USAID
FROM THE AMERICAN PEOPLE

POLICY IMPLEMENTATION ASSESSMENT OF THE LOCAL SYSTEMS FRAMEWORK

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ACRONYMS

ADS	Automated Directives System
AOR	Agreement Office Representatives
AQ	Assessment Question
BFS	Bureau for Food Security
CDCS	Country Development Cooperation Strategy
CLA	Collaborating, Learning, and Adapting
CSA	Civil Society Activity
DDI	Bureau for Development, Democracy, and Innovation
DEC	Development Experience Clearinghouse
DO	Development Objective
DRG	Democracy, Rights, and Governance
E3	Bureau for Economic Growth, Education, and Environment
ERIE	Expanding the Reach of Impact Evaluation
ERM	Enterprise Risk Management
FANTA	Food and Nutrition Technical Assistance Project
FFP	Food for Peace
FSN	Foreign Service National
FSO	Foreign Service Officer
FSR	Financing Self Reliance
FTF	Feed the Future
GH	Global Health
GRC	Governance, Human Rights, and Citizen Security
HSS	Health Systems Strengthening
IDIQ	Indefinite Delivery/Indefinite Quantity
IP	Implementing Partner
IR	Intermediate Result
J2SR	Journey to Self-Reliance
JPV	*Juntos para la Prevención de la Violencia* Project
KII	Key Informant Interview
LAB	Global Development Lab
LEO	Leveraging Economic Opportunities Project
LER	Office of Learning, Evaluation, and Research
LPA	Bureau for Legislative and Public Affairs
LS	Office of Local Sustainability
LSC	Local Systems Community
LSF	Local Systems Framework
LSI	Local Solutions Initiative
LSP	Local Systems Practice
LTIE	Long-term Impact Evaluations
LW	Local Works
MD	Mission Director
MECap	Expanding Monitoring and Evaluation Capacities

MEL	Monitoring, Evaluation, and Learning
MS	Market Systems
NGO	Non-Governmental Organization
OAA	Office of Acquisition and Assistance
OHS	Office of Health Systems
OMB	Office of Management and Budget
OSD	Office of Sustainable Development
OU	Operating Unit
PAD	Project Appraisal Document
PDP	Project Design Plan
PEA	Political Economic Analysis
PEPFAR	President's Emergency Plan for AIDS Relief
PIA	Policy Implementation Assessment
PMP	Performance Management Plan
PMI	President's Malaria Initiative
PPL	Bureau for Policy, Planning and Learning
RDCS	Regional Development Cooperation Strategy
RFS	Bureau for Resilience and Food Security
PEPFAR	President's Emergency Plan for AIDS Relief
SNA	Social Network Analysis
SPACES	Strategic Program for Analyzing Complexity and Evaluation Systems
TDY	Temporary Duty Assignment
USAID	United States Agency for International Development
WASH	Water, Sanitation, and Hygiene

EXECUTIVE SUMMARY

BACKGROUND AND PURPOSE

Six years ago, the United States Agency for International Development (USAID) published a policy document titled *Local Systems: A Framework for Supporting Sustained Development*[1] (also known as the Local Systems Framework or LSF). This Policy Implementation Assessment (PIA) aims to examine to what extent the Agency has achieved the objectives laid out in this foundational policy through shifts in processes and programs, as well as to identify opportunities to strengthen implementation. For many years and across Administrations USAID has emphasized that development programming should be designed to produce sustainable results. The challenge for USAID, and for other development actors, has been to provide clarity about what should be sustained and how to design and implement accordingly. The publication of the LSF was a major attempt at providing USAID with just that guidance, establishing how the Agency would work to achieve its vision of sustainable development, and empowering a new generation of local entrepreneurs, innovators, and community leaders to advance the development of their own communities.

The LSF calls on the Agency to: 1) think and work more systemically by embracing systems concepts and applying ten good-practice principles; 2) strengthen staff incentives to design and implement for sustainability by broadening measures of success from project outputs to strengthened systems, and embracing flexibility and risk to make it easier to work with local actors; and 3) make progress on a seven-point implementation agenda that includes: embedding systems thinking and local systems into USAID's operational processes, adding to the ways USAID can support local systems, sharpening risk management practices, developing ways to measure systems change, initiating a series of ex-post evaluations, and reinforcing staff skills. While the LSF outlined the themes of the implementation agenda, it did not articulate any specific requirements or Agency structures to ensure the realization and execution of it.

METHODOLOGY

This PIA used mixed methods combining traditional and systems methods to answer eight assessment questions that map roughly onto the LSF's implementation agenda. The team studied LSF implementation at two levels: 1) across USAID writ large; and 2) in Operating Units (OUs) that have concretely attempted integration of LSF principles. Over the data collection period of March – July 2020, the assessment team interviewed staff from different parts of USAID, analyzed Program Cycle documents, and drew on findings from an Agency-wide survey (n=264). The team also administered a network mapping exercise of influential systems thinkers at USAID, which reached 242 current and former USAID staff, and conducted deep dive studies of two Missions: USAID/Uganda and USAID/Mexico; and three technical areas in Washington: Market Systems (MS), Office of Health Systems (OHS), and the Office of Local Sustainability (LS). In total, the PIA team conducted individual and group key informant interviews (KIIs) with 109 staff members and reviewed more than 300 documents, including 64 Country Development Cooperation

[1] https://www.usaid.gov/sites/default/files/documents/1870/LocalSystemsFramework.pdf

Strategies (CDCSs), 99 Project Appraisal Documents (PADs), and 89 solicitations released between 2010-2019, with slight variations in sample period by document type. To understand the identified enablers and constraints and determine what actions would be needed to improve LSF implementation, the PIA team synthesized the findings from the analysis into conclusions and recommendations designed around key leverage points using a number of systems methods, including system mapping, archetype analysis, and prerequisite analysis.

KEY FINDINGS

The findings of the assessment reflect the data collected and analyzed through both traditional and systems methods and relate to both LSF implementation across all of USAID and OUs where implementation attempts have been most substantial.

DISSEMINATION OF SYSTEMS THINKING ACROSS USAID

Evidence indicates that a significant portion of USAID staff in both Washington and missions are at least somewhat familiar with the LSF and with systems thinking concepts and tools across hiring mechanisms and regions. Most survey respondents agreed that *using concepts and tools of systems thinking is essential to achieve sustainability*. Not only are staff familiar with the concepts, but they believe that a local systems lens is critical to a path towards sustainability for the Agency.

Many LSF approaches have been disseminated through a loose network of systems thinkers, some of whom are also part of the more formal Local Systems Community of practice (LSC). The network of systems thinkers identified through the network mapping exercise changed in size and structure before and after the launch of the LSF, suggesting that the drafting and launch played a major role in building and tightening the network. Multiple network measures increased substantially concurrent to the development of the LSF (2014 - 2016) including the number of individuals reporting that someone influenced their thinking in relations to systems, connections between silos, connections between individuals, and the network's ability to withstand the departure of bridge-builders. However, the growth and quality of this network declined after 2016 with little change since.

PROGRAM-CYCLE EMBEDDEDNESS

Many aspects of the LSF, including systems thinking approaches, local systems engagement and capacity building, and attention to sustainability, have been somewhat integrated across the Agency's operational and policy guidance. The LSF strongly suggests embedding attention to engaging and strengthening local systems across the Agency's Program Cycle, the operational model of USAID's programs defined and governed by chapter 201 of the Automated Directive System (ADS 201). The 2016 revisions to ADS 201 integrated the concepts of local systems engagement and strengthening, suggested conducting systems analyses, and elevated promoting sustainability in its key principles; however, they did not include any requirements for these areas. An ADS revision completed in 2019 modified some of this language, and the team found a reduction in quality and quantity of guidance related to LSF concepts. The implications of this and an additional revision in October 2020 remain to be seen. Many Agency priorities and approaches emphasized since the publication of the LSF have been inherently or explicitly aligned with it, including the Journey to Self-Reliance (J2SR), the 2019 USAID Policy Framework, Financing Self Reliance (FSR), and Collaborating, Learning, and Adapting (CLA).

On average, both country strategies (CDCSs) and project design documents (PADs) received higher scores for engaging local systems to achieve sustainability of outcomes (average score of about two out of four) **than for integrating systems thinking tools and approaches** (average score of about one out of four). CDCSs and PADs typically emphasized working with local systems and building the capacity of local actors for sustainability of outcomes rather than undertaking systemic analyses, such as systemic mapping or Political Economy Analyses (PEAs), on which to base the design or strategy.

RISK-MANAGEMENT PRACTICES

Nearly all survey respondents and interviewees believe that, in general, USAID should accept more risk to achieve sustainability; however, only a quarter believe USAID *always or often* accepts greater risk when designing and implementing interventions. Since 2014, USAID has sharpened and adapted its guidance for risk management practices in designing and implementing for sustainability. In 2018, the Agency issued a Risk Appetite Statement that identifies a high appetite for programmatic risk, allowing the Agency to take more risks in project and activity design and implementation; but a low appetite for fiduciary risk, impeding work with promising *new* local partners. Although the statement was intended to provide further clarity to staff, it has not been translated clearly in practical, programmatic terms. Without reward for adopting riskier behavior or an environment in which it is explicitly "safe to fail," staff run the risk of not meeting objectives.

LOCAL SYSTEMS ENGAGEMENT IN PRACTICE

USAID has improved its ability to engage with local systems over the last six years due to a multitude of factors and priorities, including a perception that it is "just good practice." Procurement reform, USAID Forward and the Local Solutions Initiative (LSI), the J2SR approach, capacity building efforts in general, and CLA adoption at scale are all part of a shift in mindset towards development practice and design that is more iterative, adaptive, open, evidence-based, and holistic. Since 2014, in both policy and practice, evidence from OUs points to an increased focus on capacity building of local entities, more frequent collaborative and co-creation processes with local actors, as well as more instances of efforts to map the local landscape. Nearly all of USAID survey respondents think that USAID *does sometimes actively engage and strengthen* local systems, but significantly fewer think USAID prioritizes this when *results take longer to achieve*. While not yet the Agency norm, there are numerous examples of local systems engagement in practice.

Offices like LS and OHS and approaches like MS are relatively new to the Agency (within the last five to ten years) and signify a shift towards more frequent local engagement, local systems strengthening, and the use of systems thinking approaches. These areas have a stronger and more established evidence base for systems practice than other sectors, and have dedicated more resources, including for staff capacity, measuring impact of systems change, and learning.

Champions are key because even in established sectors, they led the evolution from a previous approach to one that adopted a systems lens. In addition to champions, all deep dives found success stemmed from dedicating resources via staff time (new positions or integrated into existing), flexible funding for implementation, and performance incentives for contributing to sustainability and local ownership/systems. As an example, the Office of LS supports and engages local systems through the Local

Works (LW) program, which provides five-year funding for missions to help overcome the institutional constraints of risk aversion, bandwidth, and staff capacity.

In the two mission deep dives, Uganda and Mexico, systems approaches have been broadly adopted or integrated into the Program Cycle. In both cases, the LSF itself has been a driving force for integrating systems thinking, local systems engagement, and sustainability in USAID's work, and leadership used the LSF when initiating the pivot in emphasis from traditional to systems approaches using CLA and local engagement. In Uganda, the pivot began with the integration of MS approaches in the Feed the Future (FTF) portfolio, which occurred in parallel with the increased emphasis on systems approaches in health and the Democracy, Rights, and Governance (DRG) Office's ongoing efforts for cross-cutting integration. It was formalized with CDCS development and enthusiasm across the Mission. In Mexico, a new Mission Director (MD) prioritized creating an enabling environment for risk adoption, systems practice, and learning and adapting while emphasizing sustained results in performance criteria. Activities were revised midstream to reflect a formalized shift in mindset and revisions were made to projects and the CDCS later.

AGENCY SUPPORT STRUCTURES

Leadership support, staff capacity, and staff incentives were identified through KIIs and the survey as the three main enabling factors in using a local systems approach. They are also the three predominant areas where the Agency is lacking the most in LSF implementation. LSF implementation is still generally champion-driven and led by individuals dedicated to the approach rather than institutionalized or normalized within the Agency. It has depended largely on USAID staff with positive experience or exposure and elevation by leadership, including Mission and Office Directors, rather than formal structures tasked with funded and mandated implementation. Additionally, most OUs do not have a dedicated systems expert or point of contact; but in OUs that have staff who formally perform this function (LS, OHS, and MS), this is seen as a key enabling factor addressing bandwidth issues.

The LSC is the Agency's only formal structure for systems thinkers and practitioners, meeting regularly for brown-bag sessions, which include sharing examples of systems thinking and practice throughout the Agency and beyond. The policy did not require or suggest designating a systems coordinator or a steering committee to oversee implementation and neither has been officially instituted. However, the LSF has a *de facto* yet instrumental coordinator based in the Bureau for Policy, Planning, and Learning (PPL), who is focused on driving and tracking LSF implementation with approximately 60 percent of his time (including convening the LSC, which consists of over 300 members).

