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LEARNING & EVALUATING WITHIN DYNAMIC SYSTEMS

PRESENTERS:

Lane Pollack, USAID
Stacey Young, USAID
Elizabeth Dunn, Impact LLC
Don Snodgrass, DAI
Zan Northrip, DAI
Carlene Baugh, CHF International
Scott Yetter, CHF International
Lucho Osorio, Practical Action
Brandon Szabo, IRG

During the Value Chain Learning Event session on Learning and Evaluating within Dynamic Systems, presenters and session participants explored a wide range of perspectives on how learning and adaptation are incorporated into value chain programming, how outcomes and impact are understood, and practical tools and approaches for incorporating learning for improved programmatic effectiveness. This session was moderated by Lane Pollack, Program Analyst in USAID's Microenterprise Development office.

The session began with Stacey Young, Senior Knowledge Management Advisor with USAID's Bureau of Policy, Planning and Learning, providing a description of the agency's current work on incorporating learning and adaptation into the program design process. Stacey shared a USAID administrator's memo from 1965 which demonstrated that the challenges of effective evaluation have existed in the agency for decades, but showed how recent shifts are showing momentum towards improvement. These included:

- A new agency evaluation policy
- Shifting the "accountability" of evaluation from fault-finding to learning and adapting
- Changing the relationship between evaluation and the planning and implementation stages of a project
- Belief that resources should be allocated elsewhere besides evaluation

These challenges were further illustrated through an example of a project intended to expand the plots of small-holder farmers. Despite project-learning indicating that land sizes were already too big and unmanageable for farmers, and that project goals could be completed more efficiently by increasing efficiency on smaller plots of land, the rigid, static targets identified through the project design became an impediment to the adaptability and success of the project. Young used this as an opportunity to explain that in these complex, dynamic environments it is imperative to shift to a model that encourages flexibility and adaptability towards reaching impacts over meeting static indicators.

Young explained that these changes must happen at three distinct levels: the Activity, Project and Organization. At the activity level, the market facilitation approach provides a valuable model for allowing project implementers to test their interventions iteratively and adapt to learning throughout the project cycle while still moving towards set goals to provide direction to the interventions. The key to success in this iterative implementation process is feedback loops. These require a certain team culture that encourages feedback and shows clear connections to changes in project implementation, empowers staff at all levels to contribute feedback and learning, and provides clear incentives for analyzing, sharing, and adapting.

At the project level, new USAID definitions of "project" are starting to incorporate the importance of learning and adaptability through new project design processes and country development strategies. At the heart of these changes, Young stated that, "in practice, collaborating, learning and adapting will be the glue that makes the project more than the sum of its constituent activities."

Finally, there is a need to institutionalize and operationalize these integrated concepts of learning and evaluation at the organizational level, agency-wide. Here, Stacey noted that this will take the most drastic shift in three areas:

- A shift from focus on static targets to dynamic results that may change and adapt over time
- Rejecting the false dichotomy of accountability v. learning, and funding and incentivizing learning (making staff "accountable to learn").

- Extending the agency's view of partnerships to include not only donors, implementers and beneficiaries, but to focus on other country actors. Uptake of the facilitation approach and movement towards country-led development are pushing this.

Finally, Stacey outlined how this process of institutionalization is being embedded in USAID's upcoming Strategic Learning Plan. This three-phased approach begins with integrating learning through the Mission Program Cycle, continues with aligning regional and pillar bureau activities, and finally establishing agency-wide enabling conditions through policy, HR and contracting mechanisms that complete the process of institutionalizing learning.

Following Stacey's presentation on the role of evaluation and learning from a donor agency perspective, Elizabeth Dunn delivered a presentation on impact evaluation and the value chain approach. Through her impact assessment work of seven value chains through the AMAP project, Dunn developed three general indicators that she described as the "triad of project effectiveness": Outreach, outcomes and sustainability. These three indicators are important because, while many projects exhibit one or two of the three, a truly effective project must include them all- depth, breadth and longevity beyond the project intervention. However, through the assessment process Dunn's team encountered several challenges with these indicators. A major take-away from the discussion on outreach ended up being the need to focus on a combination of direct contacts, indirect contact and imitators. Session participants particularly focused on the value of measuring impact on indirect contacts within the market system.

