impact evaluations are needed
- Doing this for VC projects poses big challenges but we are learning a lot



Lesson #2: The activity should determine the evaluation method

- Not the other way around; programming is paramount, evaluation important but secondary
- Goals of VC projects
 - Increase competitiveness
 - Upgrade MSEs to fight poverty
- Projects use facilitation approach
- Evaluation tries to measure impact, not just outcomes
- Evaluation methods differ for each goal



Lesson #3: Having a good causal model is critical

- To be able to learn whether you achieved the desired impact, start with a clear plan



- Project impact is measured by comparing outcomes to counterfactuals



Lesson #4: No good VC project is implemented as originally planned

- Things happen during implementation:
 - Markets change
 - Business environment changes
 - Natural shocks occur
 - Learning takes place
- Good projects react by modifying planned activities and causal models
- Impact evaluation design must accommodate these changes



Lesson #5: Good VC projects have benefit spillovers

- If the project delivers valuable information and services, word will spread
- Programmers want this; evaluators gnash their teeth because it is hard to find a control group



Lesson #6: A credible counterfactual is important but can be hard to find

- There may be no good counterfactual for the VC competitiveness goal
- Participation varies in kind and intensity
- At the micro level, there is a debate over random vs. quasi-experimental methods
- Academic debate has emphasized the need to achieve internal validity but external validity is also important



Lesson #7: The degrees of evidence approach helps resolve the dilemma

- It may not be possible to *prove* the impact of a VC project
- But we can look at different forms of evidence (e.g., qualitative as well as quantitative) to gauge the preponderance of evidence on its *likely* impact



Lesson #8: It is important, but difficult, to measure likely sustainability

- Projects seek sustainable change but we can't see the future; some of what we can see may not be sustainable
- Look for actions to upgrade business and boost future production, such as:
 - Investment in physical capital
 - Investment in human capital
 - Investment in business relationships
- See handout on indicators of likely sustainability



Conclusion

- This is just part of what we have learned in AMAP
- More and better impact evaluations will lead to further learning
- Thank you and let's discuss



Sustainability Indicators Discussion

Zan Northrip

DAI



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***Learning and Evaluating Within
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Welcome Back

What we were talking about?

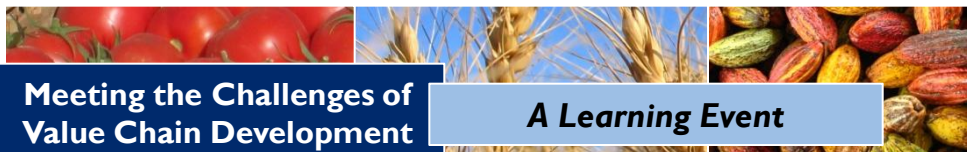


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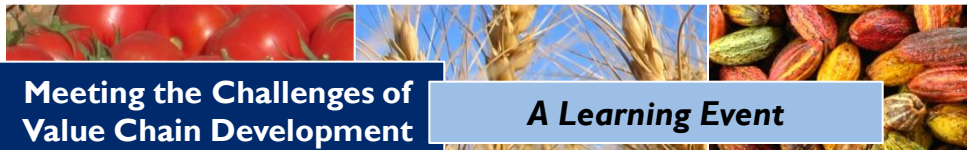
Session Flow

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Learning and Impact: *A Practitioner Example*

Scott Yetter & Carlene Baugh
CHF



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KM and VC Institutionalization Grid:

***A Tool for Assessing Change at an
Organizational Level***

Carlene Baugh and Scott Yetter, CHF

Background

- CHF International
- **New Partners in Value Chain Development**
 - 3-Year, USAID-Funded Learning Program through KDMD (Knowledge-Driven Microenterprise Development)
 - **Focus:** *Institutionalizing Value Chain and Knowledge Management Practices*
 - Managed by Economic Development Unit and Office of Knowledge Management and Evaluation



