

MICROLINKS



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, USAID Bureau for Policy, Planning, and Learning



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, MarketShare Associates



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, Adam Smith International



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**

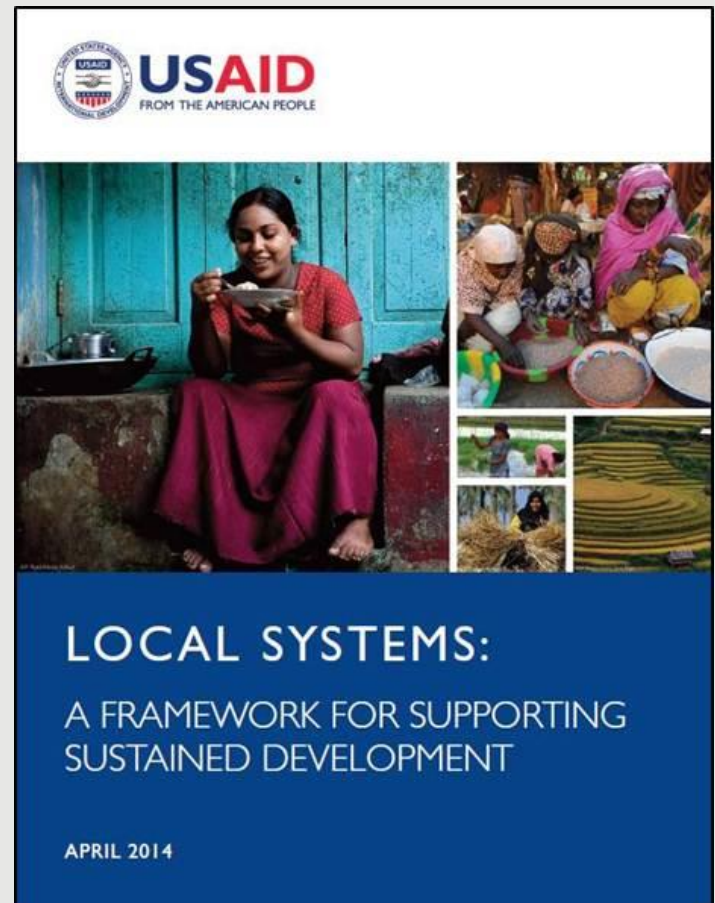
MicroLinks Webinar

November 9, 2016

Foundation

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

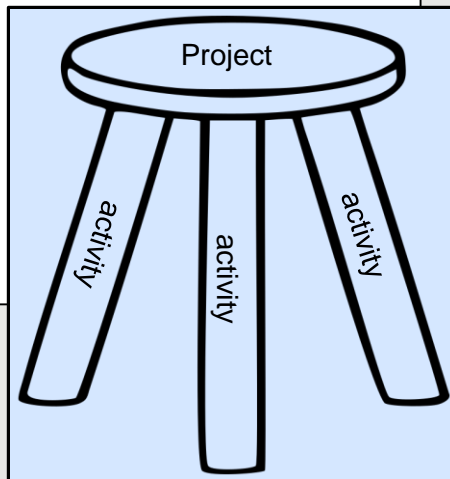
- Integrate systems thinking and local systems into the program cycle
- Develop ways to measure system change



