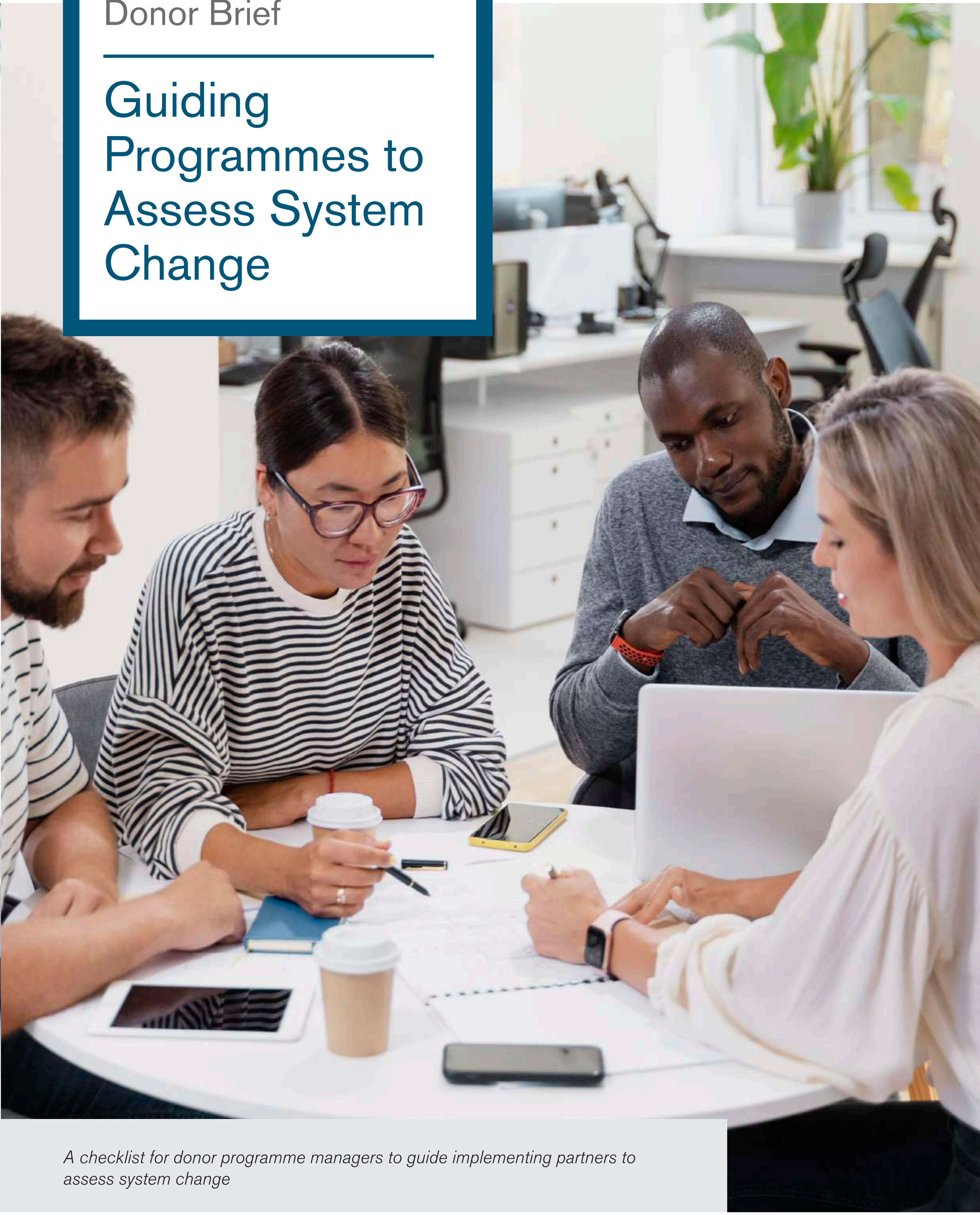
Donor Brief

Guiding Programmes to Assess System Change



A checklist for donor programme managers to guide implementing partners to assess system change

