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Exploring Frontiers in Inclusive Market Development

Monitoring and Evaluating When Facing Complexity: Perspectives From a Practitioner-Led Initiative

Q & A Transcript

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Presenters

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Female: Thanks for a great presentation and tips on this insights. We do have over 90 folks joining us on webinar. What we'll do is we'll take a question from the webinar and a question in the room and we'll have Marcus and Tjip answer them.

Female: Hello. We do have quite a number of people online and a bunch of questions already. I'm going to start with Kristina Gubic who is in South Africa. She's an independent consultant for Africa Foundation. She says that a common challenge that we have with market linked programs is sustainability of input costs. "If a program is continuously dependent on funding to survive it's not sustainable. An example would be former inputs of seeds and fertilizers. Would Marcus please comment on the danger or necessity of setting indicators retrospectively in the absence of a baseline study?"

Male: Well that's a tough one I guess. I think this is a very methodological question and I'm not sure if I can really answer this for this specific instance. I guess the important thing there is that we calibrate our interventions as to how certain we are that they are going to work, and especially if we start with subsidizing specific things like inputs we have to have a level of certainty that this subsidy is something temporary and that we can actually put out there and that a certain dynamic within the system is persisting that keeps these input markets going.

I'm not sure what kind of indicators you would use there. It has a lot to do with maybe starting on a very small level in a very confined space and testing it and trying whether it works, whether you can use the methodology or the intervention strategy you think or not or maybe try different things in different areas. The monitoring system there is important to kind of delivery you continuously the results whether your intervention is working the way you want it to work or not.

And there I don't think that you necessarily need to rely on indicators that you've set some time ago in the planning phase. But I think you can actually continuously adapt also your monitoring system so it helps you gain the information you need. And I think this is also going into the direction that Tjip mentioned. It's not an evaluation. A monitoring system doesn't have to be as rigid and as rigorous as an evaluation because it has to help you in making decisions. And therefore I wouldn't say it's a problem when you retrospectively come up with a new indicator as long as it helps you to decide whether an intervention is working or not.

Female: Hi my name is Megan Olivia with Partners of the Amercias, specifically the Farmer to Farmer Program which is a USAID funded program. First of all, thank you for an excellent presentation. I think it really touches on a lot of the issues we deal with day to day. My question is more on qualitative versus quantitative capturing of complex systems. You mentioned cased studies at the end and we're just starting to develop thorough case studies to really capture the complexity of the markets and farmers we work with.

But we're trying to bridge that gap between the quantitative indicators we have to report to USAID, that they as a system necessary need to roll up into their larger measurement systems. So I wondered if in your experience you thought that complex systems necessarily need qualitative review. Or are there quantitative indicators that can kind of get at some of these complex systems? Does that make sense? Can complex systems be –?

Male: Quantified?

Female: Yes, exactly.

Male: Well I guess again it really depends on your specific situation and this is something that is occurring again and again in complex systems. They are very context dependent in the sense that one intervention that works in one context might not work in another one. But context dependent also in a way of how can I intervene? You might find areas of complex systems that are pretty stable where you can well use quantitative indicators that help you see what kinds of changes happen over time.

But I think the more dynamic, the more maybe turbulent, the more frequent the changes you can observe, the more important it is to get also qualitative grasp on the situation because qualitative indicators are usually – are sometimes easier to find. And there also maybe the aspect of experiential learning or experiential monitoring maybe comes into play that helps project management or project decision makers to base their decision on the experiences of the whole project staff – their experiences in the field and how the project is affecting a specific market system.

It needs to be an adaptive mix I guess between quantitative and qualitative. At the same time there also needs to be an adaptive mix of accountability requirements and requirements by the project decision makers (management) to be able to reply. And this is one of the issues that I presented from the side of the practitioners. Currently monitoring systems are strongly biased towards the requirement of the donor. What kind of accountability data do I need and don't have necessarily the space for data information that decision makers who need to adapt the project to these changing environments.

Male: Could I add? Two observations on this: I think when you think about the systems as Marcus was saying – If you can think about the graphic that he had with the nodes and the connections it's possible as you examine a system as a whole that some of the connects between them may actually be relatively simple to understand. And in this cases using more traditional linear models and traditional forums for measuring outputs and outcomes is entirely appropriate.

It's a question of sort of enmeshing those things into this broader understanding. I think the other question really comes down to sort of an unresolved issue even among people in the complexity world. And this came out in the complexity event that I was talking about. There are some, like the David Snowden's of the world, who really do see complexity as essentially dealing with situations that every time are unique. And therefore it's very difficult to assume that there's any degree of regularity.