Integrate into the Program Cycle



ADS Chapter 201
Program Cycle Operational Policy

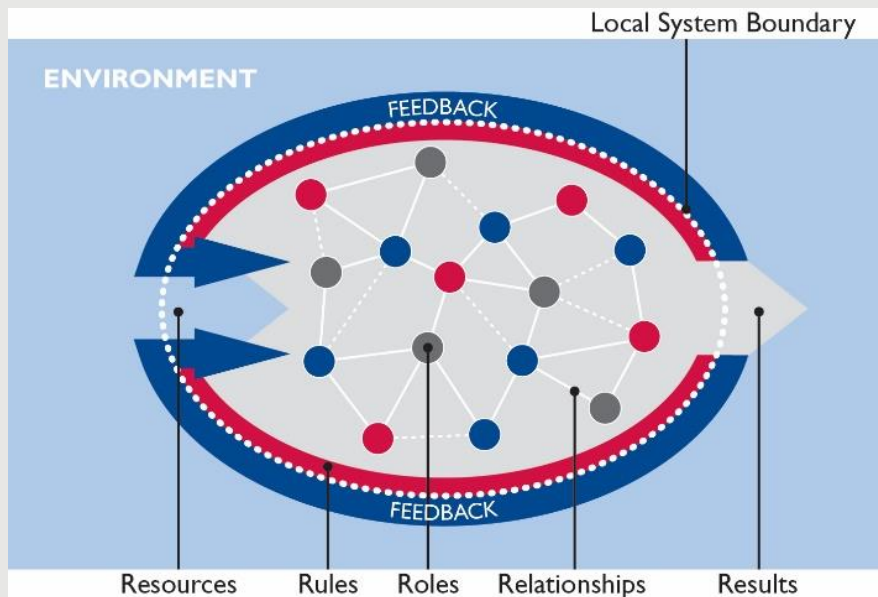



*“The sustainability and long-term success of development assistance ultimately requires local ownership and the **strengthening the capacity of local systems** to produce development outcomes.”*

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



 **USAID** FROM THE AMERICAN PEOPLE **PROGRAM CYCLE**

TECHNICAL NOTE

THE 5RS FRAMEWORK IN THE PROGRAM CYCLE



INTRODUCTION

USAID's Program Cycle Operational Policy (ADS 201) provides guidance to missions and other operating units on how to implement the Program Cycle. A key principle of the Program Cycle is to "Promote Sustainability through Local Ownership." The purpose of this Technical Note is to describe the "5Rs Framework", a practical methodology for supporting sustainability and local ownership in projects and activities through ongoing attention to local actors and local systems.

This Note is rooted in USAID's 2014 *Local Systems Framework* paper, which establishes that achieving sustained improvement in development results depends on the contributions of multiple and interconnected local actors. That document also states that USAID needs to improve its systems practice if it is to engage local actors and strengthen local systems more effectively and thus realize sustained results more consistently. The 5Rs Framework, also introduced in the *Local Systems Framework*, is intended as a simple and practical tool to promote good systems practice. The 5Rs Framework highlights five key dimensions of systems: **Results, Roles, Relationships, Rules and Resources**. Collectively these 5Rs can serve as a lens for assessing local systems and a guide for identifying and monitoring interventions designed to strengthen them.

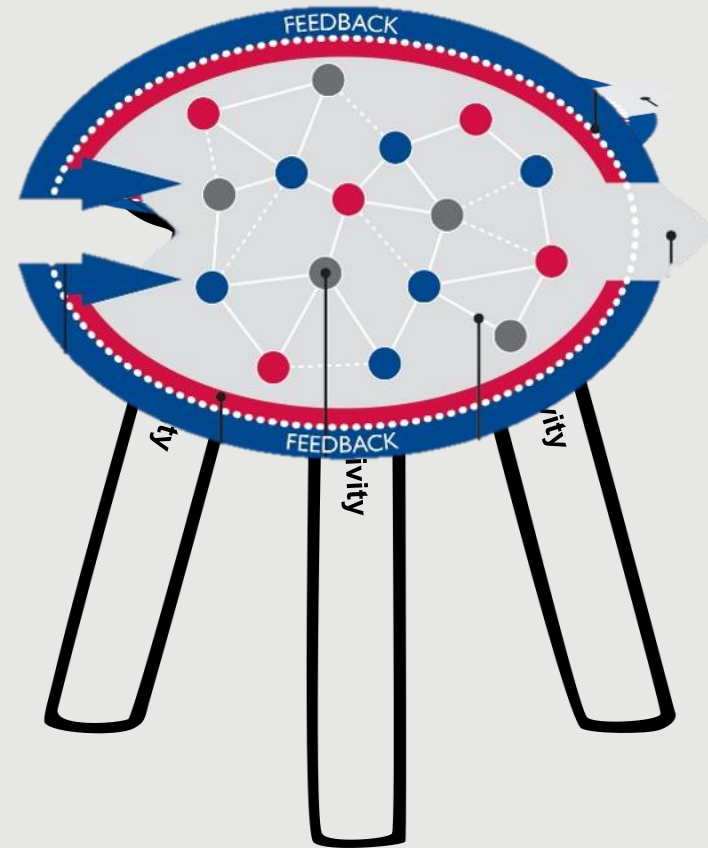
This Technical Note is divided in two parts. The first part provides an introduction to the 5Rs Framework and the systems practice from which it emerges. The second part demonstrates how **systems practice can be embedded in the Program Cycle** by continuously applying the 5Rs, especially to the design, implementation, and monitoring of USAID projects and their accompanying activities.