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Background

- **GROOVE** - *“Growing Organizational Value Chain Excellence”*
 - **Learning Network** – CHF, CARE, Conservation International, Practical Action
 - Focus: Contribute to Value Chain Knowledge and Practice in the areas of:
 - Capacity Building of VC Staff
 - M&E for VC
 - Learning about Learning



Institutionalization Grid

- **Purpose:** Gauge Value Chain and Knowledge Management knowledge, attitudes and practices in five areas:
 - *Organizational processes, use and development*
 - *Knowledge management/sharing*
 - *Performance analysis and program adjustments*
 - *Knowledge of Value Chain*
 - *Knowledge sharing about the value chain approach*
- **Source:** Adapted from McKinsey Institutionalization Grid; Tailored for VC/KM



Institutionalization Grid (cont.)

- Role in Project: Baseline Assessment
- Process:
 - “Pulse Taking” by External Consultant
 - KM Survey Conducted
 - VC Survey Conducted
 - Analysis of Data
 - Scoring
 - Repeat in Final Quarter of Project



Table 1 Institutionalization Grid

Dimensions	Clear Need for Increased Institutionalization (1)	Basic level of Institutionalization in place (2)	Moderate level of institutionalization in place (3)	High level of institutionalization in place (4)
Organizational processes, use and development	Limited set of processes for ensuring effective institutionalization; use of processes is variable or processes are seen as ad hoc requirements (paperwork exercises) but no monitoring or assessment of processes	Basic set of processes in core areas for ensuring efficient functioning of organization; processes known, used and truly accepted by only portion of staff; limited monitoring and assessment of processes with few improvements made in consequence	Solid, well-designed set of processes in place in core areas to ensure smooth, effective institutionalization; processes known and accepted by many, often used and contribute to increased productivity/impact; occasional monitoring and assessment of processes, with some improvements made	Robust, lean, well-designed set of processes to ensure that key process lessons translate into operationalization; processes are used and accepted and are key to ensuring full impact of institutionalization; continual monitoring, assessment, and systematic improvement made.
Knowledge management/sharing	No formal systems to capture and document internal knowledge	Systems exist in a few areas but either not user-friendly or not comprehensive enough to have an impact; systems known by only a few people, or only occasionally accessed/used	Well-designed, user-friendly systems in some areas; not fully comprehensive systems are known by many people within the organization and often used	Well-designed, user-friendly, comprehensive systems to capture, document and disseminate knowledge internally in relevant areas; all staff is aware of systems, knowledgeable in their use and make frequent use of them
Performance analysis and program adjustments	Internal performance data (evaluations, lessons learned, best practices in the program life cycle) rarely used to improve program and organization	Internal performance data used occasionally to improve organization	Effective internal performance analysis occurs but largely confined to selected pockets of people; lessons learned distributed throughout the organization, and often used to make adjustments and improvements	Comprehensive internal analysis part of the culture and used by staff in operations; systematic practice of making adjustments and improvements on the basis of lessons learned and results, and new standards
Knowledge of Value Chain	Minimal knowledge and understanding of the value chain approach	Some knowledge of value chain principles and relevance to economic development	Knowledge of value chain principles; relevance to economic development; and how value chain applies to the program life cycle	Extensive knowledge of the value chain, including application to CHF programs, standards, principles and giving each economic development program a value chain lens
Knowledge sharing about the value chain approach	Little or no learning or knowledge sharing of the value chain approach	Some knowledge sharing and learning of the VC approach	Knowledge sharing of value chain principles; relevance to economic development; and how value chain applies to program life cycle	Extensive knowledge sharing of the value chain approach, including program design, development, implementation

Conclusion

Questions/Comments?

Presenters:

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Carlene Baugh, Monitoring and Evaluation Technical
Specialist

cbaugh@chfinternational.org



Learning

Learning Models, Approaches and Practices

World Café

Brandon Szabo

IRG / KDMD



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Stakeholder Engagement: *The MaFI-festo*

Lucho Osorio

Practical Action / MaFI Network



Takeaways and Wrap-Up

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