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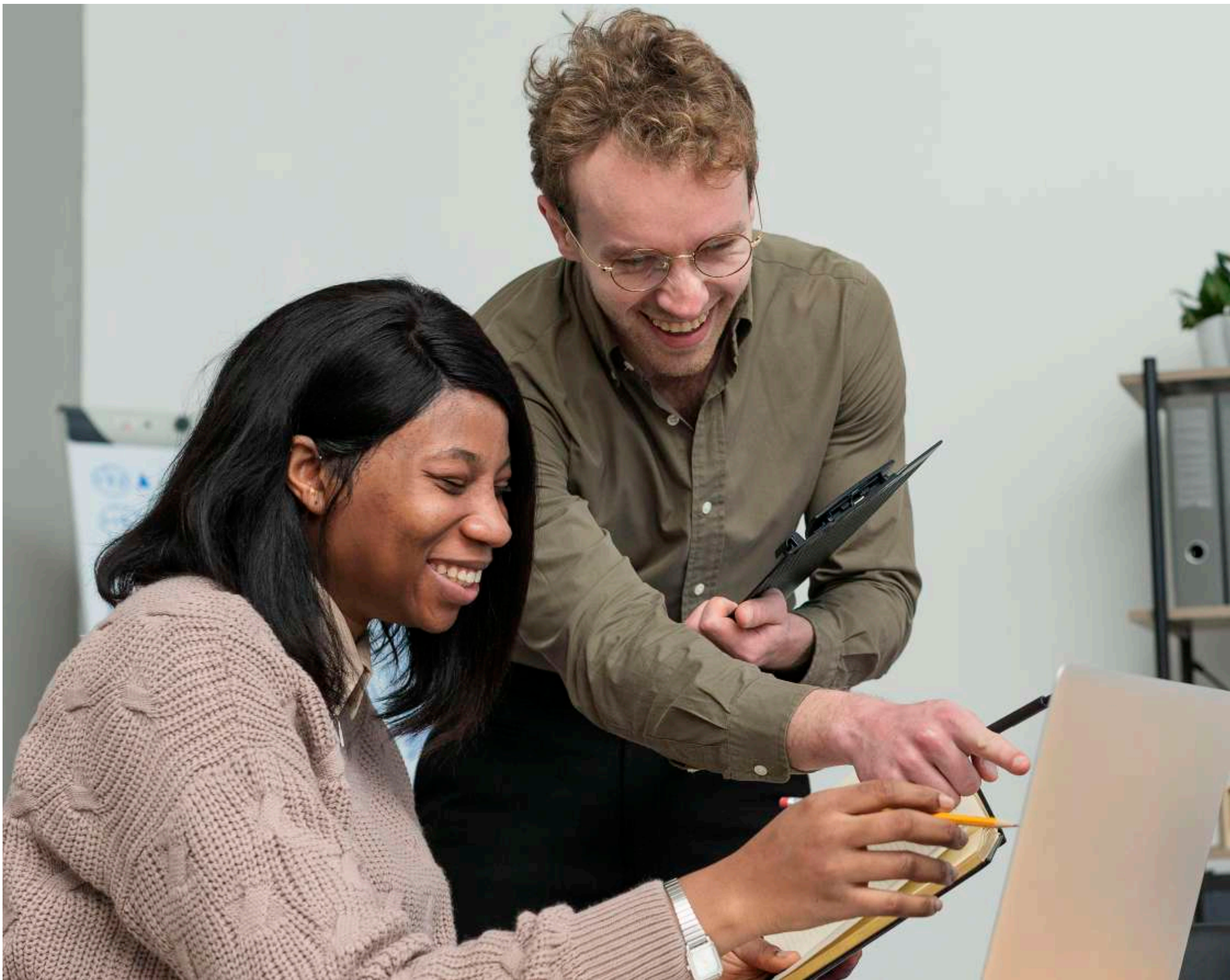
1 Background

In 2020 A Pragmatic Approach to Assessing System Change was published to help private sector development practitioners clearly outline system change expectations, regularly monitor progress, and effectively use that information to improve their programmes and report to their stakeholders. The guidance built on emerging practices and lessons from several programmes using a market systems development approach. Since its publication, more programmes have started applying the guidance to assess system change.