What would you collect and what would be the numbers that would be attached to it? And therefore you need a different whole strategy. Those who come at this complexity more from a hard science point of view – If you think about Chaos the book that was - ______ ____ sets and things of that kind the argument that they make is that superficially it may look complex. It may look as if there's no pattern. There's a randomness and so forth. But if you have enough data and enough data crunching capability you can get down deep into the kinds of connections.

They're not immediately apparent. What would that imply? Well that would imply that if you have enough data and you have enough time you may be able ex-post to be able to do some interesting work to try to understand what some of the dynamics are. But it's really difficult to think that you're going to be able to do that in real time.

Female: We have a couple more questions here. Jeff Miller in Indianapolis; he's an educator there with Greenleaf Center for Servant Leadership. He says, "This is a level of sophistication that most policy makers don't have the time or inclination to work with. How have you opened their eyes to taking a longer, more patient, nuances view?"

[Laughter]

Male: Oh do I have the scars – So as I was telling Marcus before the analogy is how do you give a dog a pill? You embed it into something sweet that they can swallow.

[Laughter]

That's what we're trying – That's basically what we're trying to do. Maybe it's a mistake to be overt about what should be a covert strategy but this guidance that we're talking about; we have been warned away about being overly explicit about the extent to which we are making use of some of the thinking behind complexity. So all you will likely see in it is an emphasis on things like adaptability – talking about systems, about components and recognizing but being very specific about it, being very careful about the language, and introducing what we think of as being the key components.

And understanding the importance of adaptability within the system and then also making sure that we are emphasizing that we are not disinterested in the question about results – that ultimately we're trying to get at results. Then lastly, at least within the USAID system is trying to be as thoughtful as we can about how do we embed some of this thinking into the processes that we already have – not to add more bureaucratic layers and so forth but essentially just to prod people to ask different questions as they are moving through these processes to think more broadly, to be more focuses on consultation and those kind of things.

And then basically pointing out that if you go back and read some of the policy documents that have come out recently from the US government they actually are talking about addressing problems systemically. We're just doing what we're told.

Female: Hi, I'm Paula Balinsky from DTS, a consulting firm. I wanted to know if you could go a little bit deeper. You talked about level of impact and not looking at the most superficial level. So could you maybe talk a little bit about what you mean by the deeper level, for example, in the value chain?

Male: Sure. What I said already – What I mentioned earlier is one of the more superficial levels. It's the one when we look at so called stocks and flows of goods or information on money. As soon as we talk about behavior and behavioral change we are already going to a deeper level. When we talk about interactions between the different actors within the system and we start looking at these networks we are also tackling one of the more structural levels of the system.

Then there are levels of, for example, self-reflection of the individual actors. How is their capability to reflect on their own position within the system (which is one of the even deeper levels)? Another one could be: based on this reflection is there ability for changing paradigms by the actors themselves - The paradigms – how they work. These are examples. There is a very good paper by Donella Meadows that talks about leverage points where she actually proposes 12 different levels of entry points or levels that you can target to see change.

Female: We've got a question from Luke Fuller. He's here in Washington, D.C. at George Washington University. He says he would be interested in hearing

Marcus' thoughts on how to address resistance to adaptive management and M&E in complex environments. "I hear many officials from donor organization and from implementing organizations express interest in using developments evaluation. But there seems to be some kind of a breakdown in that relationship. The perceived risks or maybe lack of control seem to discourage large projects from actually utilizing this approach."

Male: Yes this is true. Well I think that one way to look at it is that this is also a complex system. We kind of can't adopt the same strategy on achieving change by trying out different things and see what might work better than other things and have a variety of different strategies work in parallel. And I think one important thing is instead of saying everything we have done so far is wrong we have to reinvent ourselves fully and to start with new ways of doing things along with the ways of doing things as we have been doing so far.

If we can convince policy makers or decision makers to introduce – you might call them skunk work projects or whatever you want to call them where you have more liberty to try more things. This might be a venue to explore new ways of doing things and to show that these new ways of doing things are actually promising. There is a level of losing control. And I think this is one of the biggest challenges we face as advocates for using approaches based on complexity.

But there I have to say that the control we think we have by using traditional approaches is actually imaginative. It's not a real control we have. We imagine we have it because we use the tools that tell us we have it. But in the end we don't really because we just get some information. We are happy with it but the information doesn't necessarily reflect what is happening or doesn't necessarily reflect the systemic perspective on it. But it was a very narrow and very simplified view on the situation. They don't enable us to control the situation.

Female: *[inaudible comment]*

Male: Oh that one. That's the Mel Amatos?