The Agency offers formal, week-long training courses on Project Design and Activity Design intended to provide USAID staff with skills needed to implement components of the Program Cycle. Both include attention to LSF approaches, but the Agency does not offer a more general systems training. To implement the 2016 revisions of ADS 201, the Agency revised the Project and Activity Design courses to include a substantial focus on systems and sustainability concepts for design, bolstered by the involvement of systems champions in their development. Due to recent changes to ADS 201 in October 2020, there may be subsequent modifications to the trainings as well. Except for the current Project and Activity Design courses, USAID offers inadequate training in the practical application of systems practice in support of more sustainable outcomes. No general systems training is available, and the sector-specific health and MS resources do not seem to be marketed to or relevant for most USAID staff.

SUSTAINABILITY OF RESULTS THROUGH STRENGTHENING LOCAL SYSTEMS

USAID generally claims to prioritize sustained results through increased engagement with local systems in its policies and the ADS; however, evidence across methods suggests it currently fails to incentivize and prioritize them in practice, particularly when the tradeoff is longer timelines or additional risk, which serve as prerequisites for achieving sustainability. Yet, most staff surveyed agree that strengthening local systems is the most effective way to achieve sustainable results and should be a focus of development assistance, even if that means results take longer to achieve. A majority of respondents (94.5%) also believe that using concepts and tools of systems thinking is essential to achieving sustainability. Most interviewees agreed with survey respondents that USAID prioritizes immediacy unless leadership centers its messaging on sustainability and systems change and understands how to achieve this in practice. As one interviewee noted, "the LSF and the integration of key principles into the Agency changed the way people think about sustainability, but not necessarily the way they operationalize it."

Ex-post evaluations are still done infrequently and while they emphasize sustainability, they rarely attempt to correlate that sustainability to system change or system strengthening, likely because the activities themselves do not make that association. The LSF and ADS 201 (2016 revision) recommend conducting ex-post evaluations to assess sustainability of development results three to five years after a project's conclusion. While the LSF recommended that USAID initiate an annual series of sectoral ex-post evaluations, each examining a different set of projects with similar aims to understand their lasting effects, this has not come to fruition according to KIIs with USAID staff.

CONCLUSION: SYNTHESIS OF FINDINGS

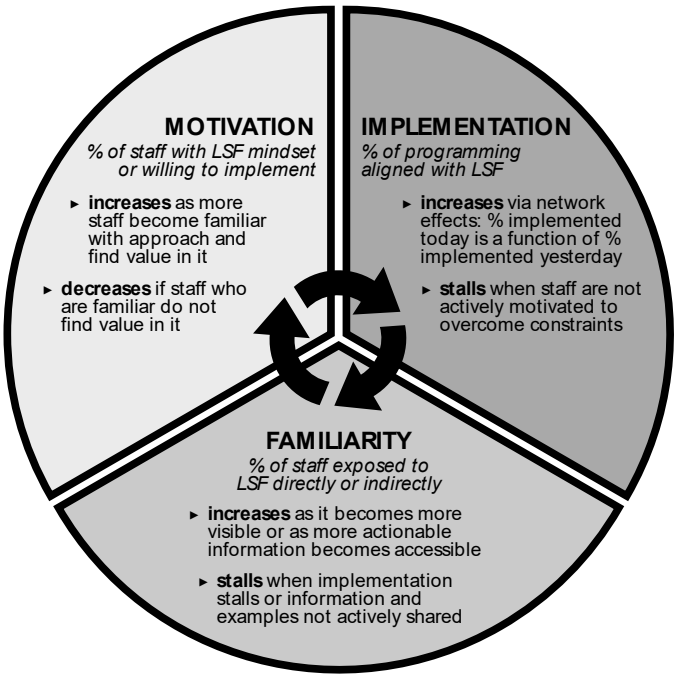
The assessment team used several systems methods to synthesize findings into a set of observations about USAID as a system and its effects on LSF implementation. The four general topics that emerged from this synthesis are summarized below.

The Misalignment between USAID Culture and LSF Principles. Many of the findings of this PIA concern features of USAID's culture that tend to resist change in ways that impede achieving sustained results and adopting LSF approaches. These tendencies include a preference for analytic expertise over synthesis (problematic in addressing issues in a linear manner), risk aversion, and a focus on short-term results and measurement. The system-mapping exercise found that these tendencies are bolstered by underlying factors and institutional constraints that affect each other to create systemic resistance.

Systemic Enablers and Constraints. This PIA identified many institutional constraints to local engagement, systems practice, and sustainability, including contracting and reporting requirements, earmarked funding, staff bandwidth, and inadequate training, among others. These constraints and the factors driving them do not exist in a vacuum; they interact in ways that can complicate efforts to overcome them, as well as in ways that present opportunities. Seven cause-and-effect relationships affect how the USAID system enables or constrains LSF implementation. Most important was a "virtuous cycle" in which LSF implementation, familiarity with LSF approaches, and motivation to implement are mutually reinforcing processes that can be powered by leadership support, champions, actionable information about the LSF, and the LSF's perceived value added. Constraining this virtuous cycle are other processes in which

familiar approaches enjoy the benefit of the doubt, unfamiliar approaches bear a high burden of proof, Congressional and foreign policy priorities outside of USAID's control reinforce existing institutional constraints, USAID's organizational structure inadvertently depletes staff bandwidth to try new approaches, and hidden dynamics risk potential unintended consequences that could undermine implementation.

FIGURE: VIRTUOUS CYCLE



Opportunities for Systemic Transformation. The PIA team undertook a prerequisite analysis and identified seven potential paths (leverage points) to overcome the systemic constraints. In order from the easiest to the most difficult to act upon, these leverage points are: 1) **fostering a dual-system mindset** among systems thinkers that treats LSF implementation as a systemic rather than a linear process; 2) **advancing information flow** regarding how to implement the LSF; 3) **increasing perceived value** of LSF approaches; 4) **amplifying influence flow** over key leaders and decision-makers; 5) **encouraging information feedback** from the public and Congressional pressure that would likely result from open information about LSF's long-term effectiveness; 6) **prioritizing sustainability and systems strengthening** through a mindset that aligns effective development with sustained results; and 7) **prioritizing systems thinking and local engagement** through a mindset that embraces these modalities as a way to achieve sustainability.

The People in the Path to Success. Transforming a system requires coordinated action by multiple parties operating on multiple parts of the system. LSF implementation will succeed when leaders prioritize it and staff integrate LSF principles into their work, likely taking one of three potential paths.

- The first is a **"fast track,"** a top-down process in which leaders prioritize sustainability of results, lift systemic constraints, and institutionalize resources and support through action.
- The **"slow track"** is a bottom-up process in which champions help a small number of "early adopters" implement the LSF, who in turn recruit additional staff while looking to circumvent institutional constraints through key leverage points.
- A **"medium track"** is a hybrid model that starts with the bottom-up process, supplemented by efforts to influence staff best positioned to influence leaders, who in turn make some "fast track" decisions.

In the absence of leadership support, the "medium track" is the most promising and represents a dynamic theory of change for future implementation. This PIA found that a small subset of USAID staff and leaders

have driven implementation to date, impeded by several constraints that leaders have not prioritized removing. The recommendations are crafted to address those constraints.

RECOMMENDATIONS

The recommendations below, comprising a hybrid or "medium track" approach, are targeted first to systems thinkers ready to initiate a bottom-up strategy to promote implementation, and second to leadership in the position to make decisions from the top that would improve the "enabling environment" for LSF implementation. The top-down recommendations address perennial and ubiquitous issues at an Agency aiming to address a multitude of priorities with limited resources and many constraints. While they may not be implemented in the short-term, they can contribute to a substantive conversation about the Agency's long-term orientation towards sustainability.

BOTTOM UP: PRIORITY RECOMMENDATIONS TO SYSTEMS THINKERS

1. **Work collaboratively toward shared goals focused on LSF implementation.**
   - Reinvigorate the LSF implementation agenda with a co-created, updated, five-year action plan based on the findings, conclusions, and recommendations in this PIA.
   - Strategically expand and deepen the network of systems thinkers, practitioners, LSC members, and other LSF champions, and commit to coordinating on a set of shared implementation goals.
   - Monitor key aspects of LSF implementation using Monitoring, Evaluation, and Learning (MEL) and CLA approaches.

2. **Develop and disseminate actionable information about LSF implementation.**
   - Systematically collect and broadly disseminate good practices exemplified by programming and OUs that have successfully integrated LSF principles.
   - Develop new standalone USAID "Local Systems and Sustainability" training and expand awareness of existing sectoral training in a central location.
   - Develop and broadly disseminate LSF implementation guidance with a detailed roadmap.
   - Create a Local Systems and Sustainability Toolkit to accompany the implementation guidance via an accessible online learning platform.
   - Develop a Discussion Note or a How-To Note on using existing MEL approaches for monitoring systemic change and local system engagement.
   - Experiment with forecasting tools as a modality for assessing sustainability of programs to support decision making, potentially integrating these tools into MEL and CLA plans.

3. **Demonstrate the LSF's value to staff, leaders, and the public.**
   - Encourage existing LSC practitioners to share knowledge and ideas beyond the LSC about tools, approaches, methods, and practices that staff might find more useful or easier to apply.
   - Encourage practitioners to experiment with different approaches to local engagement and systems practice, using principles of human-centered design to identify what works.
   - Lead with sustainability and align with normalized practices and Agency priorities.
   - Develop a "Framework of Frameworks" tool that integrates, de-conflicts, and shows connections between the requirements, frameworks, policies, and priorities related to LSF approaches.

4. **Strategically engage different target audiences to spread a sustainability and local systems mindset**.
   - Identify, engage, and support early adopters to ensure staff and leaders motivated to implement the LSF receive actionable information and support.
   - Encourage early adopters to engage and support their immediate colleagues most likely to implement changes but in need of information, resources, and training,
   - Strategically expand the network to key missions, OUs, and decisionmakers, promoting knowledge exchanges and engagement with Foreign Service Officers (FSOs) and Foreign Service Nationals (FSNs).
   - Engage leaders in the Agency in areas where support is needed to prioritize sustainability.
   - Conduct studies of mindsets centered on systems thinking and local engagement to identify drivers and prerequisites for shifting them.

TOP DOWN: PRIORITY RECOMMENDATIONS TO LEADERSHIP

5. **Incentivize and empower staff to prioritize sustainability and systems strengthening.**
   - Revise staff performance and promotion criteria to include a commitment to sustainability and local systems engagement through tangible evidence.
   - Recruit, appoint, and promote staff, especially for leadership positions, with a demonstrated commitment to sustainability through their stated priorities, and hold them accountable.
   - Recruit and hire more systems thinkers and local systems engagement specialists into staff and leadership positions; highlight these skills in job descriptions and performance measures.

6. **Remove institutional constraints to engaging local systems for long-term results.**
   - Designate a senior Agency staff member with dedicated time, resources, and support staff for coordinating LSF implementation.
   - Design, fund, and procure an LSF-aligned technical assistance mechanism.
   - Designate a trained Local Systems and Sustainability Advisor in each mission**.**

7. **Adopt learning and data practices that support sustainability and complexity.**
   - Require, through the ADS, a demonstrated commitment to tracking long-term sustainability of Development Objectives (DOs) and Intermediate Results (IRs) explicitly in CDCSs, traversing activity timelines and contractors.
   - Require the collection of and make more accessible data on sustainability of results. Data about USAID's activities' and projects' sustainability should be collected systematically and made easily accessible to USAID personnel, Congress, the Administration, and the public.
   - Require and allocate some centralized funding for ex-post evaluations; specifically, OUs should conduct one ex-post evaluation of a project or implementing mechanism per CDCS/Regional Development Cooperation Strategy (RDCS) DO.
   - Require the use of systemic MEL approaches (or two-part final evaluations that evaluate outcomes at an activity's end and sustainability of those a year later) in several high-profile LSF-aligned activities to demonstrate effective examples of tracking non-linear progress.
   - Conduct further studies of USAID institutional and cultural constraints, particularly those that affect not just LSF implementation, but policy implementation more generally.

8. Engage Congress to encourage flexibility in funding to support sustained results.

- Engage the Bureau for Legislative and Public Affairs (LPA) to communicate with Congress about easing the requirements to report on short-term, easily measurable outcomes and increasing timelines to obligate funding.
- Engage LPA to communicate with Congress about reducing earmarks that impede sustainability goals and strengthening or creating earmarks that promote them.