Technical Notes provide key concepts and approaches to USAID staff and partners related to the Program Cycle. These documents are published as a suite of Additional Help documents to supplement ADS 201 produced by the Bureau for Policy, Planning and Learning.

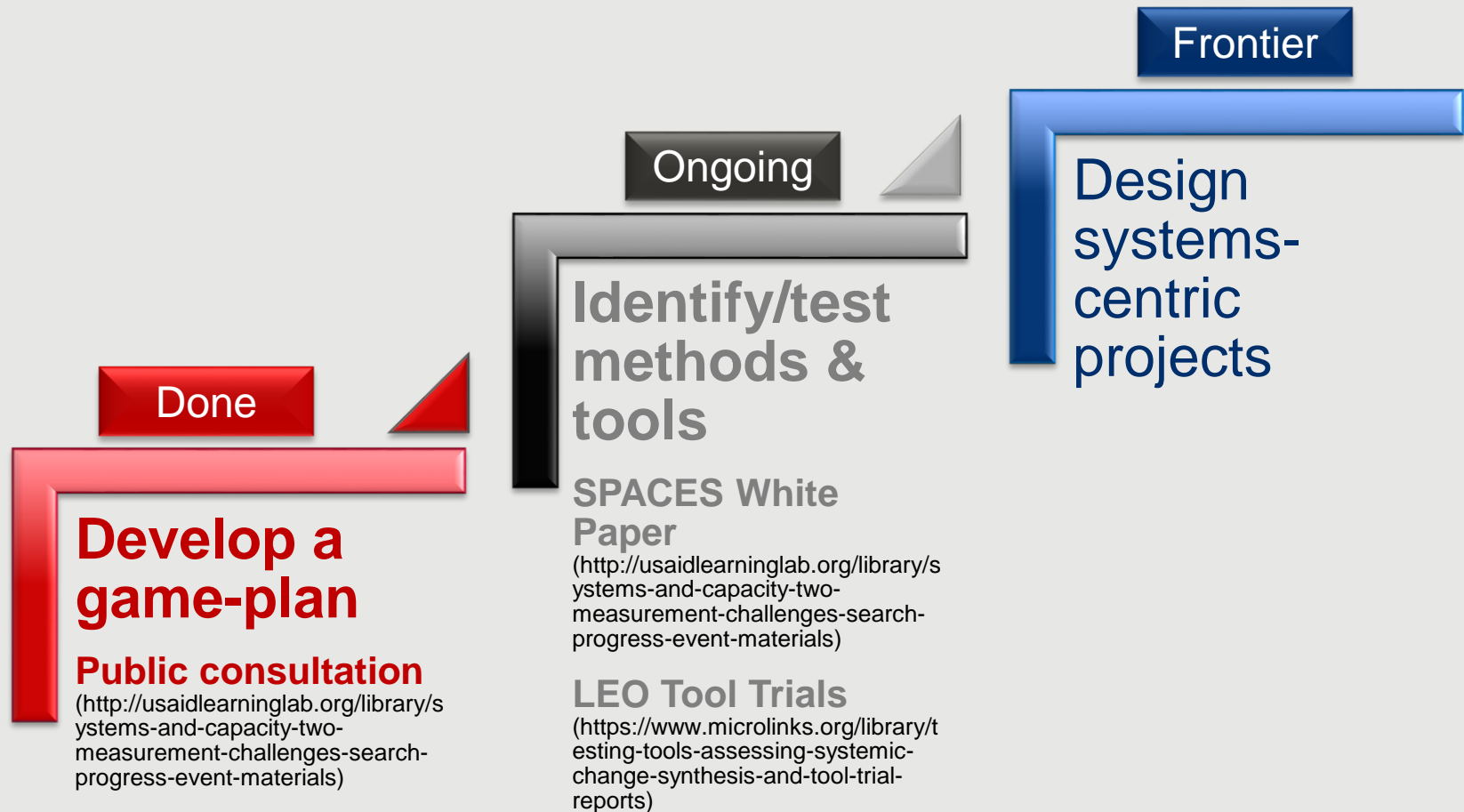
<https://usaidlearninglab.org/library/5rs-framework-program-cycle>