On the question of sustainability, Dunn introduced the assumption that a facilitation approach, as opposed to more direct-delivery approaches, follows a different cycle with regards to the intensity of results over time. For direct delivery models, results build rapidly and peak at or near the end of the project, and then decline just as rapidly over time. With a facilitation approach, results build more slowly, but continue to increase beyond the end of the project. This assumes that a facilitation approach leads to more sustainable results, but makes it difficult to understand how indicators of firm behavior can predict sustainability.

Don Sillers presented a series of lessons regarding evaluation of value chain projects based on his experience with the AMAP project. His eight lessons were:

- Impact evaluation is important
- The activity should determine the evaluation method
- Having a good causal model is critical
- No good value chain project is implemented as originally planned
- Good value chain projects have benefit spillovers
- A credible counterfactual is important but can be hard to find
- The degrees of evidence approach helps resolve the counterfactual dilemma

- It is important, but difficult, to measure sustainability

Following on the previous presentations which discussed the importance of sustainability in value chain interventions, Zan Northrip led a series of group discussions to receive participant feedback on ongoing work around a series of indicators to gauge sustainability. Session participants brainstormed potential indicators corresponding with three distinct "areas of change" that often reflect sustainable interventions: firm behavior, the business enabling environment, and supporting markets and institutions. These indicators were collected for additional consideration and opportunity for inclusion in the ongoing study.

Following a brief intermission, Carlene Baugh, a Monitoring & Evaluation specialist with CHF International, turned the focus of learning and adaptation to the organizational level. Baugh shared the "Knowledge Management and Value Chain Institutionalization Grid", a tool developed to assess organizational change around the adoption of the value chain approach. CHF staff developed this tool as part of USAID's New Partners in Value Chain Development grant, which provided a structured environment for selected grantee organizations to invest in capacity building within their institutions, while also incentivizing active collaboration between organizations as a "learning network", and industry-level contributions in the technical areas of monitoring and evaluation, capacity building and learning. Baugh's presentation highlighted the need for, and process of, honest assessment of an organization's capacity for value chain programming, providing CHF's own ranking as an example of the use of the institutionalization grid. Baugh then proceeded to highlight additional steps taken by CHF to monitor progress following this baseline, as well as additional tools to supplement the assessment. These included the Appreciative Sharing of Knowledge (ASK) methodology, conducting a Value Chain Inventory to identify where value chain expertise already existed within the organization, and conducting an Institutional Inventory to identify processes required to support the institutionalization of the expected increase in capacity and knowledge-gain around value chain programming.

Participants then viewed a video presentation prepared by Lucho Osorio, International Coordinator for Practical Action's Markets and Livelihoods Program and facilitator of the Market Facilitation Initiative (MaFI). Lucho echoed the challenges and opportunities of working in complex, dynamic market systems that were shared by previous presenters, and tied these to opportunities for additional learning through the MaFI-festo, a learning agenda developed for the MaFI network.

After Lucho's presentation, participants took part in a "world café" discussion, facilitated by Brandon Szabo, a Knowledge Management specialist at the International Resources Group (IRG). Session participants gathered in small groups to discuss a series of three sets of questions:

1. Incentives to optimize learning and sharing
    a. What incentivizes you to learn and share as a practitioner?

b. What can organizations do to incentivize learning and promote behavior change?
c. What can donors do to leverage, support, enable and/or increase these incentives for learning?

2. Cross-sector collaboration
    a. What does cross-sector collaboration mean in designing value chain programming?
    b. How should learning be captured to integrate cross-sector objectives?
    c. How do we break down the barriers that exist between sectors to enrich the learning and effectiveness of value chain programs?
3. Tools to facilitate ongoing learning
    a. What tools does your organization use to measure value chain-related learning?
    b. What are practical ways you or your organization have incorporated learning to facilitate improved value chain programming?
    c. What tools exist for visualizing complex, dynamic systems that can enhance our learning and, in turn, facilitation?

Following short discussion sessions, participants rotated to new discussion groups, while an identified discussion leader remained behind to provide a summary and context for the next group discussing their series of questions.

Finally, the session presenters each had an opportunity to speak on a final panel to provide their reflections on the session content and interactive discussions. Throughout the session, participants were encouraged to submit "aha! moments" that captured a word, phrase or idea from any of the presenters or fellow participants that resonated with them. These "aha! moments" were collected, and compiled in word clouds for the presenters to respond to during the final panel, offering a visual representation of what the participants found particularly insightful. Copies of both the Day 1 and Day 2 word clouds can be found below.

Figure 1: Word Cloud of Day 1 "Aha! Moments"

Figure 2: Word Cloud of Day 2 "Aha! Moments"