INTRODUCTION

For many years, the United States Agency for International Development (USAID) has emphasized that development programming should be designed to produce sustainable results. The challenge for USAID, and for other development actors, has been to be clear about what should be sustained and how development programming should be designed so that it supports sustained development more consistently. The overarching framework published in 2014, *Local Systems: A Framework for Supporting Sustained Development*[2] (also known as the Local Systems Framework or LSF), was a major attempt at providing USAID with just that guidance, establishing how the Agency will work to achieve a vision of sustainable development—empowering a new generation of local entrepreneurs, innovators, and community leaders to advance the development of their own communities.

Key Terms

- *System*: a set of elements that interact in such a way that the "whole is greater than the sum of its parts." Systems cannot be observed directly, so different "lenses" or approaches are needed to reveal their various dimensions, such as factors (e.g., indicators, variables, enablers, constraints), entities (people, groups, or organizations), or events (e.g., decisions, actions, deadlines, etc.).
- *Local System*: an "interconnected set of actors—governments, civil society, the private sector, universities, individual citizens, and others—that jointly produce a particular development outcome. As these actors jointly produce an outcome, they are 'local' to it. As development outcomes may occur at many levels, local systems can be national, provincial, or community-wide in scope (Local Systems Framework p. 4).
- *Systems Thinking*: a mindset that pays attention to the *connections* between the elements of a program, process, or institution, or to the way interactions between *parts* influence the behavior of a *whole.* For example, a systems thinker would be concerned not only about the constraints that limit what a program can accomplish but also about whether those constraints feed off each other in a way that makes them self-perpetuating.

The LSF was issued to reaffirm the Agency's commitment to support sustained development and to articulate a new approach that strengthens the local systems responsible for producing improved development results. The LSF provides a consistent, analytically grounded framework to guide USAID's work at several levels. At the level of development theory, it provides a reasoned alternative to the argument (articulated in the Paris Declaration) that the preferred way to support sustainability is to directly finance partner governments who then use their own planning and budgetary processes to pursue national development priorities. At the analytical level, the LSF introduces systems thinking as a set of concepts and tools that enable policymakers and practitioners to engage more effectively with the complex and multifaceted nature of development. Finally, at the programming level, the LSF commits USAID to employing its

[2] https://www.usaid.gov/sites/default/files/documents/1870/LocalSystemsFramework.pdf

development resources to strengthen and work through local systems where sustainability is the programming objective. The focus on understanding and strengthening local systems reinforces USAID's vision of development that is locally owned, locally led, and locally sustained.

According to the LSF, *sustainability* is the ability of a local system to produce desired outcomes over time. As the LSF puts it, "Development investments in poor countries, of whatever form, should catalyze the economic, political, and social processes within those countries that yield ever-improving lives for their citizens. … [External] aid investments are more likely to catalyze sustained development processes when they reinforce a country's internally determined development priorities (country ownership) and arrangements (country systems)."[3]

The LSF identifies three ways to implement these ideas and to embed systems thinking and sustainability more deeply into USAID's work. They include: 1) thinking and working more systemically by embracing systems concepts and applying ten good-practice principles, 2) strengthening staff incentives to design and implement for sustainability, and 3) making progress on a seven-point implementation agenda. The ten good-practice principles capture concepts such as engaging and mapping local systems, designing programs holistically and flexibly, and monitoring and evaluating for sustainability. The document identifies the need for USAID to strengthen staff incentives to design and implement for sustainability by broadening measures of success from project outputs to strengthened systems, and by embracing flexibility and risk to make it easier to work with local actors. Finally, the seven-point implementation agenda outlined in the LSF encourages the Agency to:

- **Spread systems thinking** through methods such as facilitating the dissemination of tools, techniques, and good practices, and promoting communities of practice and peer-to-peer learning.
- **Embed systems thinking and local systems into the Program Cycle** by tailoring specific tools and techniques for use at different points in the cycle and adjusting training and guidance.
- **Add to the ways USAID can support local systems** by using a broader suite of assistance modes than are currently relied upon.
- **Sharpen risk management practices** to ensure USAID is making investments most likely to produce sustained results and considers risks and rewards rigorously and comprehensively.
- **Develop ways to measure systems** that will track the effects of interventions on local systems and ensure they are advancing sustainability.
- **Initiate a series of ex-post evaluations** to examine the effects of USAID-funded projects three to five years after their conclusion and assess the long-term effects of interventions.
- **Reinforce staff skills** to convene, connect, and catalyze local and international actors by reinforcing new skill sets and aligning staffing patterns and promotion processes.

[3] LSF, "Systems and Sustainability," p. 3

A. ORIGINS OF THE LOCAL SYSTEMS FRAMEWORK

While the global discourse on sustainability and aid effectiveness through country ownership and country systems was at the forefront in Paris (2005) and Accra (2008), the emphasis on the inclusion of all relevant local actors beyond country governments was born in 2011 in Busan.[4] This, among other Agency and global priorities, spurred USAID to begin strategizing the ways in which it would sustainably strengthen country systems and localize aid to align with its vision of best practice in development and accountability, rather than emphasizing only government to government financing. Following the USAID-organized Experience Summit on Strengthening Country Systems[5] in November 2012, the Bureau for Policy, Planning, and Learning (PPL) led an effort to transform the ideas generated during the summit into a conceptual framework on local systems. During 2012 and 2013, a team within USAID collaboratively developed the LSF as a policy document re-envisioning USAID's support for sustained development through strengthening the performance of local systems to ensure they are self-sustaining.

At the time of drafting the LSF, USAID was already two years into the implementation of a series of reforms collectively called USAID Forward[6]. One key reform, the Local Solutions Initiative (LSI), aimed to shift program implementation from U.S.-based and international organizations to partner-country organizations, including governments, non-governmental organizations (NGOs), and the private sector. The goals of the initiative included to strengthen the capacity of partner countries, to enhance and promote country ownership, and to increase the sustainability of development efforts.[7] In 2013, USAID filled the newly created position of Local Solutions Coordinator in the Agency's Counselor's office, whose responsibilities included coordinating the activities of the various headquarters offices and missions involved in carrying out the LSI. The LSI focused on engagement with local actors and the coordinator looked for opportunities to advocate for and integrate LSF tenets as a core component of its overall approach.

LSI as an initiative ended in 2017 when USAID Forward was folded into a new set of Agency priorities under the umbrella of the Journey to Self-Reliance (J2SR); as a result, LSI priorities were institutionalized into regular functions across the Agency and the coordinator position was phased out. J2SR encompassed a reorientation of USAID strategies, partnership models, and program practices to achieve greater development outcomes and work toward a time when foreign assistance is no longer necessary. The approach is articulated in USAID's 2019 Policy Framework[8] and includes the Effective Partnering and Procurement Reform initiative, which sought to increase engagement with new and local partners; and the Agency Acquisition and Assistance Strategy, which provides more specific guidance for mobilizing domestic resources and working with local partners.

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[4] https://www.oecd.org/development/effectiveness/busanpartnership.htm
[5] https://usaidlearninglab.org/events/strengthening-country-systems-experience-summit
[6] USAID Forward | Archive - U.S. Agency for International Development https://2017-2020.usaid.gov/usaidforward
[7] MFAN Evaluation of Local Solutions http://modernizeaid.net/wp-content/uploads/2017/08/MFAN-Eval-Local-Solutions.pdf
[8] https://www.usaid.gov/sites/default/files/documents/1870/WEB_PF_Full_Report_FINAL_10Apr2019.pdf

B. IMPLEMENTATION OF THE LOCAL SYSTEMS FRAMEWORK

While USAID's LSF outlined the themes of the implementation agenda, it did not articulate any specific Agency structures to support the implementation of this policy. Specifically, the policy did not require or suggest designating a systems coordinator or a steering committee to oversee implementation and neither has been officially instituted. However, an individual in PPL has served as an informal coordinator at 60 percent of the individual's time, undertaking tasks such as convening the Local Systems Community of Practice (LSC), which consists of approximately 310[9] members. The LSC meets regularly for brown-bag sessions that include sharing examples of systems practice throughout the Agency and its implementing partners (IPs).

While the LSF did not mandate specific requirements, it did strongly suggest embedding attention to engaging and strengthening local systems across the Agency's Program Cycle. USAID's Program Cycle is governed by chapter 201 of the Automated Directive System (ADS). The ADS articulates an operational model for planning, delivering, assessing, and adapting development programming in a region or country. ADS 201 provides guidance on how to develop Country Development Cooperation Strategies (CDCSs) and how to design projects and activities. The Program Cycle was initially conceived in 2011 and integrated into the ADS in 2012. In 2016, ADS 201 was rewritten to incorporate Agency feedback regarding the Program Cycle and to focus on a principles-based approach that elevates evidence, continuous learning, adaptive management, and sustainability through local ownership. Through this revision, language was integrated into the ADS focusing on a systems approach and sustainability, although specific requirements were not instituted. Revisions in 2019 and 2020 altered some of this language to streamline processes and align with current administrative priorities.

C. PURPOSE OF ASSESSMENT

The purpose of this Policy Implementation Assessment (PIA)[10] is to examine the extent to which the LSF implementation has achieved stated objectives (as well as subsequent iterations of them) and shaped USAID's processes and programming, to identify gaps in implementation, and to collect lessons learned to further strengthen implementation. The PIA examined USAID's LSF implementation using a system lens (i.e., treating USAID as a complex system), analyzed the extent to which the various parts of this policy document and associated concepts have been implemented. The PIA also considered holistically whether these efforts have changed dynamics within the USAID system to advance the goal of greater sustainability in USAID's work. This assessment report first frames the LSF's intended implementation roadmap, then discusses the assessment's methodology to assess the Agency's progress against it, before guiding the reader through the assessment's findings, conclusions on implementation (through August 2020), and recommendations for the future.

[9] At the time of this assessment's data collection there were 310 members and therefore all calculations use this; this number has since risen to 320.

[10] Policy Implementation Assessments are intended to be conducted approximately five years after a policy's release to assess implementation and to make recommendations for improvement.

D. ASSESSMENT QUESTIONS

The research questions for this PIA were refined in collaboration with PPL and are organized roughly around the LSF's seven-point implementation agenda and its overarching goal of promoting sustainability of results. They are intended to capture a system-level view of how the policy has been disseminated, championed, and embraced across USAID and the extent to which USAID has engaged with and embodied the LSF's Ten Principles for Engaging Local Systems[11] and systems practice overall. There are five primary Assessment Questions (AQs) and three secondary AQs.

PRIMARY QUESTIONS

1. To what extent has systems thinking been disseminated across USAID?
2. To what extent have systems thinking and local systems been embedded into the Program Cycle?
3. To what extent has USAID improved its ability to engage with local systems as part of its work over the last five years?
4. To what extent have staffing and leadership structures, leadership support, staff skills, and staff incentives promoted effective implementation of the policy?
5. To what extent has the policy's overarching goal of achieving sustainability by deploying our development resources to strengthen and use local systems been met?

SECONDARY QUESTIONS

6. To what extent has the Agency sharpened its risk management practices to ensure investments are most likely to produce sustained results?
7. To what extent has the Agency developed and conducted learning efforts to improve systems practice?
8. Did any budgetary shifts take place as a result of budget implications in the policy or efforts to use the policy to motivate budgetary changes?

METHODOLOGY

This PIA used a mixed-methods approach combining traditional and systems methods to answer eight AQs that map roughly onto the LSF's implementation agenda. The PIA team studied LSF implementation at two levels: 1) across USAID writ large; and 2) in Operating Units (OUs) that have concretely attempted integration of LSF principles. For the Agency perspective, the assessment team collected data using both purposive and random sampling of documents and individuals. The assessment team collected data between March and July 2020, interviewing staff from different parts of USAID, analyzing Program Cycle documents between 2011-2020, and drawing on findings from an Agency-wide survey (n=264). The team also conducted a network mapping exercise of influential systems thinkers at USAID, using snowball sampling to reach 242 current and former USAID staff. For the deeper perspective, the team conducted deep-dive studies of two Missions, USAID/Uganda and USAID/Mexico; and three technical areas in Washington, including Market Systems (MS), Health Systems Strengthening (HSS), and Local Sustainability

[11] LSF, pp. 7–10

(LS). In total, the team conducted individual and group key informant interviews (KIIs) with 109 individuals and analyzed through automated keyword searches more than 300 documents, including 64 CDCSs between 2011-2020[12], 99 Project Appraisal Documents (PADs) between 2014-2019, and 89 solicitations between 2010-2019. For a subset of 20 CDCSs and 20 PADs, the team conducted manual coding and scoring against a scoresheet for LSF alignment. The team reviewed ADS 201 revisions 2016 and 2019 but did not formally review the October 2020 revision. However, the team did assess basic alignment with recommendations and the path forward.