To assess system changes a programme should be designed and supported appropriately. This is the role of programme donors who are in charge of design and of steering programmes effectively.

This paper aims to provide guidance to donors on how to steer and enable their implementing partners to effectively assess system changes. It is built on the guidance developed in A Pragmatic Approach to Assessing System Change.



2 Introducing the Pragmatic Approach to Assessing System

A Pragmatic Approach to Assessing System Change outlines a process through which programmes can regularly assess system change in a practical and attainable way.

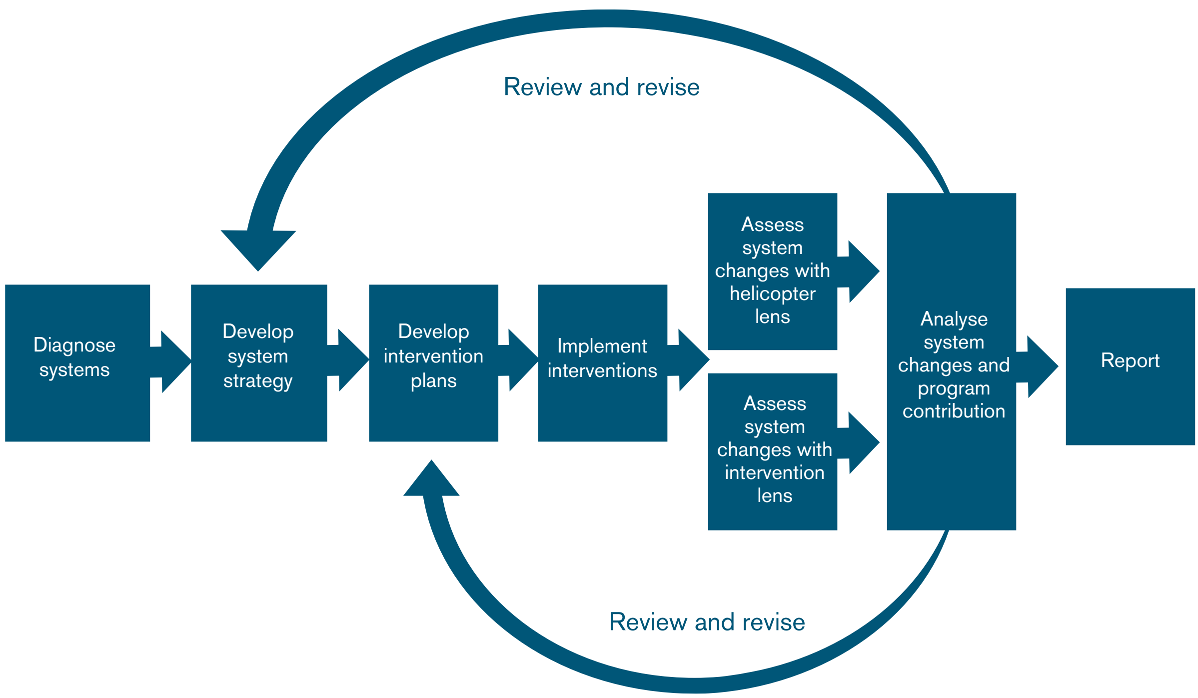
This process involves developing a system change strategy and intervention plans that lay the groundwork for system change assessment, including setting system boundaries and identifying the system changes the programme aims to catalyse. The strategy should show which parts of a system, or connected systems, a programme plans to influence based on the opportunities and constraints it plans to tackle. The strategy should then outline the starting state, and desired state for expected changes in the system, and the plan for catalysing those changes. It should be summarised in a Strategy Table together with measurable indicators for expected system changes and timelines for measuring them.