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



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 Tried

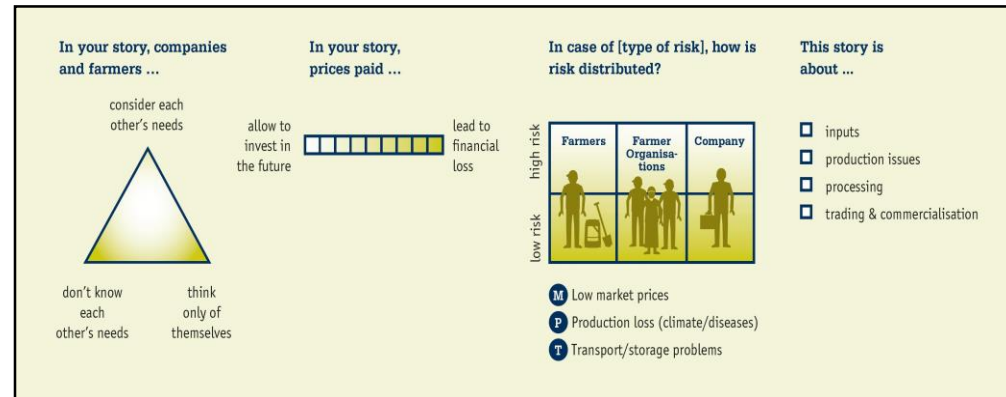
- **Standard Measurement Tools**
- **Outcome Harvesting**
- **SenseMaker**
- **Social Network Analysis**

Insights from Applying the Tools

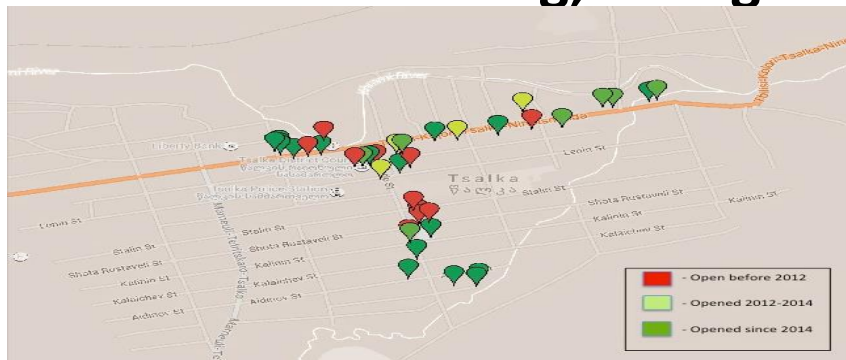
System Health Tools, Bangladesh

AVC Innovation Index – Group Averages	
Total index	0.27
Veg index	0.10
Jute index	0.07
Flower index	0.50
Pulse index	0.40