Female: Hi – very enlightening. My name is Mindy Ricer. I'm a sociologist. I've worked in Central Asia and the Caucuses. I would like to implore AID and the State Department and others who commission studies of US Government AID to talk to policy makers, the folks on the hill, the Congress people and their staffs because they poke the folks who make the decisions in USAID or the state think that they only want very tight, very narrow, very circumscribed reports in three or four pages of major projects.

You know they would only read one page if he or she is a Congress person and so on. That really won't work. They need to understand that you need to take almost an anthropological approach with real sophistication to show the context, to show the impinging factors. So this is really a plea of doing your outreach to a much broader community because in turn the people who control the purse strings ultimately have a real say in what kind of research is done and what they will read.

Male: Well you're right. We are trying to do that but I think as you said part of the issue again is as complicated as it is to change attitudes within our own agency it's again dealing with a group of people who have a particular focus and how do you being to change the tenor of the conversation? I don't think we have done a particularly effective job on that. I think we tend to be reactive rather than proactive in this conversation. But I think ultimately – And I also find it interesting that it's not that –

There are parts of the federal budget for example, like the funding that goes to fund medical research in which they're not self-dependent on coming up with a cure for cancer next year. It is clear that there are for some areas and for some topics much more of a willingness to base it upon thoughtful professional due diligence efforts to achieve a goal that we can articulate. And the accountability is based on the commitment to documenting the efforts that are going on, not necessarily on producing the results.

Now if we could somehow change the paradigm more towards finding a cure for cancer rather than building bridges and infrastructure, which is sort of the model that we have in AID, then I think we – So in other words it seems to be politically possible to engage as part of the federal government on a different basis. But how we get from where we are to –

Female: Well Senators on the hill have staff doing this in *the [inaudible comment]*.

Male: That's what we're thinking about.

Female: We have a question from Doug Henson in Paris, also with Maso Partner. He says, "What do you think this means for the ubiquitous logical framework approach to development planning. Is it obsolete or does it still have a place in setting out overall objectives and ways of deploying external financial and technical resources?

Male: I personally not a big frame of the log frame. But I know there are people out there that are working with the more systemic approach and open towards this new paradigm that think there is indeed a role for things like the log frame still. And the big strength of the log frame is I think it's conciseness, that it brings together a lot of information in a table that can be presented to decision makers, policy makers, and politicians. Why I am not personally convinced is that I think the way it is filled is fundamentally flawed and fundamentally not compatible with our notion of complex systems.

And why is that? Because I think the causality it implies in building up this input activity, output, outcome structure, doesn't apply to complex systems. There is no such linearity because I think causal chains in complex systems. That's why I think personally it doesn't work. But there is actually a ________. It's not clear cut whether the log frame will still be useful or not.

Male: Well I think it's what we have and I think we need to try to adapt it as we can. I think that's probably a better strategy than arguing we need to throw it out. Two things stand out. One of them is that if you're thinking about this seriously one of the most important columns is the assumptions column which tends not to get an awful lot of attention because this is based upon what those assumptions are. The other part of it is that the basis of this is that you're supposed to be able to make modifications when some of those assumptions shift and so forth.

And yet I think one of the big problems is that by establishing a rigid framework at the front end we tend to develop kind of a rigid approach to the way in which we implement the projects. So we don't have the ability to change even when we start seeing things in our log frame on the assumptions column. The other one is that I think we really do need another column in there. That's one of the things we're arguing for in our new guidance, which is a column called who. In other words it's not enough to think about the logical connections – the logic about what needs to be done to make these improvements?

You have to start asking the question of who exactly is going to be doing this. Who are the actors, particularly if you're interested in engaging with an existing system? There are already existing actors who are part of that – or components to use Marcus' term – that are already doing this kind of thing. If you're going to be making interventions you need to be making changes in the nature of the relationships and the capacities of these organizations and so forth.

We do need to be paying a lot more attention as to who the actual individual – Who the actual components are going to be so that we can start to start thinking about that not as a removed logical process but really more in mapping both logical mapping but also I think an organizational mapping of the system in which we're engaging.

Female: Hi. Eileen Hofmann from Global Communities. My question actually relates both to that causal modeling and a previous topic. At Global Communities we have been using a lot of casual modeling and looking at the knowledge, attitudes, skills, and practices that we want to affect. We can capture a lot of the attitude change and behavior change of individuals in networks. But my question is then how do you take that information captured at the individual level and evaluate the change in the network itself? Do you have any recommendations for that next step?

Male: Yeah I think that we still have some work to do. It's not a simple – That's not a simple thing to – I think one important thing there is that we try to use different methodologies to look at that. Also there are a variety of ways at how we can look at it. I think when you talk about network one of the very promises that is coming out of the research in complex systems, social network analysis, that actually does aggregate from an individual level to a network level.