A Pragmatic Approach to Assessing System Change explains how to regularly assess system changes using an intervention lens focused on changes introduced by specific interventions, and a helicopter lens that provides a whole system view. The intervention lens uses a bottom-up perspective to assess if, and how, individual interventions or innovations in a programme affect a system. The helicopter lens uses a top-down, broader perspective on how a system is changing and then examines what may have led to those changes. The use of these lenses can be operationalised by using intervention and helicopter lens results measurement plans that outline specific qualitative and quantitative indicators, including when and how they will be measured.

By analysing findings from the helicopter and intervention lenses together, programmes can improve their strategy and report on their contribution to system change. Figure 1 shows how this process fits into a typical programme cycle.[1]

[1] Miehlbradt, Shah, Posthumus and Kessler, (2020), A Pragmatic Approach to Assessing System Change

Figure 1: The process of planning, assessing, analysing, and reporting system change.



For an overview of this approach, see A Pragmatic Approach to Assessing System Change. For more detailed implementation guidance and accompanying notes on how to put it into practice, refer to the how-to guide.

3 How to Use this Guide

Donors, and more specifically donor programme managers, outsource the implementation of private sector development programmes to implementing partners. In some cases, donors support programmes in achieving system change, for example by directly encouraging changes in government policy. Nevertheless, these implementing partners are responsible for programme management, steering it, within their allocated budget, to achieve the impacts that have been agreed with the respective donors. Donor programme managers create the conditions that allow implementing partners to manage programmes effectively so that they increase the likelihood of reaching the desired impact. In this role, donor programme managers can empower programme implementers to assess system change by providing guidance and establishing appropriate conditions.

Different donors have different phases, from programme design to its implementation and ending. This document distinguishes between three key phases: programme design, implementation and end-of-programme evaluation. It provides guidance on key considerations for donor programme managers in each of these phases to steer them towards assessing system change effectively. While it is ideal if a donor programme manager applies the guidance in this document through all the different phases in a single programme life cycle, it is also possible to apply the guidance to a specific phase:

1. Design phase (Chapter 4): The donor programme manager designs a programme and develops the call for proposals leading to a tendering process, seeking an implementing agency to take on the implementation of the programme. This chapter provides guiding questions to help the donor programme manager design a programme with resources and structures that enable it to catalyse and measure systems change.

2. Implementation phase (Chapter 5): The implementing partner is responsible for implementing programme activities that will contribute to system change. This phase can include both an inception and a main phase to a programme. This chapter provides guiding questions to help the donor programme manager check if implementing partners are using the programme's results measurement system to assess system changes.

3. Review or End-of-programme Evaluation phase (Chapter 6): Donor programme managers usually commission evaluations towards mid-term, or at the end, of the implementation phase. In some cases, they are also commissioned few years after a programme has ended as a post-evaluation. Such evaluations are usually commissioned by the donor directly and conducted by external, independent evaluators. This chapter provides guiding questions to help the donor programme manager design evaluations that have a specific focus on assessing system change.

4 Design Phase

This section provides a list of questions that can be used by donor programme managers as self-guidance on whether they are creating the right conditions that enable a programme to assess system change.

Is it appropriate to assess system change in this programme?

Not all programmes are explicitly designed to catalyse system changes. A Pragmatic Approach to Assessing System Change defines this as a change to how a system works and what happens as a result. Programmes that are designed to create system change do so by changing the underlying system performance leading to a better functioning, more inclusive system. Other programmes may be designed to take a more firm-centred or individual business-specific solution to help a limited number of people. For example, a programme may be designed to engage with a large multinational seed company to introduce a new climate-resilient seed variety for a drought-prone area, without further ambition or thought about how to scale it to serve a wider population. It may be designed with a short implementation period of two to three years with a limited scope. In such a case, it is highly unlikely that the change will be replicated beyond the initial partner, or address the bigger problem of why the market is failing to respond to the demand for more drought-resilient varieties of seeds. Table 1 below summarises key programme attributes and features that make it systemic.

Table 1: Key attributes of systemic programmes.