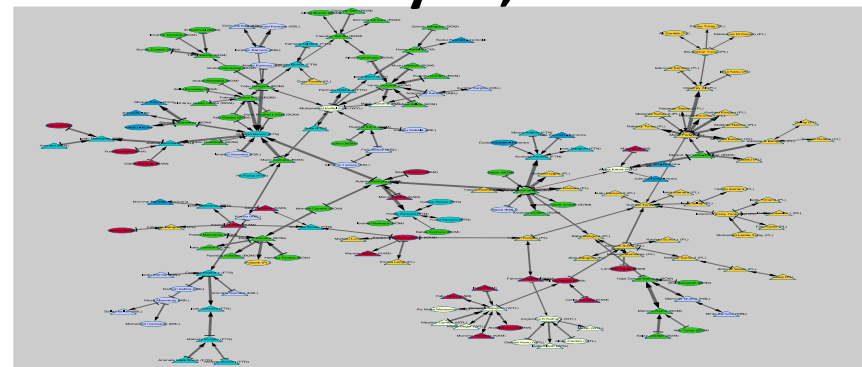
SenseMaker, Mozambique



Outcome Harvesting, Georgia



Network Analysis, Sierra Leone



Utility for Decision Making & Reporting

Interpretability
Low ←————→ High

SenseMaker
Social Network Analysis

Outcome Harvesting
Standard Tools*

Extrapolating the Results
Low ←————→ High

Outcome Harvesting*

Social Network Analysis*

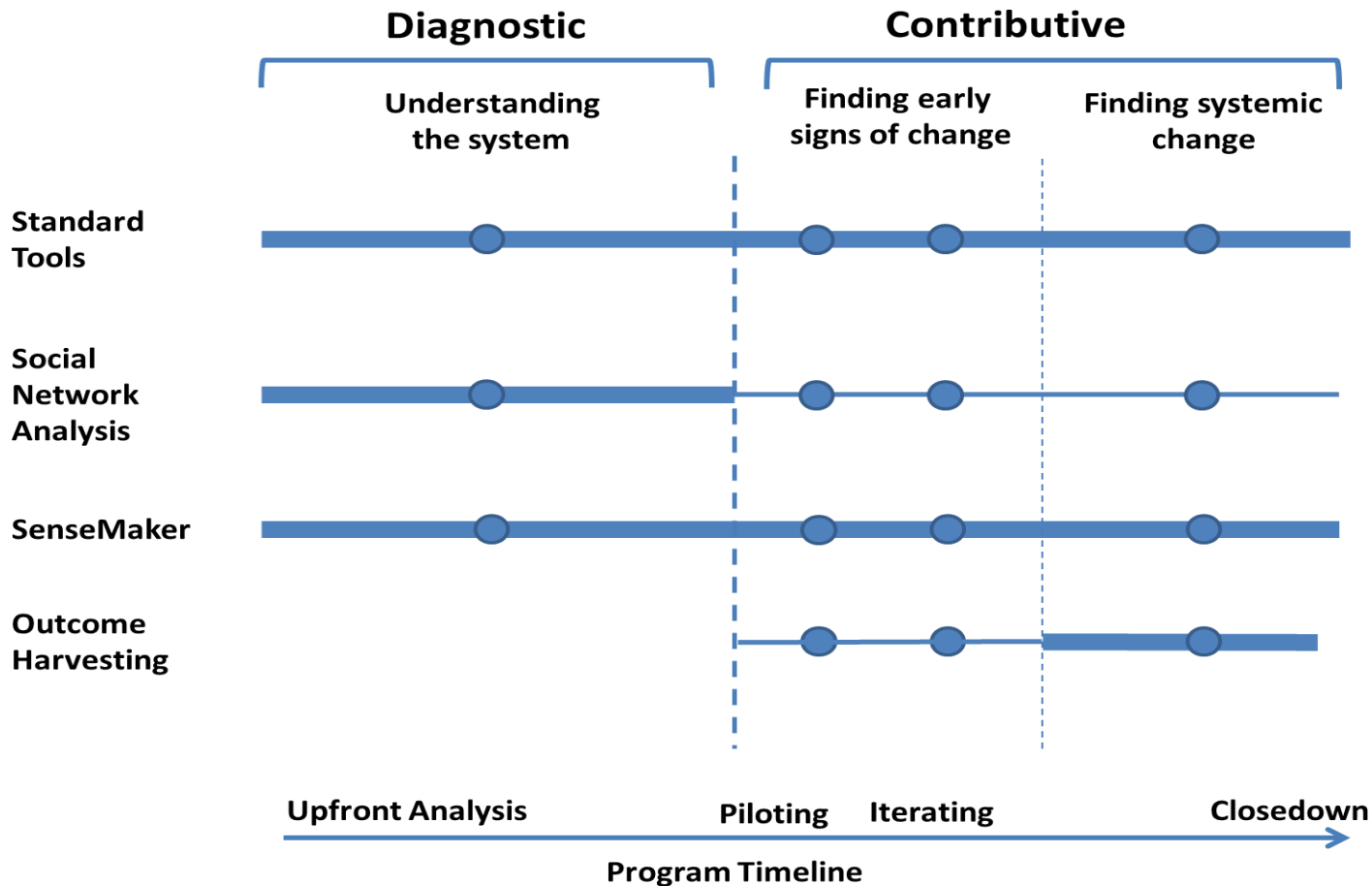
Standard Tools
SenseMaker

Contribution Analysis
Low ←————→ High

SenseMaker*
Social Network Analysis

Standard Tools
Outcome Harvesting