To understand the identified enablers and constraints and to determine what actions would be needed to improve LSF implementation, the PIA team used a number of systems methods (including systems mapping, archetype analysis, and prerequisite analysis, defined in Systems Methods Key Terms section) to synthesize the findings from the data collection and analysis (drawn from both the Agency-wide and OU-specific levels of the assessment) into conclusions and recommendations designed around key leverage points.

A. APPROACH: DUAL-SYSTEM ASSESSMENT

The purpose of the LSF is to encourage USAID to achieve sustained development results through strengthening of local systems by using approaches that are most suited to the complexity of the challenge. Such approaches include local engagement (working with local stakeholders to account for important local objectives, factors, and actors in the partner country) and systems thinking or systems practice (ways of understanding the complexity and dynamics of the local context).

> "At times we find constraints that are not in our control. **But it is hard; the part that is most difficult is to bring people together around the understanding that USAID is a system."**
>
> —USAID/W staff member

In alignment with the LSF itself, this PIA used system methods to drive the discovery of conclusions and recommendations. Before describing these methods, it is useful to first highlight traditional approaches to PIAs at USAID.

Policy implementation at USAID is often conceptualized as a linear process that originates with policies and cascades down to strategies, projects, activities, awards, and ultimately to monitoring, evaluation, and learning (MEL), feeding back into strategy and design. These formal processes take place in the context of a bureaucratic structure that divides the Agency into various sectors, functions, and regions. The conventional approach to assessing policy implementation has followed a similar logic: collect data from interviews, workshops, surveys, and document reviews; analyze different aspects of implementation across different processes and parts of the Agency; determine how much and how well the policy has been implemented in each of those parts; and identify the enablers and constraints to implementation.

[12] The majority of CDCSs were from the same 2014-2019 period as PADs, but two CDCSs were released in 2011-2012 and three CDCSs released in 2020 were also reviewed.

There are reasons to believe, however, that this approach produces an incomplete picture of policy implementation. First, it assumes implementation is linear—that policy drives strategy, which drives project design and flows down to implementation. However, there are factors outside of this process that cause policies to be implemented incompletely or out of the expected order, as when an activity implements some aspect of a policy that the CDCS or project design document does not mention—or fails to implement the policy even though design procedures may require it. Second, this approach to assessment reflects an analytic mindset, the assumption that the way to understand and solve multidimensional problems is to break them down into their main components then study and solve them individually. A narrowly focused analysis tends to overlook connections between factors. For multidimensional problems, interactions between factors can produce hidden sources of resistance to policy implementation and can influence the way ideas and practices flow through an organization. Incomplete policy implementation may be an indicator of hidden interactions, which can be discovered if *analysis* is followed by a *synthesis* of findings.

To intentionally examine these non-linear and complex interactions, this PIA was carried out as a "dual-system" assessment, an approach that applies the tools of systems thinking to both the system with the complex problem (the system in a host country) and the system attempting a solution (the system in USAID).[13]

Stubborn problems in development tend to persist because they are products of a complex system in an unfortunate and stable equilibrium state. The LSF argues that those are *system* problems and donors should treat them as such. A dual-system approach argues that development programming is also the product of a complex system, and systems approaches should be used to find the hidden structures *within the donor system itself* that might prevent it from consistently delivering effective, locally appropriate assistance (see Annex 5 for more information on dual-system methods).[14] By treating USAID as a system, this PIA demonstrates how the donor side of a dual-system assessment can be carried out. Specifically, it shows how systems approaches can be used to identify the system structures that produce the enablers and constraints to LSF implementation and the "leverage points" where relatively small actions can cascade through the system in ways that ultimately transform it.

In part, this PIA takes the conventional approach by using interviews, desk reviews, surveys, and workshops to collect and analyze data about implementation. However, it complements that analysis with synthesis; it treats USAID as a *system* in the hope of producing a deeper understanding of the system structures underlying the enablers and constraints to implement. To the degree that those enablers and constraints are common to other policies, this approach also aims to provide insights into USAID policy implementation more generally.

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[13] "Addressing the Complexity in Here to Enable the Systems Practice Out There," panel session, *A Systems Summit,* USAID conference, Washington, DC, September 11, 2019.
[14] See Robert D. Lamb and Melissa R. Gregg, *The Dual-System Problem in Complex Conflicts,* Strategic Studies Institute, 2018; and Robert D. Lamb and Kathryn Mixon, *Rethinking Absorptive Capacity: A New Framework, Applied to Afghanistan's Police Training Program,* Center for Strategic and International Studies, 2013.

B. SYSTEMS METHODS KEY TERMS

Several concepts and system structures are particularly salient throughout this PIA. Key terms relevant to this study, including systems thinking concepts that will be used to facilitate understanding of enablers and constraints, are introduced below to orient the reader:

- A *system structure* is the particular way the elements of a system regularly interact. Examples include feedback loops (definition below), clusters of variables or people, multi-causality, and critical mass. System structures are often represented by network maps, system maps, and other models.
- A *system archetype*[15] is a system structure that is common enough that scholars have identified the typical problems they produce and the generic solutions for overcoming them. The most common archetypes have standard names (e.g., "policy resistance," "success to the successful," "tragedy of the commons").[16]
- A *tool* is a particular method for engaging local perspectives, understanding/influencing systems and complexity, or attempting to achieve sustainable results in local systems.
- An *approach* is both a way of thinking and a set of methods and tools targeted at some set of results.
    - A *systems approach* includes systems thinking (attention to how connections between *parts* influence the behavior of a *whole)* and systems practice (the application of systems thinking and tools to real-world problems).
    - An *LSF* or *LSF-aligned approach* is any perspective or method that puts LSF principles into practice. These include methods for engaging stakeholders in local systems as well as systems approaches.
- A *leverage point* is a part of a system where small actions can have big effects. "Small" does not mean easy, but rather disproportionately capable of transforming a system. Changes in mindsets, shared goals, and information flows tend to be more transformational than changes in capacity, timing, and resources (although this varies from system to system).[17]
- A *feedback loop* is a process where an action triggers a chain reaction that subsequently influences the original action.

[15] See Peter M. Senge, *The Fifth Discipline,* Doubleday/Currency, 1990; and William Braun, "The System Archetypes," SUNY University at Albany, 2002.
[16] Daniel H Kim, *Systems Archetypes I* https://drive.google.com/file/d/1reeZh_qFf2Fymg7W8lTTXSt6riO_-vjc/view
[17] Donella Meadows, *Leverage Points: Places to Intervene in a System,* (Hartland, Vermont: Sustainability Institute, 1999).

- *Self-reinforcing feedback* is a feedback loop that magnifies the effects of an action until some limit is reached. *Virtuous cycles* and *vicious cycles* are examples of self-reinforcing feedback, which is also called *reinforcing* or *positive* feedback.
- *Counter-balancing feedback* is a feedback loop that counters the effects of an action, leading to stability (i.e., a sustained result) or oscillations between two or more results over time. This is also called *balancing, self-balancing,* or *negative* feedback.

Finally, this PIA identified different groups of USAID staff who play specific roles in LSF implementation:

- *Champions* or *LSF champions* are systems practitioners, staff, and leaders who led the development of the LSF, active members of the LSC, and all others at USAID who are working to implement some aspect of the LSF.
- *Systems thinkers and potential champions* generally refer to USAID staff who have attempted implementing the LSF in the past but are no longer doing so, relatively inactive members of the LSC, or the staff identified through a network mapping exercise conducted as part of the PIA methodology, discussed in more detail below in Data Collection and Analysis.
- A *network* is a set of connected actors. In the context of the network mapping exercise, it refers only to the systems thinkers identified through the exercise. In the rest of the report, it refers informally to everyone described in both of the above groups.

C. DATA COLLECTION AND ANALYSIS

The assessment used a mixed methods approach to answer the AQs and identify gaps and lessons to strengthen implementation. The PIA team studied implementation in two ways: (1) broadly, looking at LSF implementation across USAID as a whole; and (2) deeply, looking at key areas where attempts at implementation have been most concrete, including "bright spots" of demonstrated success. The methods for data collection and analysis discussed in this section generally fall under traditional approaches, with the exception of network mapping, which is a systems thinking methodology. Data collection and analysis concluded in August of 2020 and therefore does not address the ADS 201 revisions completed in October of 2020.

For the broad perspective, the assessment team collected data from a sampling of documents and individuals representing different parts of USAID and components of the Program Cycle. For the deep perspective, the team conducted deep-dive studies of two Missions (USAID/Uganda and USAID/Mexico) and three technical areas in Washington 1) MS comprised of practitioners based in both the Resilience and Food Security (RFS) Bureau and the Economic Growth, Education, and Environment (E3) Bureau; 2) the Office of Health Systems (OHS) within the Global Health (GH) Bureau); and 3) the Office of Local Sustainability in E3. Note that due to an Agency reorganization that was taking place during data collection, some MS and all LS practitioners are both now located in the newly established Bureau for Development,

Democracy, and Innovation (DDI).[18] For technical deep dives, the team interviewed key respondents in Washington and their mission counterparts. The data sources and methods are as follows and in Table 1 (see Annex 1 for more detailed methodological information).

TABLE 1: OVERVIEW OF METHODS AND SAMPLE SIZE

Method	USAID W (n=308)	Missions (n=303)	Implementing Partners (n=36)
Semi-Structured Key Informant Interview (Individual), n=59	38	17	4
Semi-Structured Key Informant Interview (Group), n=50	2	16	32
Agency-Wide Survey, n=264	71	193	N/A
Network Mapping Survey, n=242	167	75	N/A
Two Facilitated Workshops	30	2	N/A

Agency-Wide Survey. A sample of USAID staff, totaling 264 people, completed an extensive survey (Instrument in Annex 3) about all aspects of LSF implementation. Respondents were recruited via email through a notice sent to the entire Agency, a post on USAID's internal learning platform (ProgramNet), and targeted email distribution lists for Program Officers, past Activity Design and Project Design course attendees, Foreign Service Nationals (FSNs), the LSC, the Local Works (LW) Community of Practice, the USAID Global Development Lab (LAB), and PPL. While self-selected rather than random or quasi-random, the responding sample did include staff across hiring mechanisms and regions. Because the sample overrepresented LSC members (35 percent) and FSNs (53 percent), these sampling conditions were examined in the analysis and did not appear to significantly bias findings. Survey data was analyzed using Google Forms outputs, Excel data analysis software, and R programming language software across a variety of stratifications, including LSC versus Non-LSC, Field Missions versus Washington, FSN versus Foreign Service Officers (FSOs), and geographic regions.

Key Informant Interviews (KIIs). In collaboration with PPL, the assessment team defined key stakeholder groups and conducted semi-structured individual and group interviews with 109 individuals. Key stakeholder groups included LSF champions, systems thinkers and practitioners in USAID/Washington, USAID staff representing each of the five deep-dive OUs in Washington and the field, and a smaller selection of IP staff working closely on systems work with USAID. A semi-structured

[18] This data was gathered in March-July 2020, while USAID was undergoing a structural reorganization that was partly completed. The names of Bureaus used in the report are those applicable during data collection and are a mixture of original USAID structures (E3) and new structures (RFS).

interview guide (located in Annex 1) with questions based on the AQs was used to conduct the interviews. In total, the team interviewed 21 USAID LSF policy experts; 79 USAID staff in various OUs that have institutionalized or are familiar with LSF or systems thinking; and eight IP staff working on systems-related activities or studies. Interview data was analyzed using conventional content analysis[19] to look for patterns across responses in both Excel and Word, grouping by theme and highlighting key quotes; keyword searches and coding were completed in NVivo and R.

Document Analysis. More than 300 documents were reviewed and analyzed, including strategies (CDCSs), project design documents (PADs), and contractor procurement documents for activities (solicitations), as well as a variety of evaluations and other technical documents. More detail on the universe and sample selection methods for specific document types can be found in Annex 2. The team first reviewed 252 documents via two, separate automated-coding methods using NVivo data analysis and R software, which was then supplemented by manual coding and scoring methods. The documents included 64 CDCSs, 99 PADs, and 89 solicitations. The first method used NVivo to count key term frequency normalized for document length for a 'combined score' that reflected LSF integration across all three types of documents. The second method used the R programming language to assess the proportion of documents containing word pairs closely associated with LSF principles across time. All publicly available CDCSs were part of the keyword analysis, while a subset of 10 with the most LSF-related references and a subset of 10 "average" documents were chosen for manual coding and scoring. Ninety-nine PADs were selected from the universe of project design documents available on ProgramNet, with a subset of 10 with the most LSF-related references and a subset of 10 "average" PADs across regions and sectors coded and scored manually. The textual analysis from the manual coding of 20 CDCSs and PADs each was then used to score the overall integration of LSF principles and approaches on a four-point scale. Additional document review included solicitations drawn from the website sam.gov and analyzed for keywords, 25 ex-post evaluation reports, ADS 201 content and revisions (2016 and 2019 revisions, but not 2020), 15 technical documents, and Project and Activity Design Training resources. The team also reviewed, watched, and listened to relevant LSC webinars and resources. More details including sample selection, the coding frameworks, and keyword search terms are located in Annex 2.