Systemic programmes	Non-systemic programmes
Longer programme duration (five years or more). If it is a multi-phase programme, then each phase can be shorter than five years but total including the different phases add up to more than five years	Shorter programme duration (less than 5 years)
Designed to tackle underlying causes of why things are not working	Designed to solve specific problems (solution-driven)
Aiming for significant scale and sustainable results	Aiming for targeted and immediate results
Works with multiple market actors with the aim to trigger wider market change	Works with one or few market actors without any intention to go beyond those
Programme strategy and interventions continue to evolve based on changing dynamics in the real world	Activities are all executed as initially planned during programme design, few adjustments made

Donor programme managers should ensure they only provide system change guidance to those programmes focused on influencing system change. It is unlikely that a programme which is not designed to catalyse system change will influence the system through its work.

Does the programme have a long enough implementation phase to catalyse and assess system change?

As shown in table 1, stimulating market system change that goes beyond initial programme partners to a wider spread of market actors is complex and typically more time consuming compared to a more direct approach. Programme interventions should be designed based on initial analysis, followed by monitoring of how changes take place and adaptive management to steer the programme towards desired system changes. Such programmes require experimentation and adjustment along the way. There may be exceptions, but usually if a programme is designed with a relatively short implementation phase of two to three years, for example, it is highly unlikely that it can trigger change beyond its initial work with partners. Unless it is designed to be continued into a new phase. It is important for donor managers to be realistic about the timeframe for catalysing system changes. Thus, when designing a programme, the donor programme manager should ensure a long enough implementation phase (typically five years or more) to catalyse system change.

Programmes may also be designed to take a phased approach. This involves a shorter first phase, focused on programme inception and market analysis, to inform system strategies which are used to guide the next stage of implementation. In this case, it is pertinent to guide implementing partners to start assessing system change during the main implementation phase.

Should the programme apply the DCED Standard for Results Measurement?

It is strongly recommended, that a programme aiming to catalyse system change apply the DCED Standard for Results Measurement. Unlike many other measurement frameworks, the DCED Standard explicitly calls on programmes to try to assess system change. The DCED Standard is a framework with seven 'elements', listed in Figure 2, that are the minimum required for a credible, internal results measurement process. The Standard outlines a process through which programmes can assess their own results using good research practices as well as get their results measurement system verified and validated by an external expert.

Figure 2 The elements of the DCED Standard for Results Measurement

- Element 1: Articulating the theory of change/results chain
- Element 2: Defining Indicators of change and other information needs
- Element 3: Measuring attributable change
- Element 4: Capturing wider change in the system or market
- Element 5: Tracking programme costs and results
- Element 6: Reporting costs and results
- Element 7: Managing the system for results measurement

The fourth element of the Standard requires programme implementers to articulate what they mean by system change and develop a pathway that shows how their activities will contribute to it. The Standard implementation guidelines provide specific guidance on how to apply the seven elements, including the fourth element on assessing system change. If the donor programme manager requires the use of the DCED Standard for Results Measurement in programme design, then it inherently steers that programme towards assessing systems change.[2]

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[2] If the donor programme manager does not want to specify the use of the DCED Standard in a programme tender, they should, at a minimum, specify that the results measurement framework be designed to assess system changes and report on the programme's contribution to them.

Does the programme have sufficient human and financial resources to assess system change?

A programme needs the support of human resources with the capacity and expertise to regularly measure results and assess system change. It also needs a dedicated results measurement budget so that there is sufficient capital to investigate to what extent, how and why system change is taking place. Table 2 lists guiding questions to help donor programme managers ensure that a programme is sufficiently well-resourced to assess system change. It includes tips on what to include in the programme's tender to aid the process of assessing system change.

Table 2: Key considerations for dedicating sufficient resources.

