Development professionals are often trapped in a Vicious, Virtuous Cycle

Desire, capacity to help
Attempts to “fix”
Positive impacts
Unsustainable, negative impacts
Long-term, sustainable social change
Long-term engagement with systems
Need, desire for assistance
Complexity Happens
Development professionals deal with two critically different types of environments:

**Fixable Situations**
- Where you can *intervene* to solve problems directly

**Complex Situations**
- Where you have to *engage* the surrounding system to improve things over time
What distinguishes a complex situation from a “fixable” situation?

Let’s say the shape represents the context I am working in.

And that the yellow shape is the problem I care about.
Ask: to what degree is the issue I care about inter-dependent with the surrounding context?

If there is a low degree of interdependence...

Then the “cause” of the problem is more likely to reside within the problem itself, and the fix lies in working directly on the problem separate from the context.
Ask: **to what degree is the issue I care about dependent on the surrounding context?**

If there is a **high degree of interdependence**...

Then the **“cause”** of the problem is more likely to reside in the complex relationship between the problem and its context...

and you can only address the problem **indirectly by addressing its relationship with the surrounding context**
Take the problem of an insufficient supply of safe water in the village in Malawi

Is the lack of sufficient safe water due to the lack of a water pump/broken pump?

For example, if they had access to a working pump, then their problem of insufficient clean water would be solved long term.
Take the problem of an insufficient supply of safe water in the village in Malawi

Or is it the result of more complex forces in the village and its surrounding environment?

For example, is it due to entrenched economic interests, tension/violence between local clans, cultural or religious values, competing resource demands, poor governance, etc...
Systems thinking and development: soft systems
Soft Systems Evolution

- Interrelationships – out there in the “object” and in programming

- Perspectives – more yields a clearer picture

- Boundaries – the power of who’s in and whose perspectives count
Systems at USAID

- Sustainability
- Inclusive Country Systems
- Mutual Accountability

USAID Forward

- Sustainability
- IPR/Localized Aid
- Program Cycle

LOCAL SYSTEMS:
A FRAMEWORK FOR SUPPORTING SUSTAINED DEVELOPMENT

APRIL 2014
Achieving and sustaining any development outcome depends on the contributions of multiple and interconnected actors.
Think more systemically

Emergence

Who

... in addition to "what"

The 5 Rs
Ten Principles for Engaging Local Systems

1. Recognize there is always a system
2. Engage local systems everywhere
3. Capitalize on our convening authority
4. Tap into local knowledge
5. Map local systems
6. Design holistically
7. Ensure accountability
8. Embed flexibility
9. Embrace facilitation
10. Monitor and evaluate for sustainability
(Better) align incentives

**Results**
- Focus on project output and outcomes

**Broaden the results we seek**
- Include systems characteristics
- Expect contribution rather than attribution

**Risk**
- Eliminate fiduciary risk

**Recalibrate risk**
- Recognize risk as threats to achieving sustainability
- Include all risks
- Rebalance risk and risk mitigation

**Measure for sustainability**
**Invest to maximize sustainability**
Local Systems Framework informs USAID understanding of local ownership

Co-production, context, adaptability, and sustainability linked through Framework:

- Local Perspectives inform development challenge
- Local Actors frame solutions and co-produce them
- Relationships, rules, and roles as “home” for sustained development results
- Expect dynamism in systems and feedback loops to enable adaptation
In terms of project design . . .

**Sustainability is:**
- **An ongoing design consideration** that
  - Affects *how* we design
  - *Who* is involved
  - As well as what we want to accomplish

**Sustainability “Analysis” becomes:**
- Documentation of how sustainability was considered/ *addressed throughout the design process*
- Identification of significant assumptions for realizing sustained development
- Specification of how progress toward sustainability will be measured and monitored
Thinking “System” thru 5 Rs

Resources

Roles

Relationships

Rules

Results
Local Solutions & Local Systems
USAID Forward consists of reforms in these areas:

- Rebuilding policy capacity (PPL, Program Cycle)
- Restoring budget management (M/MPBP)
- Strengthening monitoring and evaluation (Evaluation Policy, CLA)
- Leading on innovation (Lab, Grand Challenges, DIV)
- Supporting capabilities in science and technology (Lab)
- Building the capacity of local institutions (Local Solutions)
- Attracting and retaining talent (DLI)
Local Solutions is using, strengthening, and partnering with local actors strategically, purposefully, and cost-effectively to achieve sustainable development.