Network Mapping. To identify the distribution of LSF champions and systems thinkers across USAID—and the flow of influence between them—the team collected network data via snowball sampling (instrument and methods located in Annex 4). The PIA team sent a questionnaire to the LSF's lead author and Local Systems de facto coordinator asking him to name the USAID staff who had most influenced his thinking on local systems and sustainability since 2009; the individuals he named were then asked the same questions; and so on. A total of 724 names of current and former staff were collected from 242 respondents over four rounds, and data about their USAID affiliations at different time periods was collected for 477 of them, including 338 current staff. The network mapping questionnaire produced data showing how and when different USAID staff influenced other USAID staff in their thinking about sustainability, systems, and local engagement. The team measured the number of people in the network,

[19] Conventional content analysis looks across coded qualitative data for patterns in responses to identify key areas of convergence, divergence, and themes.

the number of connections between them, the direction and structure of influence across the network, and the results of a simulation testing how the removal of key players would have affected the robustness of the network. This made it possible to determine how this loose network of systems thinkers and practitioners has grown and changed since 2009, how its distribution across the Agency has changed over time, and what condition it is in today.

Other Data. The team obtained Local Solutions Indicator Data from the Bureau for Management. This data described the total amount of funding that was allocated to local organizations compared to the total obligations to international partners from 2012 to 2018. Data was analyzed in Excel by a simple time series of percentages of local funding data as a fraction of total funding by year since 2012.

D. SYNTHESIS OF FINDINGS USING SYSTEMS METHODS

The data collected and analyzed through both systems methods (network mapping) and traditional methods (all others) were holistically synthesized to draw overarching conclusions. The systems methods described below supported the synthesis (see Annex 5 for full discussion). This process led to a deeper understanding of the enablers and constraints identified in the analysis and pointed to actions needed to improve LSF implementation in the future.

Workshops. To validate findings, conclusions, and recommendations, the assessment team led two half-day workshops involving a subset of systems thinkers and LSF champions across the Agency. The 15 participants in the first workshop identified 72 constraints to LSF implementation and mapped the connections between the 18 constraints they considered most significant. The 17 participants in the second workshop identified the systemic reasons that six actions were not already being taken to support LSF implementation, then brainstormed potential recommendations.

System Mapping. The KIIs, Agency-wide survey, and workshops produced a substantial amount of data on the enablers and constraints to LSF implementation and the cause-and-effect relationships between them. Using whiteboards and the Stella Architect modeling software, the team mapped those causal relationships systematically to produce some initial structures, such as feedback loops and multi-causality (i.e., effects with multiple causes). These initial structures were validated by sharing them in workshops, email exchanges, and conversations with USAID systems thinkers, then revised in response to feedback.

Archetype Analysis. System archetypes are structural problems that many systems have in common and show how system structure influences behavior; every known archetype has a known structure, a predictable result, and a generic solution. The team compared the structures identified in the system mapping exercise against lists of standard archetypes to see if the structures and behaviors matched. Seven archetypes were identified (plus one describing the overarching problem). The results were used to guide the development of draft recommendations for addressing the underlying causes (structures) of each constraint.

Prerequisite Analysis. A prerequisite is a necessary but not sufficient enabler of some result (in this case, LSF implementation). Prerequisite analysis examines the ways different enablers and constraints depend on each other to maintain their force. It can be used to identify the most effective *sequence* of actions to recommend to achieve a desired result (i.e., addressing some constraints is a *prerequisite* to effectively addressing others, which are themselves prerequisites, etc.). Recognizing that each staff member requires different motivations, the team segmented the population of USAID staff and leaders according

to the number of prerequisites needed to motivate implementation. The results were used to guide the development of the final sequence of recommendations.

E. LIMITATIONS

This assessment's methodology includes several limitations which required mitigation. First, the global pandemic response to the outbreak of COVID-19 in March 2020 that occurred at the start of data collection required interviews to be conducted remotely, as well as the cancellation of a planned field visit to the USAID/Mexico. Most interviews, including those with Washington staff, were conducted virtually via Google Hangouts and Zoom to observe social distancing.

Second, the Agency-wide survey respondent sample was self-selected rather than random or quasi-random, although the survey was open to all staff (the invitation notice was sent through open access portals available across the Agency and sent directly via broad Agency list-servs). The survey also specifically targeted LSC members. However, the survey included questions that made it possible to estimate how biased the sample was toward LSF champions and systems practitioners.

Third, the interviews focused entirely on LSF champion missions and OUs rather than including some that were less aligned with LSF principles, which might have revealed additional enablers and constraints that made a difference to implementation. Still, the study of highly motivated champions made it possible to find some of the most important constraints in the system: those that not even the champions could overcome. Even with the low response rate for the USAID/Uganda (due to competing priorities), the team identified important constraints and validated them by triangulating results from other methods.

Fourth, the network mapping questionnaire had a diminishing response rate after each round. As a result, only about one-third of the dataset includes complete data about who influenced the individuals; about two-thirds includes complete affiliation data. Missing data is not uncommon in social network analysis (SNA) and snowball sampling more generally. In this case, the missing data means the actual network is probably significantly *more* robust (also larger and more cohesive) than the data shows. Validation tests suggest the missing affiliation data did not affect the findings in a way that invalidates the overall observations.

Finally, for the desk review, the team reviewed PADs posted to the internal project design site (on ProgramNet), which includes a limited number of PADs (especially in recent years) due to minimal uploads of these documents to this centralized repository. This limited database of PADs may lead to an unrepresentative sample or findings, but in ways that are difficult to anticipate. Furthermore, the team did not have access to all of the annexes for PADs, CDCSs, and solicitations due to various security and access restrictions. This limited the team's ability to review CDCS Performance Management Plans (PMPs) and Project MEL Plans containing key MEL information and to assess the strategy's approach. The team does not know the extent to which the unavailable document annexes include relevant information regarding strategic analysis completed by missions to be conducted over the life of the strategy, or references to secondary research made during strategy or project design development. The team included ADS 201 as part of its document review but only collected data through the 2019 revisions and did not formally include the October 2020 revisions as part of its analysis. However, it did review for basic alignment with recommendations.

In general, the findings seem to be representative of the Agency, as many have been triangulated across multiple methods and sources. The self-selection bias in the survey and a champion-focused selection approach for interviews do introduce biases in favor of the perspectives of champions and practitioners. However, the team's interpretation of findings accounted for that possibility and sought enough other views to maintain confidence that potential biases have been mitigated and the findings are reliable.

FINDINGS

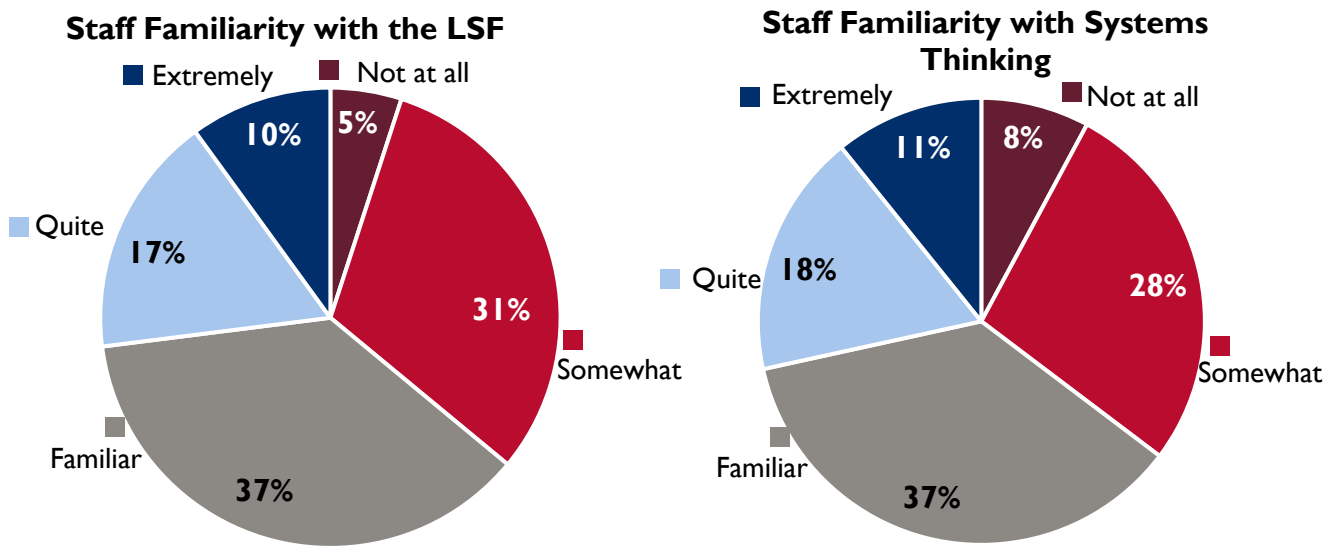
A. SYSTEMS THINKING AND LOCAL SYSTEMS INTEGRATION ACROSS USAID

DISSEMINATION OF SYSTEMS THINKING ACROSS USAID

Evidence indicates that a significant portion of USAID staff across hiring mechanisms in Washington and the field are at least somewhat familiar with the LSF and with systems thinking concepts and tools. Most survey respondents agreed that *using concepts and tools of systems thinking is essential to achieve sustainability*, highlighting that not only are staff familiar with the concepts, but they believe that a local systems lens is critical to a path towards sustainability for the Agency.

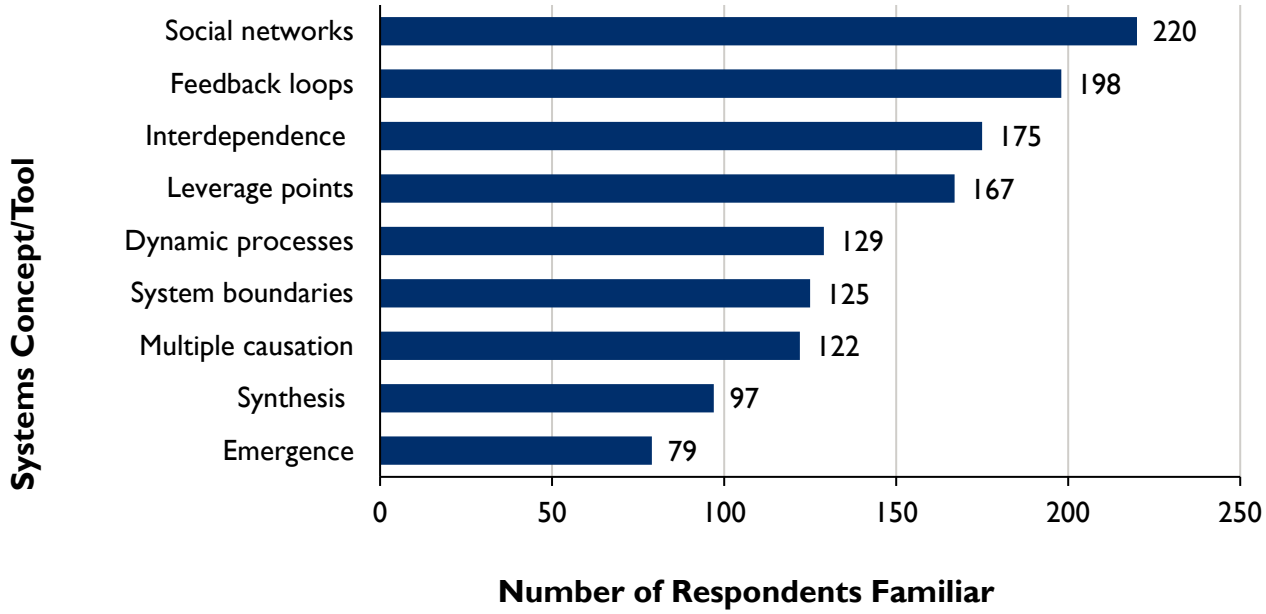
Sixty-four percent of survey respondents stated that they are *familiar, quite familiar, or extremely familiar with key concepts of systems thinking* (i.e., more than "somewhat" familiar); 28 percent *have heard of them, but only know broad themes; and seven percent* are *not at all familiar*. Overall, 92 percent of respondents are at least somewhat familiar with systems thinking. While self-selection bias of survey-takers likely plays a role in these numbers, the survey (n=264) was sent to a variety of non-systems distribution lists and advertised via an Agency notice. Sixty-five percent of respondents are not part of the LSC, including significant representation by FSNs and robust representation across OUs. This indicates that the survey penetrated beyond the typical network of systems thinkers and champions. Familiarity was relatively consistent between LSC members and others (98 percent for LSC; 89 percent for non-LSC), while occasional application varied more (56 percent for LSC; 15 percent for non-LSC) as did regular application (27 percent for LSC; three percent for non-LSC). See Figure 1.