	Guiding questions	Tips on what to include in the tender
Human Resources	What are the skills that programme staff need to have in relation to results measurement?	▪ Specify that the programme needs to include staff (at least the team leader and results measurement manager) with experience and expertise in results measurement. At a minimum this includes experience in making results chain, designing qualitative and quantitative research, analysing findings and using those to adapt strategies. Experience in applying the DCED Standard for Results Measurement is not essential, but an added strength.
	What skills can be acquired through training and external technical expertise? Can these be easily added during programme implementation?	▪ Specify that the programme needs to develop an approach to build staff capacity in measuring results and assessing system change. ▪ Specify that the programme needs to build in flexibility to draw on technical assistance to address capacity gaps in results measurement, such as assessing system change (as needed).
	What is the responsibility of the programme team leader and senior management in leading the team to assess system change?	▪ Specify the role of senior management to guide staff to regularly assess system change. ▪ Specify the role of senior management to use results measurement findings (including the assessment of system change) for learning and adaptive management.
	What size should a team be to adequately assess system change?	▪ Specify that results measurement staff with specific technical skills should account for at least 10% of programme staff.[3] The number will be dependent on the programme budget and its ambitions (number of sectors, number of interventions).
Financial Resources	Does the programme have a dedicated results measurement budget allowing for the collection of data required to assess system change regularly (typically annually)?	▪ Specify that the programme budget should include an allocation for annual results measurement which also covers overhead/staff costs, travel for results measurement and assessing system change, and external research or outsourced studies, as needed.
	Does the programme have the budget required to draw on technical expertise to support the programme team in assessing system changes?	▪ Specify that the programme should allocate budget to draw on technical expertise for capacity building and technical assistance in results measurement.

[3] The M4P Operational Guide, 2nd Edition

How will system change results be integrated in programme reporting?

The process of conceptualising a programme's higher level theory of change by donor managers begins during the design phase - particularly the expected outcomes and impact. This helps inform the programme's reporting requirements which are usually defined when the programme is tendered and goes through an inception stage. At the tendering stage the donor programme manager can already outline key reporting requirements, including specifying those for assessing and reporting system change findings:

- Specify that the programme team needs to assess system change but do not define what needs to be measured in relation to it. Instead specify the need to develop a process for assessing system change once implementing activities begin (usually after the first year when the programme strategy and interventions have been designed).
- Ensure that flexibility is built in to determine the extent to which it is possible to catylse system change based on the context. Ideally, the indicators and expectations should be identified by programme implementers during the inception phase, and later refined during implementation as more measurement experience is gained.
- Refrain from mandating programme implementers to identify quantitative indicators to measure system changes or specific targets for the "amount of" system change to be catalysed. Instead, give them the flexibility to choose indicators and qualitative parameters of system changes that fit their context - and report on those.
- Refrain from putting a timeline on when system change should be happening. This is very much dependent on programme context and cannot be determined before a programme starts implementing activities.

5 Implementation Phase

This section provides a checklist of questions that donor programme managers can use in their interactions with implementing partners to check if they are regularly monitoring system change and assessing their contribution towards system change. If not, donor programme managers can use this checklist to guide programmes toward the steps they need to take to assess system changes in a practical and credible way.

Has a system strategy been developed within the programme?

The starting point for assessing system change is to define a system boundary and develop a strategy explaining how the programme aims to influence that system. This strategy will, in turn, guide the assessment process. Ideally a programme that is aiming to catalyse system changes should develop this system strategy right after conducting its market system assessment, commonly referred to as a sector or system study, and analysing the findings. This usually happens before, or at the beginning of, implementation because the system strategy outlines the strategy that will guide the implementation of activities to catalyse system changes. Typically, implementing partners use the inception phase or first year of programme implementation to conduct systems or sector analyses to help decide which specific systems or sectors the programme will work on. Once these are agreed with donor programme managers, programme implementors will begin more thorough systems diagnoses to inform the strategy and intervention design.