I'm sure there are many other tools that are coming out of this area of complex adaptive systems research that is actually able to translate the data we get from individuals and aggregate it in a way that we can actually use it to see whether we affect the change we want to see or what are the different influencing factors and so on? There is quite a bit of promising work being done and quite a lot of promising work emerging.

Male: I just underscore the social network analysis. And I think particularly if you use it both – It can be enormously useful for doing an initial mapping to sort of understand what the nature of the networks are. 'Cause what it also helps you do is it identifies where key nodes are in terms of who is really central to this particular situation. And that can also be useful in terms of thinking about design as to is that particular node really capable? That's really an important note. Is that some way that you need to think about building up capacities if you want to expand it or improve?

Sometimes also you find that they're really the wrong nodes and you want to shift the relationships and so forth. That's also something that can be important. The sort of using that periodically to measure in fact how it has evolved can be a very useful tool. And there are some good examples of when this has been done that way.

Female: I'm going to ask two questions together from online. One is from Gregory Sucumba from **_____** *[sounds like Illary]* in Nairobi. His question is: "The value chain on domestic production from maize shows traders as middlemen retailors with the problem with briefcase businessmen in Africa for sustainability. Do you think it would be wise to link farmers, especially in groups, to big millers to avoid increased costs via traders? And then another quick question here from Kenneth Catawata in Zambia.

They ask, "What could be the minimum timeframe to do the M&E if we are looking for a systemic market? What could the major donor's perception for such a long-term time frame?

Male: Well I can try to answer. The first question really I cannot really answer because I don't know this system particularly well. I took this example not because I did this value chain analysis but because I think it was a good example to illustrate the different principles here. One thing I can say maybe that helps is that it might be worth a try. And going back to this finding an evolutionary or experimental approach is that we tried to come up with different ideas, how we could solve a problem, and try to test all these different ideas.

Some people even go as far as these ideas should be as diverse as possible. Some people think we should try to have a basic fundamental logic first and then by a little bit vary it. There are also still not yet best practices in terms of how we do that. But the important thing is that we try different things that we don't come up with one logic and one impact chain that we want to follow. Like for example evading these large traders by one or the other means but that we try to come up with different ideas that can compete with each other also.

When we talk about an evolutionary approach we talk about variation and selection. We talk about competing strategies and the ones that work best get selected. And the ones that don't get thrown out. And one of these can be work without these larger traders that dominate the value chain. And one of these can be to work with them. There is quite some opportunity to try different things.

Now about the timeframe I'm not sure if I got the question fully. I don't think there is a specific minimum or maximum timeframe for M&E. One thing that has become more and more clear to many people is that systemic change takes time. If we want to see the evolutionary path – If we want to change the evolutionary path of a system it will take time before we can actually see the results, which is also – I also have to kind of contradict myself. It's not always the case because we know that in complex systems there are tipping points.

There are specific thresholds for situations so situations can change extremely quickly. If we come up a solution that triggers a tipping point then we can have an extremely large change within a very short time. But the general rule experience is that change takes quite a long time in these kinds of big systems because there are a lot of stabilizing feedback loops in the system. And systems are generally very rigid to change, especially if the change comes from outside.

Male: I think one of the interesting things about moving away from the presumption about linearity and also linearity over time is what is the expected trajectory. You can run into the happy situation where you have one of these tipping points early on and so you get dramatic results and everybody is really happy. But it could also be one of the situations in which it takes an enormous amount of effort early on to begin to get some progress. And then all of a sudden towards the end you start seeing dramatic improvements.

I think the one of the other thing it suggests is that we sort of develop our monitoring and our evaluation agenda strictly around the duration of projects. And I think that one of the things – an implication of all of this – is putting more resources into more of a historical look back and saying after the project ended going back a year or two or three afterwards and seeing what the affect has been because ultimately it's about these kinds of systemic changes and the presumption of sustainability.

And I think that actually this is one of the strongest arguments for developing more of a systemic orientation. We've got lots and lots of examples which we can point to on projects that at the end of the project period, because of the intense efforts, have shown relatively good results. But if you go back some time later you see that in fact none of them – They didn't really stick. I think that that's one of the arguments of why slower and perhaps steadier, and longer and more intensive engagement with a system ultimately is more sustainable and therefore perhaps more cost effective.

Female: We will take one last question from in the room. If we didn't get to your question because on the Microlinks event page and under comments post your question and certainly keep sending to the web host if you're joining us from online.