FIGURE 1: SURVEY RESULTS ABOUT STAFF FAMILIARITY WITH LSF AND SYSTEMS THINKING



In addition to these general statements, respondents indicated familiarity with specific systems thinking concepts and tools, and 60 percent found them useful in their work (38 percent did not use them personally; three percent used them but did not find them useful). Approximately three-quarters of respondents were familiar with social networks and feedback loops, around two-thirds with leverage points and interdependence, and half with dynamic processes and multiple causation (see Figure 2).

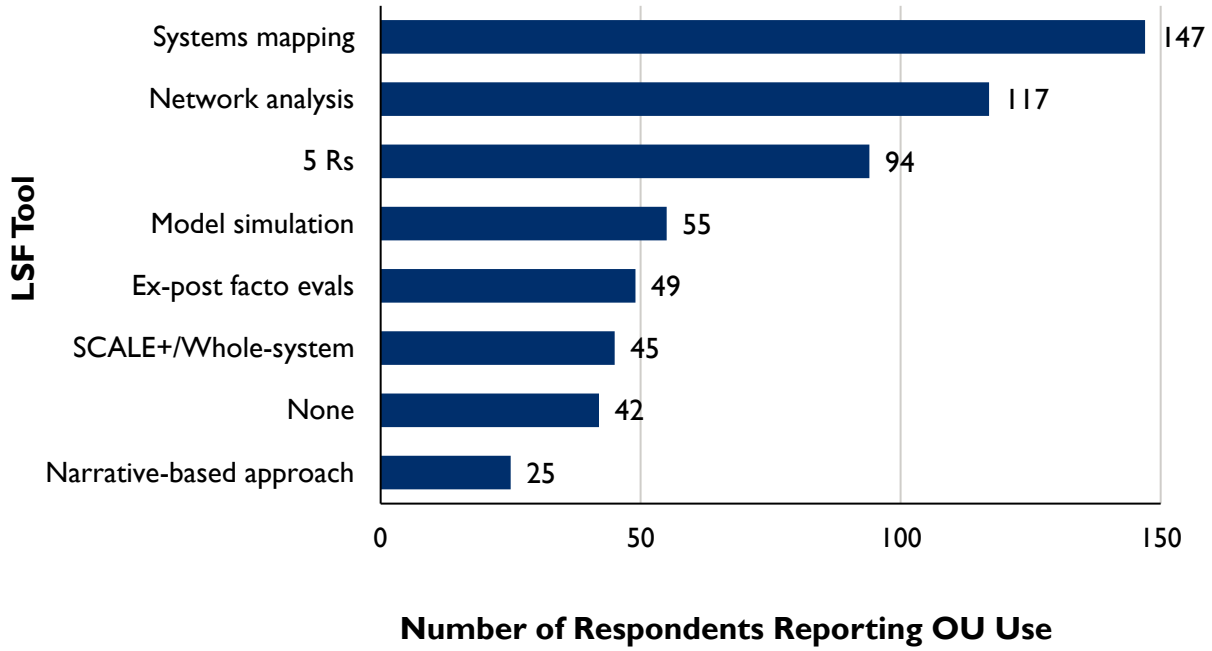
FIGURE 2: SURVEY RESULTS FOR STAFF FAMILIARITY WITH SYSTEMS CONCEPTS



As shown in Figure 3, about half reported that they or someone in their OU had used system mapping or SNA and about one-third that someone had used the 5Rs[20] framework in the past five years. Even among the 171 non-LSC survey respondents, 78 percent reported someone in their OU had used at least one- but on average two- tools in their work over the past five years. Additionally, 58 percent of respondents indicated that they have participated in networks, groups, workshops, communities, or events related to systems thinking or working with local systems.

[20] The 5Rs framework is a practical methodology for supporting sustainability and local ownership in projects and activities through ongoing attention to local actors and local systems, USAID's 5Rs https://usaidlearninglab.org/sites/default/files/resource/files/5rs_techncial_note_ver_2_1_final.pdf

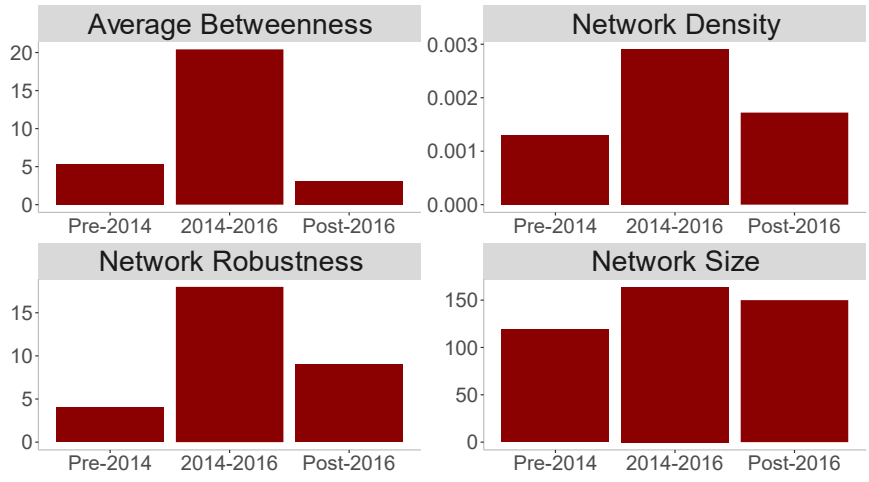
FIGURE 3: SURVEY RESULTS FOR OU USE OF SYSTEMS TOOLS



Many of these approaches have been disseminated through a loose network of systems thinkers and champions, some of whom are also part of the more formal LSC, which was examined through the network mapping exercise (see Annex 4 for further detail). The network of systems thinkers identified through this exercise changed in size and structure before and after the launch of the LSF, suggesting that the drafting and launch of this policy played a major role in building and tightening the network.

Multiple network measures (Figure 4) increased substantially around the time the LSF was finalized and launched (2014 to 2016, corresponding to the second period in Figure 4), including the number of individuals reporting that someone influenced their thinking (network size), connections between silos (betweenness), connections between individuals (network density), and the network's ability to withstand the departure of bridge-builders (robustness). However, the growth and quality of this network declined after 2016 and has not changed substantially in several years.

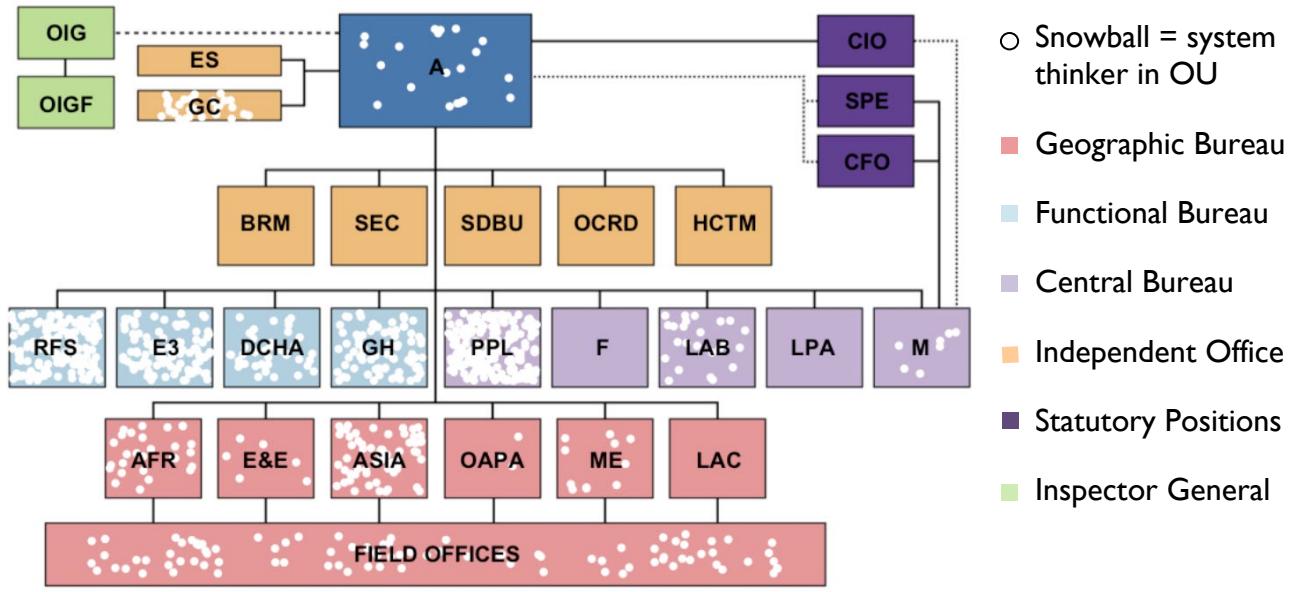
FIGURE 4: SYSTEMS THINKERS NETWORK MEASURES, BY PERIOD



The systems thinkers identified in the network mapping exercise are concentrated mainly in PPL and the functional bureaus, especially the RFS, E3, and GH

Bureaus). Figure 5 below shows USAID's standard organizational chart (valid during period of data collection) superimposed with white dots that represent the proportion of systems thinkers in a given year compared to total staff in each unit. The overall distribution across the Agency is a consistent finding across KIIs, surveys, and document analysis.

FIGURE 5: DISTRIBUTION AND PROPORTION OF SYSTEMS THINKERS ACROSS USAID



Triangulating across methods, almost six percent of all current USAID staff have been identified as LSF champions or systems thinkers. This percentage includes individuals identified through interviews, the network mapping exercise, and the membership roster of the LSC. There is surprisingly limited overlap—73 individuals (24 percent)—between the 310-person LSC membership and the 338 systems thinkers identified through the network mapping exercise. It is unclear why the latter have not joined the LSC, but the finding that not all systems thinkers at USAID are members of the LSC was corroborated during deep dive interviews in Washington and missions.

PROGRAM CYCLE EMBEDDEDNESS

Many aspects of the LSF, including systems thinking approaches, local systems engagement and capacity building, and attention to sustainability, have been somewhat integrated across the Program Cycle. The revisions to ADS 201 finalized in 2016 integrated the concepts of local systems engagement and strengthening and suggested conducting system analyses like stakeholder mapping and PEA but did not include any requirements. One of the ADS's key principles elevated the concept of promoting sustainability through local ownership and strengthening the capacity of local systems. While some of this language was modified in the 2019 and 2020 revisions, the 2016 revision language was the primary guidance document available during the bulk of the LSF's implementation to date and was the focus of the team's analysis.

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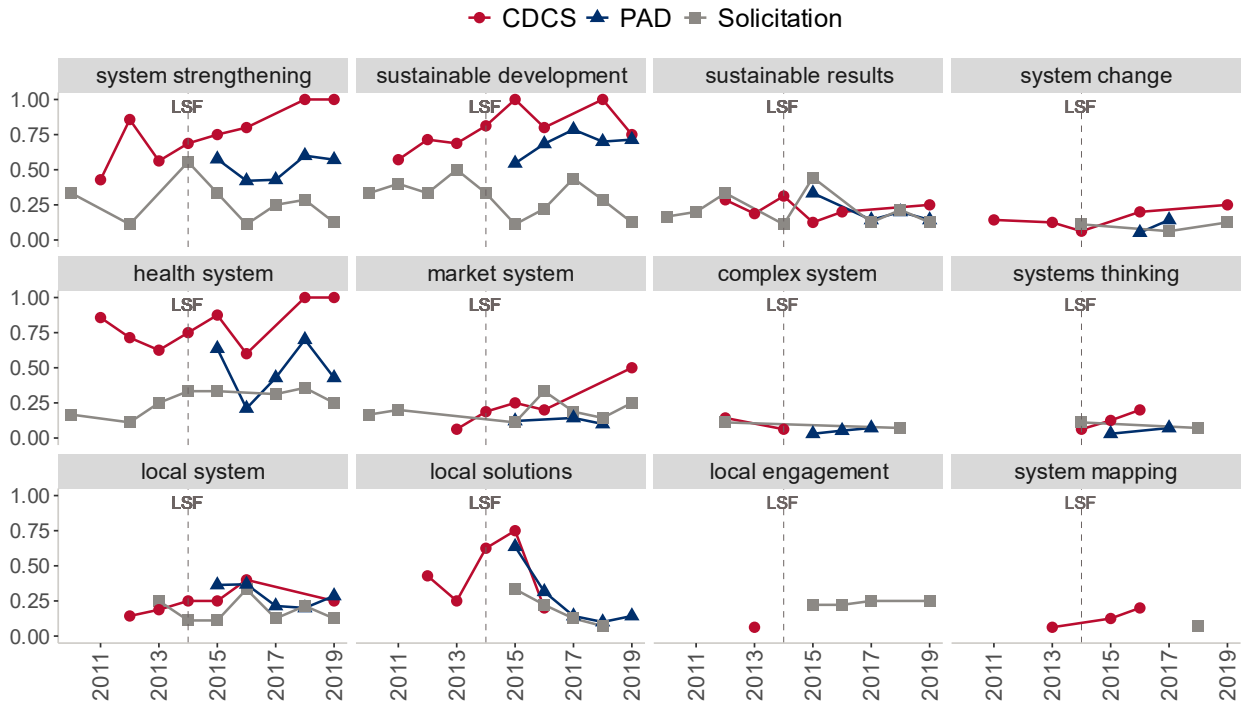
Moreover, many Agency priorities rolled out since the publication of the LSF are inherently, if not explicitly, aligned with the LSF, including the 2019 Policy Framework, Financing Self Reliance (FSR), and Collaborating, Learning, and Adapting (CLA). Significantly, the Policy Framework's emphasis on local systems, sustainability, and country ownership is aligned with the LSF, although it does not mention or specifically cite it. Related concepts are also prevalent in other policies and guidance (e.g., Education Policy, Private Sector Engagement, Vision for HSS, A Framework for Inclusive MS Development), keeping the LSF principles relevant and visible, although most do not cite the document. Within the framework of the textual analysis methods described above (and in more detail in Annex 2), references to the concepts of system strengthening, local systems, and sustainability have largely been on an upward trend in CDCSs, PADs and solicitations, before the LSF, concurrent to it, and after it. The term "local solutions" peaked around the LSF, likely due to the LSI, and has since declined in use.