To help develop a system strategy that can later inform the assessment of system changes, donor programme managers should check in with programme implementers during this process with the expectation that by the end of the process, the programme will have addressed the following:

- defined the system(s) it aims to influence, including clear boundaries for each one targeted
- defined a timebound plan on how it will influence each system
- defined a vision of desired change for each system it aims to influence
- defined quantitative indicators and qualitative information needs that will help the team understand, and report on, whether the system change strategy is working towards the desired goals
- provided for collection of baseline information on these indicators, or show that there are plans to do so

For more guidance, refer to Operationalising System Change assessment and the System Strategy table template.

Does the programme's operating culture support assessment of system change?

The main objective of assessing system change is to provide the programme team with information to analyse to what extent, and why, desired changes are occurring and to adapt the system strategy and interventions to increase their progress. This requires a learning culture within programme teams to ensure they are genuinely interested in gathering credible information, and then using it to inform decisions. Donor programme managers should check that this learning culture exists by gauging the following:

- Does the programme have a relatively flat structure (two to three tiers) which encourages flexibility and lots of interaction between the different tiers?
- Do programme implementation teams spend considerable time in the field?
- Do programme implementation teams maintain relationships and have regular interaction with different market actors?
- Are there formal processes (such as review meetings) and informal mechanisms (such as staff retreats or shared applications such as WhatsApp groups) built in to foster learning?

For more guidance, see Fostering a results-focused learning culture – The role of a donor.

Are sufficient human and financial resources being used within the programme to assess system change?

The guiding questions used in Table 2 for designing a programme that has sufficient human and financial resources should be used again by donor programme managers during programme implementation to check if adequate resources are being used to assess system change. Table 3 is a modified version of the same questions that can be used by donor programme managers to check for this. Refer to Table 2 which includes considerations against each question. It should also be noted that the use of the DCED Standard requires that there is sufficient human and financial resources dedicated for results measurement. If a pre-audit review against the Standard is conducted at a relatively early stage in programme implementation, it can help check if a programme is sufficiently resourced.

Table 3: Key questions for checking resources dedicated towards system change assessment.

Checking for sufficient human resources	▪ Does the team leader and results measurement team members have sufficient experience for this role? ▪ Is the capacity of results measurement teams being developed through training and by drawing on technical experts? ▪ Are staff members' responsibilities for results measurement, including assessing system change, specified in their job descriptions? ▪ Does the programme team have enough staff to also assess system change?
Checking for sufficient financial resources	▪ Is sufficient budget being allocated to regularly assess system changes? ▪ Is there sufficient budget to pull in, when needed, technical expertise to help in the measurement of system changes?

If the donor programme manager sees that a programme has insufficient resources, it can still support system change assessment by allowing flexibility for reallocation of funds within the programme, or by directly supporting the assessments themselves.

Is the programme's system strategy used to assess in what way and how much system changes are happening, and how the programme is contributing to these changes?

Once the implementation of interventions begin, helicopter lens and intervention lens assessment plans should be developed. These are used to gather information to analyse whether system changes are taking place and why.

Most MSD programmes tend to use intervention lens assessment plans but lack a bird's eye view on how systems are changing. Donor programme managers should particularly encourage programme teams to make helicopter lens assessment plans and use it to start assessing system changes towards the end of two years of programme implementation, or when expected changes are beginning to take place. From then on, ideally they should check in with programme teams once a year to ensure they are assessing how, and why, systems are changing - and that they are using that information to guide conversations on programme progress. It may also be useful for donor programme managers to check if there have been any specific challenges in collecting and analysing such information. This can be helpful for future programme design.

Donor programme managers should check the following:

- Have both helicopter lens and intervention lens assessment plans been made to assess system changes?
- Are there any specific methods or questions relating to the assessment of the programme's own contribution to system changes?
- Have the plans been used to collect data on what system changes are occurring and how they is contributing to them? If not, why not, and when will these measurement plans start being used?
- Is the programme facing challenges in the collection and analysis of such data? If so, how are these challenges being addressed?

For more guidance on making helicopter lens and intervention lens assessment plans, refer to Operationalising System Change assessment.

How is information on system change being used by the programme?