Application within the Project Cycle

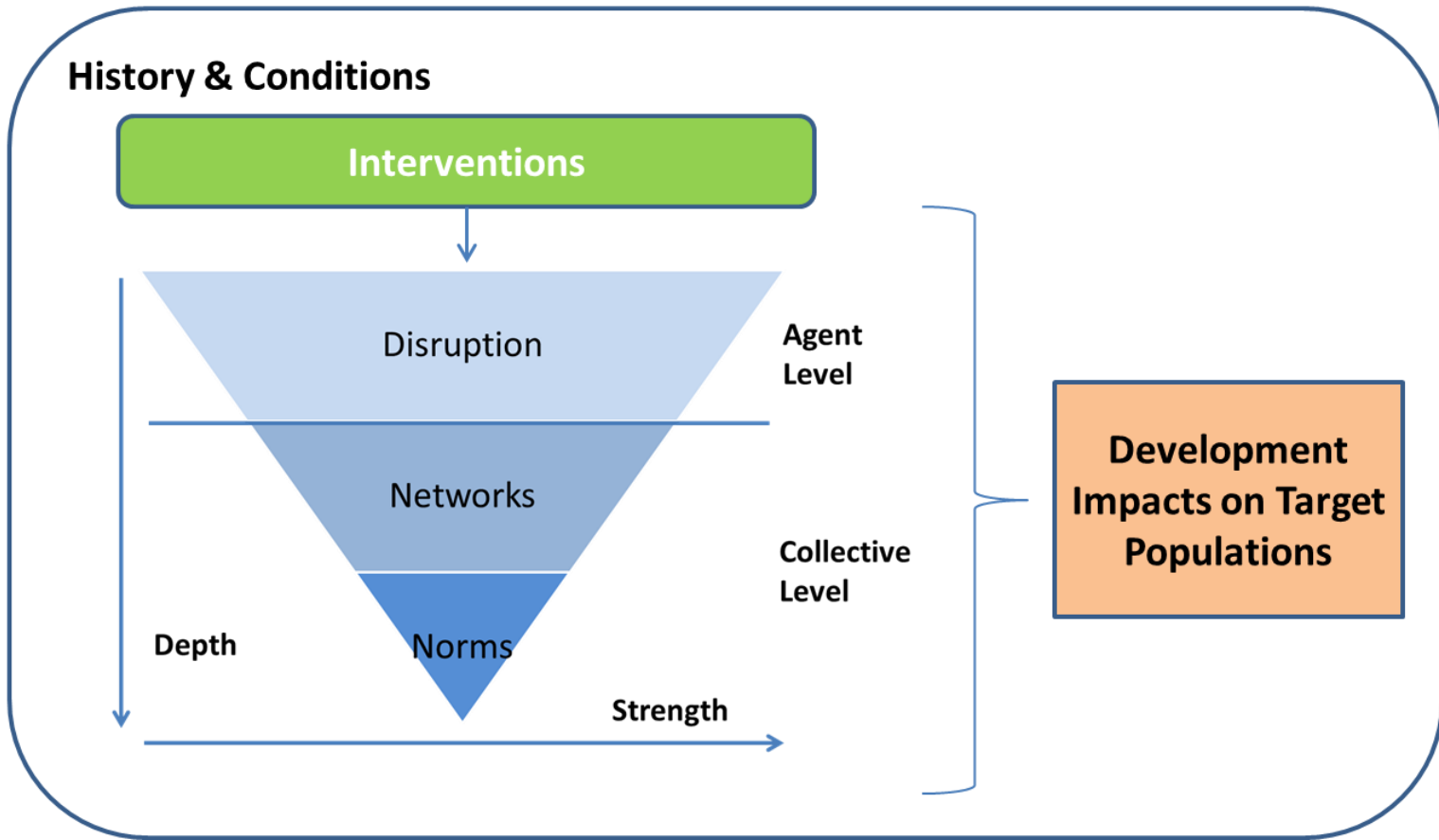


Key Tool Trial Conclusions

- **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

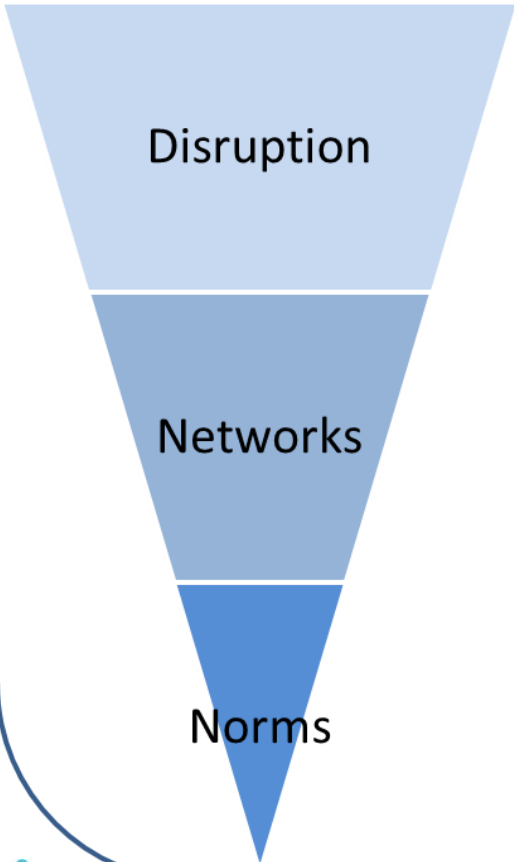
Boundaries



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



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

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

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



www.sobasl.org

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

What is a Network Analysis?

