What’s all the Fuss about? How USAID is Embracing Systems Thinking with Supporting Frameworks and Tools

Speakers:
- Tjip Walker, USAID Bureau for Policy, Planning, and Learning
- Ben Fowler, MarketShare Associates
- Kim Beevers, Adam Smith International

Moderator
- Kristin O’Planick, USAID E3

November 9, 2016
Tjip Walker is the Senior Policy Advisor for Local Systems in the Bureau for Policy, Planning, and Learning (PPL) at the U.S. Agency for International Development (USAID). He is currently leading Agency efforts to promote sustained development through greater attention to local systems: the constellations of local actors—public and private, national and grassroots, organizations and individuals—whose interactions produce development outcomes. Walker holds a Masters in Public Administration from the John F. Kennedy School at Harvard University, a Ph.D. in political science from Indiana University, and a life-long commitment to harnessing analysis to improve development practice.
Ben Fowler is a Principal Consultant for MarketShare Associates. He works to facilitate the development of inclusive market systems in Africa and Latin America, and specializes in the set-up and implementation of learning systems that support program improvement. Ben has published guidance on how to use the value chain approach to alleviate food security and benefit vulnerable populations. He has consulted for entities including the World Bank Group, McKinsey & Co., KPMG and DFID.
Kim Beevers specializes in complex market systems and last-mile business and investment initiatives for frontier markets. Kim is most interested in commercial and start-up solutions that chip away at big problems in difficult places. She is currently the Portfolio Director and technical lead for Sierra Leone Opportunities for Business Action (SOBA), a market systems and private sector development initiative implemented by Adam Smith International.
POSSIBILITIES

Taking Advantage of New Programming Flexibility to Design & Measure Systems Change

MicroLinks Webinar
November 9, 2016
“[W]here sustainability is the ultimate objective, USAID is committed to employing all of our development resources to strengthen and use local systems.”

- Integrate systems thinking and local systems into the program cycle
- Develop ways to measure system change
Integrate into the Program Cycle

“The sustainability and long-term success of development assistance ultimately requires local ownership and the strengthening the capacity of local systems to produce development outcomes.”

1. Presumption of change
2. Attention to context
3. Flexibility on Theory of Change
   - Statement/depiction (logic model)
4. Clearer distinction between project and activity
Measure systems change

1. Need a framework

https://usaidlearninglab.org/library/5rs-framework-program-cycle
Measure systems change

2. Measuring begins immediately
3. Measuring needs to focus at the project level
4. Measuring requires a portfolio approach
   - Indicators
   - Narrative-based
   - Systems visualization
Moving forward

Develop a game-plan
Public consultation
(http://usaidlearninglab.org/library/systems-and-capacity-two-measurement-challenges-search-progress-event-materials)

Identify/test methods & tools
SPACES White Paper
(http://usaidlearninglab.org/library/systems-and-capacity-two-measurement-challenges-search-progress-event-materials)

LEO Tool Trials

Design systems-centric projects

Done

Ongoing

Frontier
Disrupting System Dynamics Framework & Measurement Tools

MarketShare Associates
November 2016
Guiding Questions for Measuring Systemic Change

• What is systemic change?
• Are systemic changes actually happening?
Measuring Systemic Change: Selected Tools that We TRIaled

- Standard Measurement Tools
- Outcome Harvesting
- SenseMaker
- Social Network Analysis
Insights from Applying the Tools

System Health Tools, Bangladesh

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SenseMaker, Mozambique

Outcome Harvesting, Georgia

Network Analysis, Sierra Leone
Utility for Decision Making & Reporting

Interpretability
- SenseMaker
- Social Network Analysis
- Outcome Harvesting
- Standard Tools*

Extrapolating the Results
- Outcome Harvesting*
- Social Network Analysis*
- Standard Tools
- SenseMaker

Contribution Analysis
- SenseMaker*
- Social Network Analysis
- Standard Tools
- Outcome Harvesting
Application within the Project Cycle

**Diagnostic**
- Understanding the system

**Contributive**
- Finding early signs of change
- Finding systemic change

- **Standard Tools**
- **Social Network Analysis**
- **SenseMaker**
- **Outcome Harvesting**

**Program Timeline**
- Upfront Analysis
- Piloting
- Iterating
- Closedown

MARKET SHARE ASSOCIATES
Key Tool Trial Conclusions

- Selecting tools must be done carefully
- Non-standard tools surface unexpected (including negative) changes
- Cost & capability (i.e., ease of use) requirements vary significantly
- Not all changes observed from these tools are significant systemic changes
- You need a framework to differentiate
Disrupting System Dynamics Framework