B. LSF INTEGRATION IN CDCSs

ADS 201 (2016 revision) cited the LSF and while it did not include a specific requirement, it did state "Development Objective (DO) narratives should also describe how USAID will focus on strengthening these systems as a whole, inclusive of key local actors and their collective ability to produce results over time." The CDCSs reviewed reflected an integration of some LSF principles during the development and just after the launch of the policy, but outside of health and MS that momentum has generally stalled since 2016. Two separate automated search methods were used to score 64 CDCSs (all documents available from 2011 to 2019) to test for any changes in language that might indicate an association with LSF principles over time (see Annex 2 for details). One method measured the proportion of documents containing word pairs closely associated with LSF principles (see Figure 6).

The other used a different set of keywords and aggregated their term frequencies or how often they appeared in the document, normalized by document length to create a combined score for each CDCS (discussed in more detail in Annex 2).

FIGURE 6: PROPORTION OF DOCUMENTS CONTAINING KEYWORD PAIRS, BY YEAR AND TYPE*

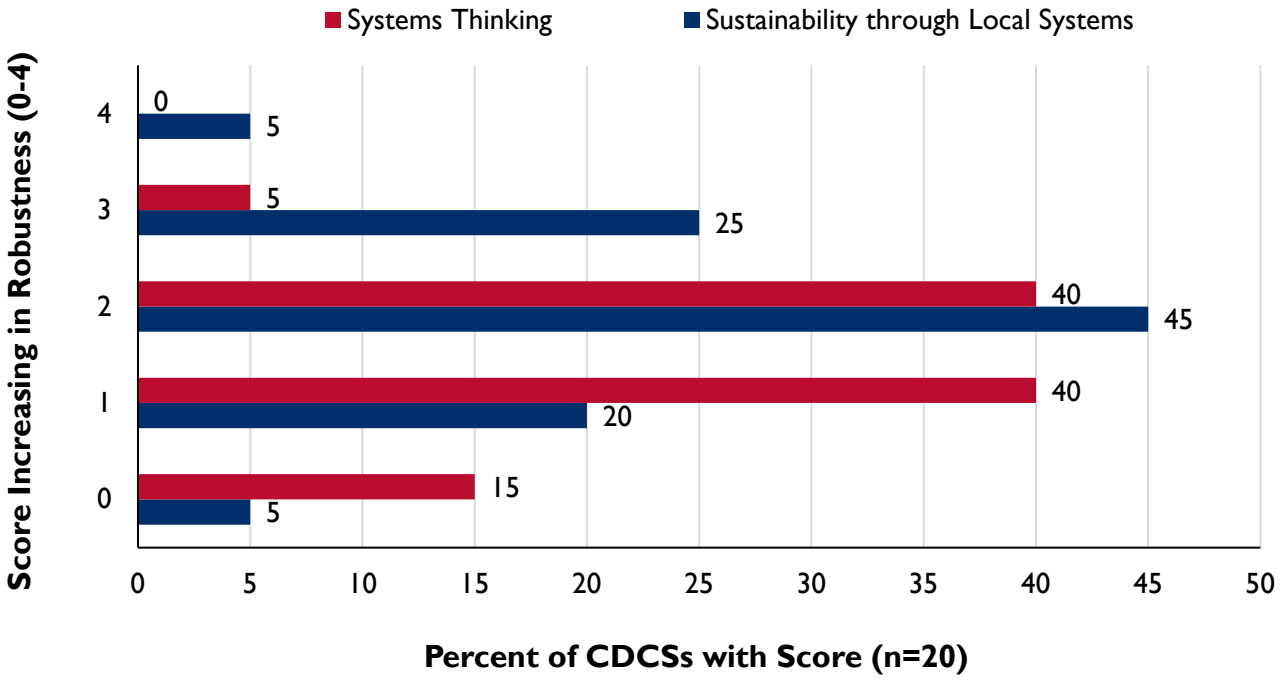


*Includes CDCSs for the 2011–2019 period, PADs for 2015–2019, and solicitations for 2010–2019. Missing data within those periods represents years a keyword appeared in no documents of that type.

The combined-score method showed no significant change in CDCSs since 2011, but a variant of that method that focused specifically on the use of systems tools found an uptick in scores for CDCSs clustered between 2012 and 2016, particularly just after the LSF was released. Only two CDCSs out of 64 (2014, 2016) referenced the LSF. Terms such as "health system" and "system strengthening" have appeared in an increasing proportion of CDCSs since 2011, including all five CDCSs published in 2018 and 2019. The frequency of other terms, such as "local systems" and "local solutions," started rising before the LSF was launched, then peaked, and declined a year or two later.

Twenty CDCSs were selected for manual scoring through purposive methods based on keyword search scores. They included ten with the highest scores on the use of LSF-related terms and ten randomly selected from the "average" subset. These CDCSs were manually scored for strength of discussion of 1) systems thinking and 2) local systems strengthening as a path to sustainability, with scores ranging from 0 to 4 (0= no evidence 1 = little evidence; 2=mentioned but not robust; 3=featured prominently; and 4=centers around systems thinking and sustainability). As shown in Figure 7, on average, CDCSs scored higher on engaging local systems to achieve sustainability of outcomes (avg=2.1, mode=2) than on integration of systems thinking (avg=1.4, mode=1), which aligns with evidence from other data sources. References are made in newly revised CDCSs (2019 versions/2020 updates) to engaging local systems, FSR (or commitment to sustainable outcomes), and capacity building related to J2SR that are aligned with the LSF, keeping it relevant to existing priorities.

FIGURE 7: CDCS SCORES FOR ROBUSTNESS OF DISCUSSION

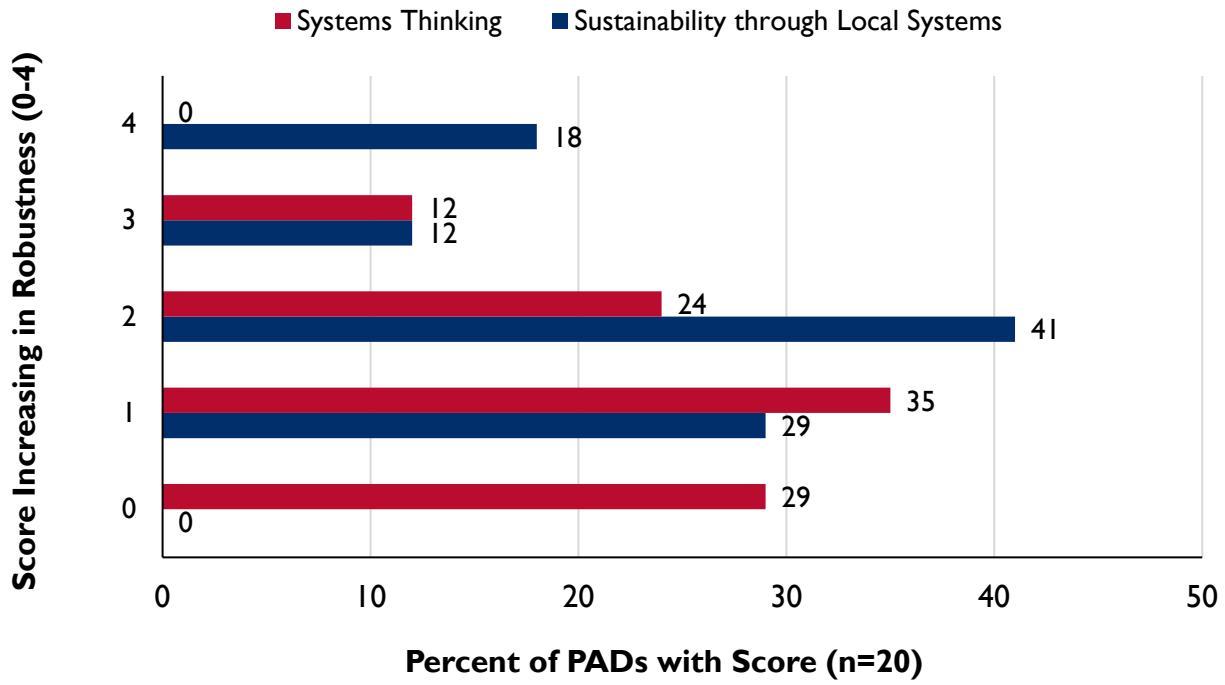


C. LSF INTEGRATION IN PADS

Ninety-nine PADs were scored using the same two automated methods used for CDCSs. All PADs published since 2014 and posted on USAID's internal project design repository (ProgramNet) were reviewed, representing all regions (Africa 31 percent, Asia 22 percent, 10-15 percent other regions) and most sectors (Democracy, Rights, and Governance/DRG, Economic Growth, Agriculture and Food Security, Health) in which USAID operates. The proportion of PADs referencing "local systems" and "local solutions" declined steadily since 2015 but the combined-score method found a modest upward trend for overall LSF integration. The LSF was cited in 11 percent of the 99 PADs reviewed, but only one since 2016, while 18 percent cited use of a system tool, a trend that is on the decline.

Using the same sampling method used for CDCSs, a subset of 20 PADs was selected for manual coding. This subset generally mirrored the overall universe of available PADs: Asia (n=6), Sub-Saharan Africa (n=6), Latin America and the Caribbean (n=3), Europe and Eurasia (n=2), and Washington/Global (n=3).

FIGURE 8: PAD SCORES FOR ROBUSTNESS OF DISCUSSION



The subset was then scored on the same scale for systems thinking and local systems/sustainability (with 0=none and 4=center on systems/sustainability). As shown in Figure 8, PADs, like CDCSs, scored higher on engaging local systems to achieve sustainability of outcomes (avg=2.2, mode=2) than on integration of systems thinking (avg=1.2, mode=1), indicating that PADs integrated local systems or sustainability considerations or approaches more often than a robust discussion of systems thinking concepts or tools. The subset of PADs showed some evidence of systems thinking, engaging local systems, and building their capacity, but minimal evidence that a systems approach drove the design or contributed to the analysis on which the design was based. Two PADs included reference to PEA that would be conducted at a later date; one PAD referenced the findings from a Systems Thinking Analysis (2014) that the team presumes formed part of the project design. Most PADs that included an emphasis on sustainability did so through USAID's Project Design Sustainability Analysis Tool, which had been created to help teams comply with a 2011 ADS requirement to conduct a sustainability analysis for all PADs. This requirement was removed in 2016, with the intent that the LSF provided clarity regarding the definition of sustainability and guidance on how to achieve it. Presentation of approach or resulting data was uneven; some PADs had conducted the analysis and found the proposed activity to be "partially sustainable", while others cited an intent to complete the analysis prior to funding and therefore included speculation. Engaging local systems and including local actors (e.g., those in national or provincial government, civil society, private sector, academia, beneficiaries) was integrated into PADs both with and without mention of sustainability as its purpose in the required ADS PAD and Project Design Plan (PDP) section, but the content was not always specific.