- 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.

Why did SOBA choose network analysis tool?

- **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

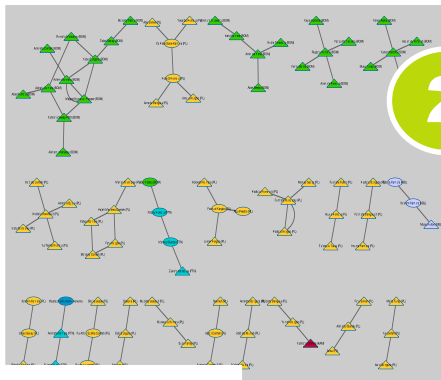
INTERESTING & INFLUENTIAL FINDINGS



1

Influential actors identified

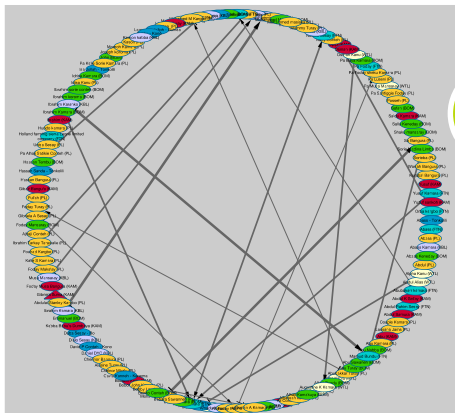
A large number of centrally located actors that were positioned as potential leverage points as well as bottlenecks identified



2

Non-trade communications networks highly localized

Inserting valuable information and other resources into the market system.



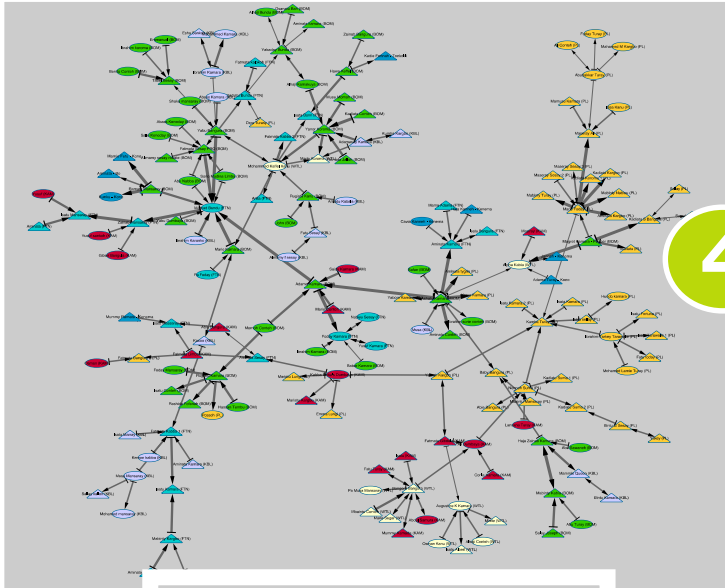
3

Gendered homophily among trade and communications partners

Female social and communication networks significantly influence female trader business practices and performance.

Trade Between Men

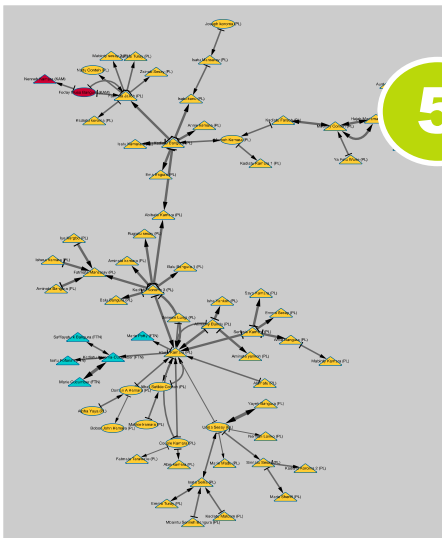
INTERESTING & INFLUENTIAL FINDINGS



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

1 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

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Questions and Answers

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