Boundaries

History & Conditions

Interventions

Disruption

Networks

Norms

Depth

Strength

Agent Level

Collective Level

Development Impacts on Target Populations
Boundary: Tsalka Region, Georgia

Facilitating improvements in milk production and processing

History & Conditions
- Periodic boosts to household income from investment in the oil and gas sector
- A new road from Tsalka to Tbilisi/Marneuli highway is cutting cost and time of transport to capital
- Significant existing milk production and cheese processing by households
- Women control income from direct sales of household production

Disruption
1. **Investment** by ALCP-supported milk processors in expansion
2. **Imitation** by new milk processors
3. **Positive perception of new models** reported by female milk producers
4. **Processors’ beliefs in investment in the health of suppliers’ cow herds**

Networks
1. **Improved information flow** between government and cheese processors, and between cheese processors and milk producers, regarding new government food safety and hygiene requirements, allowing households to meet quality standards and earn a premium on high quality raw milk

Norms
1. Women selling milk have increased **decision-making power** over large household expenditures
2. Community perceptions of expected **behavior** for women shift for it to be more acceptable for women to have leisure time

Increases in assets and leisure time
Increase in perception of opportunity
Sierra Leone Opportunities for Business Action

Network Analysis: Vegetable Market – Sierra Leone

Kim Beevers, Abdul Conteh, Pious Sesay, Peter Ghombo (SOBA)
Tim Sparkman (MarketShare Associates)
About: Sierra Leone Opportunities for Business Action (SOBA)

- A market systems and private sector development programme implemented by Adam Smith International and with funding from DFID
- Offers targeted technical assistance and risk capital to a wide range of private sector partners in agriculture and renewable energy sectors
- SOBA’s agriculture sector interventions target the food trade system

Context: Sierra Leone

- Frontier and fragile market (post-Ebola)
- Few large-scale, well-equipped “lead firms”
- Vegetable Market System: large number of informal actors operating according to hidden but distinct socio-economic networks and rules
Why did SOBA choose network analysis tool?

- Network analysis is a tool for mapping and analyzing relationships between actors in a system.
- Delineate a variety of flows, including products, payments, business services, credit, information, and technology diffusion.
- Describe market system dynamics. Map trade, information flows, and supporting service sector response within the vegetable market system.
- Identify potential leverage points for intervention.
- Identify sentinel points and key indicators through which to evaluate systemic change over time.
INTERESTING & INFLUENTIAL FINDINGS

1. Influential actors identified
A large number of centrally located actors that were positioned as potential leverage points as well as bottlenecks identified

2. Non-trade communications networks highly localized
Inserting valuable information and other resources into the market system.

3. Gendered homophily among trade and communications partners
Female social and communication networks significantly influence female trader business practices and performance.
INTERESTING & INFLUENTIAL FINDINGS

4 Trade networks heavily fragmented
Vegetable system is highly fragmented, with multiple overlapping network fragments that spanned large sections of the country, but showed little or no trade linkages with one another.

5 Social relationships strongly influence economic decisions
Trust-based trade networks facilitate trade.
Input and credit provision between actors in the system determined by social ties.
USE CASE: SOBA NETWORK ANALYSIS APPLICATION

**Influential actors identified**

→ **Diagnostic tool**
  - Illuminated hidden networks and players
  - Highlighted trade flow and information dynamics

→ **Targeted partner selection**
  - Decentralized information and trade groups as well as linchpin players

→ **Intervention Design**
  1. Targeting key traders as ag-dealers
  2. Leveraging traders to target hidden outgrowers with information/product
  3. Linking large buyers with key traders (contracts, markets)
Merits: Market diagnostic and partner selection

- Network Analysis most useful when coupled with qualitative follow-up
- Localized incentive structures that govern relationships – both monetary and social – well-illuminated
- Delineated critical, hidden market players that could be leveraged to affect change at scale

Limitations: Difficult and limited tool

- Time and cost-intensive, particularly where dataset is incomplete/non-existent
- Analysis requires highly specialized skillset
- Completeness unverifiable, limiting the validity of the findings
- Comparisons limited: It is impossible to know how comparable panel network analyses would be to one another
Questions and Answers
Contact: koplanick@usaid.gov

Comment on today’s topic: https://www.microlinks.org/events/mpep-seminars/whats-all-fuss-about-how-usaid-embracing-systems-thinking-supporting-frameworks

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