The primary benefit of assessing system changes during a programme's lifetime is that it helps the programme team understand if, and how, the desired changes are happening within systems, and whether the programme's efforts have contributed to these changes. This provides critical information on whether the programme's strategies and interventions are working, which in turn supports decision-making around adaptive management.

Typically, programme strategy should be revisited once a year using information gathered through assessing system change. In addition, donors should also guide programme teams to use the information collected in programme management by asking the following questions:

- Is there a system in place to use the information collected from assessing system changes to review the programme's own work? By, for example, reflecting on the information in review meetings. For more guidance, refer to Conducting Sector Strategy Review Meetings.
- Is the information used in discussions with programme partners?
- Is the information used to review the programme's own strategies and interventions? How often?
- Have changes been made to the programme's strategy and/or interventions? If so, are these well supported by evidence from measuring results, including assessing system change?

Does the programme report on system change?

Finally, in the spirit of transparent sharing of lessons learnt, donor programme managers should encourage implementing partners to report on the findings from system change assessments. As mentioned in section 4, donor programme managers can already steer a programme towards reporting these by specifying it at the design stage. Furthermore, they can guide programme teams to share their findings when reporting on impact in their donor reports. Donor programmes managers should not expect a programme to have catalysed system changes too early in a programme but can expect them to report on the activities they have implemented to encourage system change and any early signs of system change. Once it can be expected that system changes are happening, the programme should report what changes are actually occurring with evidence, on an annual basis. They could specifically check the following:

- At the start of programme implementation, is there an agreement between the donor and programme teams on system changes reporting requirements?
- Three to four years into programme implementation, are system changes being reported on an annual basis - including, where possible, both qualitative and quantitative findings?
- Does the report explain how the programme is contributing to system change?
- Does the report cover how the programme, based on findings, is adapting its strategy and interventions?

6 Review or End-of-programme Evaluation Phase

Most donors evaluate programmes using the Organisation for Economic Co-operation and Development (OECD) six criteria: relevance, coherence, effectiveness, efficiency, impact and sustainability. While these criteria do not explicitly address system change, assessing system change enables evaluators to find information relevant for effectiveness, efficiency, sustainability and impact of a programme. Alternatively, donor programme managers can add systems change as a seventh criterion in guiding evaluations, which would allow the evaluator to describe evidence on the extent and nature of system changes the programme has catalysed in a single section of an evaluation report.

An evaluation of system changes can be done mid-term, at the end, or even a few years after the end of a programme implementation. If a donor is planning to do the latter, it is also important to ensure that there is a good documentation system in place to store all relevant documents and data.

This section provides guidance for donor programme managers on including the assessment of system changes in programme evaluations.

How can an evaluation be designed to assess system change and a programme's contribution to it?

Donor programme managers usually provide guidance on an evaluation's objectives and processes through their evaluation terms of reference.

To help steer these evaluations to include assessing system change, and a programme's contribution to it, their evaluation terms of reference can include the following features:

- Use the programme completion report and feedback from the programme team to inform the scope of the evaluation – this will increase the likelihood of accurately identifying system change. This information will help to identify the scope of the evaluation, such as which systems to cover. For example, if a programme has worked in multiple systems - such as horticulture, livestock, fisheries, waste management and bee-keeping - but the completion report refers to systems change taking place more visibly in only one or two out of the five systems, it may be more efficient to focus the evaluation on just those two systems.
- The terms of reference should explicitly specify the information required to assess system change. For example:
  - ⇨ What system changes has the programme contributed towards?
  - ⇨ How have those changes happened and how does the system operate differently now?
  - ⇨ How has the programme contributed towards these changes? Are there other actors and factors that have contributed towards these changes and, if so, how?
- Specify that the evaluation should build on existing programme information to assess how it contributed towards system changes.

- Specify that the evaluators should use both the helicopter and interventions lens perspectives to assess a programme's contribution towards system changes.
- Require that the evaluator has proven experience of assessing system change.
- Ensure that sufficient resources (time, budget, personnel) are included in the evaluation terms of reference to conduct primary research.