Female: Hi my name is Diana Rutherford and I wanted to thank you Marcus for emphasizing the importance of documenting what we're currently doing. I would say that capturing the tacit knowledge of what's happening in the field – not just the staff but others in the system – including I would say youth and children because they're the next generation and to break intergenerational poverty we want to have an idea as to what's going on with them.

Also as Tjip just mentioned I think we want to do some formative research so that we're not always concentrating on evaluation but that we start trying to understand and come up with some evidence from which to develop hypotheses for causal pathways within complex systems. As you were talking I was reminiscing about new institutional economics. I'm wondering if in your maize case for example you talked about how there were a handful of firms that had captured the market. In that case if there a tension between the light touch and the need to create different power structures to change power structures to incentivize differently the actors within a system to create the desired change?

Male: I don't think there is necessarily a tension. I think we have to differentiate between light touch and from this sensitivity to external results perspective where we say we want to have a light touch in a way that we don't inadvertently change the incentive structures by just being there. But we want to change the incentive structure in a targeted way where we say, "Here we want to see change." But we also want to use the existing structures of the system and there the importance of this embeddedness in history is very big because we have to see that this structure of the dominance of these traders has evolved over time.

And there will be a strong resistance to change, especially from these traders, but not necessarily only, because the whole system kind of works now and people like that. There will always be a resistance to change and we have to find a pathway where we can try and – Usually this is by looking for leverage points where we see here there is either something already going on that goes in the direction we want to see and we can try to strengthen that. Or we see a leverage point where we think here something could happen.

But it's always light touch in a way that we are not going and saying, "Okay now we buy the maize and we sell it around these traders as an active actor." But we try to kind of find a solution within the existing structure that could change how the people in the chain are interacting and how they are trading up. Does that answer your question?

Female: Well I think that the notion of someone actually coming in and trying to buy the maize, etc. *[inaudible comment]*. So I'm talking about the difference between a light touch and still a market-based approach. I think that that's a difficult thing to find when you are in a system in which you have captive markets, or in which there are such huge incentives for particular agents not to change. And what you say was the system already works and people like it.

There are a few people who like it but most actually don't because in fact while they may be the farmers in particular (think pyramid wise) they're the bottom of the pyramid. So if they're the people who we're trying to help, the reason that the system, the common development system, has become, "Well let's work with some firms," probably not the very captured ones but try to figure out ways maybe to build consortia of others so that you can compete against those, etc. Grow the market. Grow the pie. Because how else do you win?

And then we work at the other end of the value chain, if you're thinking linearly because it's simpler at the moment, then you're working with the farmers as well to help them improve the quality, improve the consistency, and then increase growth. If you're working at both those ends of the system as well as acknowledging the problems within the system you may not be taking a light touch. You may in fact – And we know that to move farmers for example, to have them change you need some fairly consistent mentoring which is not a light touch.

Maybe what we're partially talking about is that there are market-based approaches that are light touch but they are combined multi-sectorally with working at the bottom of the pyramid to promote behavioral change so that these folks can improve their own lives through keeping the whole system in mind.

Male: Yes I agree with what you say. I don't think there is any disagreement or any contradiction there between taking a light touch and the market-based approach on different levels of the chain. We just have to be aware that our interventions can have different effects. And to see these effects there might be intended effects. There might be unintended effects. There might be unanticipated effects in a way in their scale. I think if we are tuned to that and if our monitoring system and also our experiential learning system (if I may call it that) is tuned that that I think we don't necessarily have to take –

What is a light touch? There's a question where does the light touch end and where does the heavy touch start? I don't think there's necessarily a threshold for that. For me the light touch is really tied a lot to this external sensitivity to external signals principle that we don't just have to – Our own weight already changed a lot just because of being there. But if we find a way to influence a system and someone would characterize that as a heavy touch – If we find it works and if we see that we have the consequences – that we can see the consequences.

And especially there I think heavy touch is often when people start subsidizing things. And then we just run the risk that we become a permanent actor. This is also something that we don't have to discuss really because market-based approach is clear that we try not to become a permanent actor. I think there is a wide spectrum of ways how we could interact with the market system without necessarily saying, "Oh this is now too heavy."

Female: Thank you so much Marcus. And thank you Tjip also for joining us here today. If you haven't already, please fill out your event surveys. We do care what you have to say and want to continuously improve our events. Talking about complex systems next month on May 16th. We'll invite MIDA and they'll talk about three experiences implementing women's empowerment programs in Pakistan, Afghanistan, and Ghana. That should be a very insightful seminar and we hope to see you next month. Certainly stay around and ask questions if you haven't already. Thank you so much. *[Applause]*

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