**IPR (Implementation Procurement Reform)**
- Means
- 30% as the Driver
- LCD and G2G as ends
- Lots of Awards to Local Orgs
- Capacity Development
- Success msrd by use
- Increase competition

**Local Solutions**
- Ends
- Sustainability as Driver
- Program Cycle – CDCS, PAD
- CDCS & PAD=>Strategic Awards
- Perf. Imprvd=>Effective System
- Success msrd by dev impact
- Small Bus. target - 6.5% FY 2014
The 30% target is ASPIRATIONAL

Local Solutions is about Sustainability through Local Ownership
Office of Local Sustainability (E3/LS)

FY 2015 Budget
$45 million

Process
Letter of Interest (LOI)
Missions submit LOIs that address the following questions. What development challenge/s is a Mission trying to address? What resources need to be mobilized to get the job done? How can the development challenge/s be addressed in a locally-owned and led manner?

Design Phase (as long as it takes)
localworks will provide funds to selected Missions to create a comprehensive, evidence-based, and constituent-responsive program.

Implementation Phase (5-9 years)
Throughout this phase, Missions will issue awards in line with their funded localworks design. localworks DC will work with Missions to identify challenges, opportunities, successes, and failures as they emerge and to share these within and beyond the Agency.
Systems Practice

APLU
The way we think + the way we work:
Systems Practice/Program Cycle

Listen

Engage

Local System

Discover

- Project Design Planning [ADS 201.x.x]
- Activity
  - Design [ADS 210.x.x]
- Project
  - Design/PAD [ADS 210.x.x]
- Project Monitoring [ADS 201.x.x]
- Adaptive Management [ADS 201.x.x]

Project

201.x.x
# The 5Rs

- **Results**: What the local system is producing
- **Roles**: The functions that actors take on
- **Relationships**: The interconnections between actors in the system
- **Rules**: Regulations, policies, norms that structure the system
- **Resources**: Inputs into the system
Seeking to understand the system “as is”:

1. Define the result, problem, or issue of interest
   - Set a boundary for the system
   - Identify relevant actors
   - Elicit multiple perspectives
2. Begin describing the system along each of the 5Rs.
3. Iterate as needed
<table>
<thead>
<tr>
<th>Elements</th>
<th>Guiding Questions</th>
</tr>
</thead>
</table>
| Results      | • What results (good or bad) are currently being produced by the local system?  
                 • What is the current state of the problem or issue you have defined?                  |
| Roles        | • Which roles currently exist in the system?  
                 • Are actors playing diverse roles?  
                 • Are multiple actors competing to perform the same role, or collaborating in complementary roles?  
                 • How intentionally are actors playing their roles?                                      |
| Relationships| • How do the actors in the system interact with each other?  
                 • How are the actors in the system connected through their interactions?  
                 • Are there clusters of actors who tend to work together? Which actors tend to have productive relationships? |
## Guiding Questions

<table>
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| Rules      | • What are the formal and informal structures that shape how actors interact within the system?  
            | • What rules or practices constrain the actions of actors within the system?  
            | • Are these represented in formal laws and policies?  
            | • What social norms, practices, or standards of acceptability shape the action of actors within the system? |
| Resources  | • What does the system have to work with?  
            | • financial resources  
            | • human resources  
            | • Infrastructure  
            | • information (data)  
            | • political or economic demand |
Systems Practice

Engage

Local System
Identifying and initiating changes intended to produce the local system as we want it “to be”:

1. Describe the local system “to be” in terms of the 5Rs (*process is important – seek multiple perspectives, include local viewpoints*)
2. Establish the gaps/continuities between the system “as is” and the system “to be”
3. Validate that intended results are locally-valued (*again, process is important – seek feedback from multiple stakeholder groups*)
4. Determine what it will take to make the transition
5. Define a project in terms of a set of strategic, viable and feasible interventions designed to support the transition
6. Design interventions (activities)
7. Initiate interventions
**Exercise: Applying the 5Rs for Project Design**

<table>
<thead>
<tr>
<th><strong>Results</strong></th>
<th><strong>From situation</strong></th>
<th><strong>“As is”</strong></th>
</tr>
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<tbody>
<tr>
<td>Exampl...</td>
<td>The problem</td>
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<th><strong>Roles</strong></th>
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<th><strong>Resources</strong></th>
<th><strong>Scarc...</strong></th>
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<tr>
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<td>access to materials, credit, technical capacity, expertise</td>
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</table>

**Engaging**
Engagement analysis

**Exercise: Applying the 5Rs for Project Design**

**From situation “As is”**

**Results**
- Example findings...
  - The problem

**Roles**
- External actors fill key roles; roles are contested; redundancy of roles; actors ineffective in fulfilling their roles

**Relationships**
- Donor program have limited local engagement; keys actors are privileged; lack of access to excluded/disadvantaged groups; unequal power

**Rules**
- Formal policies absent/not enforced; policies not aligned with needs/priorities; social norms create stigma for certain groups; policies not evidence-based

**Resources**
- Scarce resources, lack of access to materials, credit, technical capacity, expertise

**Theories of Change**

**To end state “To be”**

**Results**
- Example end
  - The Project Purpose and Key Outcomes

**Roles**
- Local actors are effective in their roles as decision makers, funders, suppliers, service providers and advocates, and work through partnerships

**Relationships**
- Strong civil society, government, private sector, and donor partnerships, and relationships among stakeholders support results

**Rules**
- Policies, values and norms support a system that is equitable and effective in responding to local needs. Social norms promote inclusion.

**Resources**
- Local system manages diverse flows of inputs/resources that allow for reliable and adaptive response to needs (financial, human, institutional, processes)
The 5-Rs: Levers for change

- **[Target]** Results
  - The specific outcome sought

- Roles
  - Clarify/Strengthen existing role performance
  - Introduce new roles

- Relationships
  - Strengthen existing relationships
  - Modify relationships
  - Create new relationships, esp. accountability

- Rules
  - Improve enforcement of existing rules, esp. other Rs
  - Reform/modify existing rules

- Resources
  - Strengthen “value” feedback loop
  - Promote domestic resourcing
  - Consider resources (infrastructure, data, etc.)
Promising interventions

- System Significance
- Local Value
- Political Feasibility
Systems Practice

Local System

Discover
Regularly assessing the interventions—both individually and collectively—for effects on the local system and progress toward the system “to be”:

1. Establish a robust project-level (system-level) monitoring plan that uses multiple methods to track change according to the 5Rs
2. Validate monitoring plan with stakeholders to ensure we are measuring what is important.
3. Rely on traditional monitoring methods at the activity level
4. Organize opportunities to share monitoring results with stakeholders
5. Identify modifications to interventions as needed
5Rs Framework

1. Systems analysis tool
2. Narrative-based approaches
3. Indicator-based approaches
## Monitoring methods

<table>
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<tr>
<th>Element</th>
<th>Monitoring Methods</th>
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<tbody>
<tr>
<td>Results</td>
<td>• Outcome indicators</td>
</tr>
<tr>
<td></td>
<td>• Citizen feedback/user surveys</td>
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<td></td>
<td>• Outcome harvesting</td>
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<tr>
<td>Resources</td>
<td>• Market studies</td>
</tr>
<tr>
<td></td>
<td>• Indicators</td>
</tr>
</tbody>
</table>
Local System

Adapt
Modify interventions—or redefine system “to be”—based on ongoing discovery:

1. Anticipate adaptation through design, procurement, management and monitoring
2. Assess need for adaptation in terms of the 5Rs
3. Refine/(re)design interventions using similar approach to initial engagement
Continue listening, engaging, discovering and adapting as needed.
A Review of Some Systems Tools
Organized by Purpose
Adapted from Systems Concepts in Action by Williams/Hummelbrunner
Describing and Analyzing Situations

- Causal Loop Dynamics
- System Dynamics
- Social Network Analysis
- Outcome Mapping
- Process Mapping of Impacts
- Strategic Assumption Surfacing and Testing
- Strategic Area Assessment
- CDE Model
- Assumption-Based Planning
- Cynefin
- Solution Focus
- Viable System Model
Learning About Situations

- Cultural Historical Activity Theory
- Soft Systems Methodology
- Dialectical Methods of Inquiry
- Scenario Technique
- Systemic Questioning
- Circular Dialogues
- Critical Systems Heuristics
Holistic Assessment: use the Structural, Attitudinal, and Transactional lenses to achieve comprehensiveness without losing comprehensibility

Upstream/Downstream Analysis: see every issue as having multiple causes and multiple impacts

Systems Mapping: visualizing key dynamics (patterns) and how they are interconnected
Finding Leverage Points: areas were an “ounce” of input can get you a “pound” of impact

Creating Ripple Effects: max. positive interdependence, min. negative interdependence

Aligning Fast and Slow Variables: engage parts of the system that you can affect in the short term with desired longer-term impacts
Building a Learning Plan: use your understanding of the system to identify key hypotheses about both how the system works and how to engage it.

Failing Smart: min. the costs of failure and max. the value of learning through quick cycles (flash learning).

Diversifying Your Definition of Success: integrity of approach, ability to learn/adapt, impact on dynamics, direct project impacts.
1. Systems practice still applies
   - Focus on engagement/discovery
   - Still need to listen for perspectives, boundaries, and 5-Rs
   - Embrace rapid tempo

2. Make several “small bets”

3. Fail smart

4. Amplify what works in that context; dampen what does not
The most important tool

- No tool is more valuable than time spent understanding the context, the players, and the perspectives