PADs typically included language about potential ways in which local actors would be engaged (i.e., consulted and involved) during design and implementation and who they were, but not concretely how and for what purpose. Standalone activities focused on building the capacity of parts of a local system are the most prevalent approach in projects and activities discussed in documents reviewed; this is sometimes cited as being supportive of sustainability of both outcomes and local systems.

D. LSF INTEGRATION IN SOLICITATIONS

While ADS 201 (2016 revision) only mentions sustainability in activity design requirements to suggest Missions "think creatively about how they can most strategically use the broad range of tools at USAID to achieve and sustain results," the solicitations analyzed represented the clearest integration of systems thinking and sustainability through local systems out of all Program Cycle documents the team reviewed. Yet, the results from the sample of 89 solicitations for activities (spanning years 2010-2019) suggest only modest improvements in LSF integration since 2010. Solicitations were scored using the same two automated keyword methods used for CDCSs and PADs. The sample of solicitations included 25 pre-LSF (2013 and before), nine concurrent to LSF release (2014), and 55 post-LSF (after 2014). The word-pair method found that about a quarter (14) of the solicitations released since 2010 contained a reference to local systems, system change, systems thinking, local solutions, or local engagement but only one pre-LSF solicitation mentioned any of the phrases (in this case, local system). The combined-score method found no improvement over time, but a variant looking specifically for references to systems tools did find an increase over time. Only one solicitation, from 2018, cites the LSF directly.

E. LSF INTEGRATION IN MEL

ADS 201 (2016 revision) includes a single reference to MEL related to system change and encourages evaluations to assess local ownership and sustainability of results achieved after the end of projects or activities. The LSF proposes annual ex-post evaluations to more systematically evaluate the Agency's commitment to and progress towards sustained outcomes through systems strengthening.

Within the Program Cycle, MEL itself is uneven and very abstract or high level in CDCSs and the assessment team did not review the CDCSs' PMPs, so cannot speak to measurement of systems change that may be captured in those documents. In more recent CDCSs, the J2SR Country Roadmap and Scorecard provide measurements about country capacity and commitment, and are thus aligned with measurements of system change, although it is difficult to determine the contribution of USAID programming. Measurement of systems-change and long-term outcomes are not clearly present in the MEL sections of PADs that the team reviewed; the closest indicators found are related to capacity building of local system components. Complexity-aware monitoring approaches like Outcome Harvesting and Most Significant Change can monitor system-level changes qualitatively. These are typically used in evaluation designs for activities and projects rather than for monitoring systems.

Many of the 20 CDCSs and 20 PADs that the team closely reviewed integrate language on CLA and adaptive management, which is related to and supportive of LSF integration. This was coded by the team as "evidence of systems thinking," as both require mental shifts to designing based on analysis and understanding of context, managing adaptively through feedback loops, and collaborating closely with systemic actors. CLA key elements map to LSF principles: "collaboration" aligns with local engagement and embracing facilitation; "learning" includes tapping into local knowledge and mapping local systems; and

"adaptation" relates to embedding flexibility, integrating feedback loops, and learning from evidence. Both emphasize holistic design, adaptive management, and continual pivots due to evolving realities.

Based on interview data and the document review, MEL at all Program Cycle levels seems to respond directly to Agency priorities in programming. The lack of emphasis on longer-term outcomes in programming stems from a variety of factors, including a focus on measurement that is not conducive to sustainability and systems change. According to interviews, "we do what we measure" in programming and implementation, i.e., "we" implement what indicators and intended outcomes are framed around because that is what IPs are assessed on. The general perception is that MEL systems and reporting requirements still tend to favor output-based reporting or outcome indicators that are short-term, which disadvantages activities that attempt longer-term, more sustainable outcomes. As one interviewee noted, "a focus on metrics has impeded systems thinking; focusing on self-reliance is a way to get it." About 40 percent of survey respondents think that MEL systems for "some projects" track progress towards systems change but agree that the majority are focused on short-term outcomes.

The team used indicators of systems change in reviewing CDCSs and Project MEL Plans as part of document analysis, focusing on capacity assessment scores and institutional strengthening of local systems or actors. Survey respondents and interviewees stated that they have integrated MEL for sustainability into their OUs, but both also noted the challenges in doing so within a system like USAID, which prioritizes and rewards shorter-term outcomes over systemic change and is nested within other systems that can contribute to a shorter-term focus (e.g., the U.S. government and the international donor community). According to interview analysis, systems change is difficult to measure because project timelines are too short to allow for measuring systems change; follow-on activities do not typically integrate a look at predecessor's sustainability; FSNs are not given agency, time, or incentives to monitor sustainability within the period of FSO rotations; and reporting requirements are output-based. To succeed, measuring systems change would need to be built into the design, budget for the IP, and reporting requirements.

Ultimately, there is very little guidance (both internal to USAID staff or external to IPs) on how to measure systems change or integrate MEL into systems practice. This is partially because MEL for systems change is a lens one uses to design the MEL *approach* or *system* (prioritizing qualitative measures of incremental change or complexity-aware monitoring tools), rather than a simple silver bullet or standard list of indicators. Systems tools themselves are also useful to measure or evaluate systems change for adaptive management and learning.

F. SUMMARY ACROSS PROGRAM CYCLE COMPONENTS

In summary, the team's document reviews found that progress, albeit at low levels, has been made in integrating LSF principles throughout the Program Cycle. As shown in Table 2, there is evidence of some integration at all relevant Program Cycle levels from strategy through MEL since 2016, and now in some of the training necessary to build staff capacity to implement. However, the evidence exists more in ADS guidance (2016 revision) and related training than in design documents for implementation and MEL for assessing progress. See Table 2 on the following page for more details.

TABLE 2: REVIEW OF LSF ALIGNMENT IN PROGRAM CYCLE DOCUMENTS

Policy/Guidance	CDCSs	PADs
Examples of some LSF-Aligned Policies and Guidance[21]: -ADS 201 (2016 revision) -Private Sector Engagement -Education Policy -The 2019 Policy Framework -MS Framework for Inclusive Development -Vision for HSS -CLA	Prior to the LSF, CDCSs were on an upward trend for integrating local systems, system strengthening, and local solutions, and the trend continues upward. LSF cited in 6 percent of CDCSs 2014-2019. Scores in sample: Systems thinking: Average 1.4, Mode 1 Local systems/Sustainability: Average 2.1, Mode 2.	Since 2015, PADs show a decline in local systems and local solutions references, but an upward combined score trend. LSF cited in 11 percent of PADs analyzed 2014-2019. Scores in sample: Systems thinking: Average 1.1; Mode 1 Local systems/Sustainability: Average 2.2, Mode 2.
Solicitations	**MEL**	**Training**
After LSF, solicitations started integrating system change, system thinking, local solutions, and local engagement, accounting for lag from project and activity design to solicitation release.	There are still few cases of measuring systemic change. Ex-post evaluations are on an upward trend, but do not connect local systems to sustainability.	Project Design Training emphasizes systems thinking in designing for sustainability. Beta Activity Design Training incorporates systems thinking in designing for sustainability.

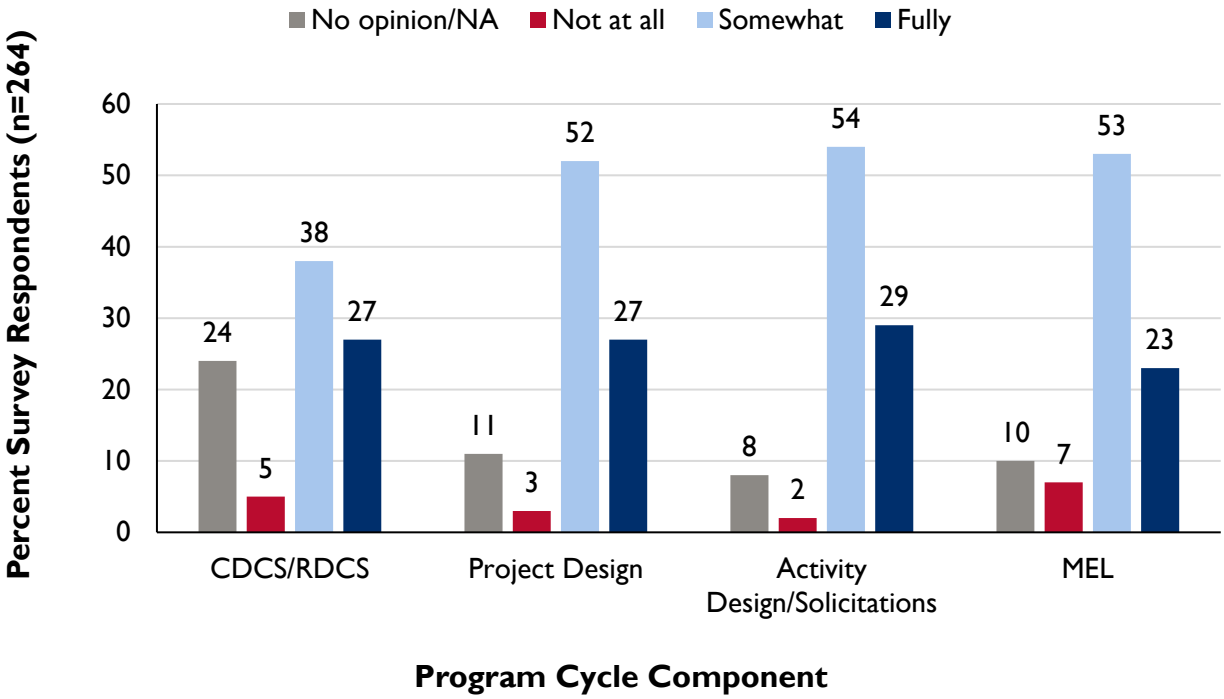
To triangulate with the document analysis data, the team analyzed survey responses about integrating the LSF in the Program Cycle, finding a more positive perception of integration than the document analysis revealed. The high majority of survey respondents answered that their OU either somewhat or fully integrated LSF principles and approaches, with 38 percent, 33 percent, and 34 percent identifying "full integration" at the CDCS, Project, and/or Activity levels, respectively (see Figure 9). According to survey responses, the most frequently integrated principles in the work of an OU are: 1) tap into local knowledge

[21] USAID policies were deemed to be aligned if they include LSF principles in part or whole, local systems strengthening or engagement, a systems approach, or systems tools.

(71 percent); 2) recognize that there is always a system (60 percent); 3) monitor and evaluate (M&E) for sustainability (58 percent); capitalize on convening authority (56 percent); and map local systems (54 percent). The most challenging principles to integrate were: 1) engage local systems everywhere, 2) design holistically, and 3) M&E for sustainability.

It remains unclear to what extent these changes were driven by the LSF itself. There is some concrete evidence through deep-dive interviews that the LSF has driven the integration of LSF principles and a quarter of those surveyed stated the LSF was a driving force, but more interviewees and survey respondents (38 percent) said the LSF was useful mainly as an Agency policy to *cite* as a way to lend authority to practices they were planning to engage in because they are "good practice in general." As one interviewee noted, the LSF did not drive behavior, but gave permission and language they could use to get other gatekeepers to accept systems approaches.

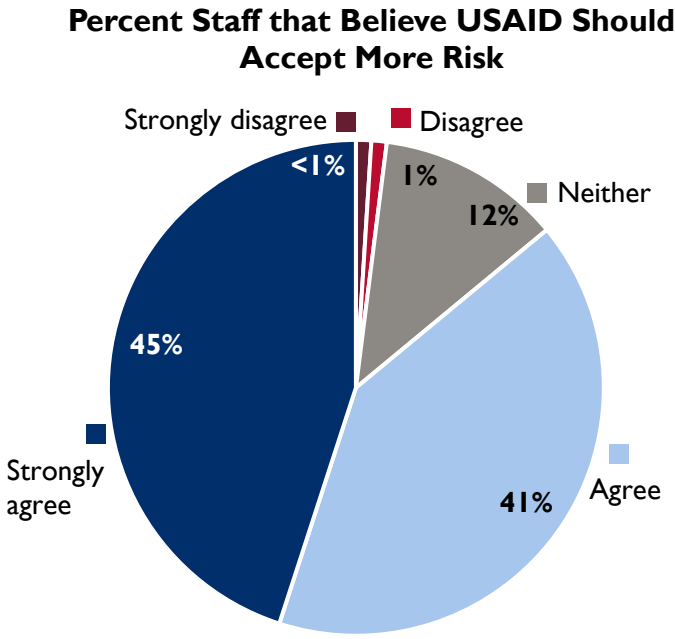
FIGURE 9: SURVEY RESULTS FOR STAFF PERCEPTION OF OU LSF INTEGRATION THROUGHOUT PROGRAM CYCLE



RISK-MANAGEMENT PRACTICES

Most survey respondents (98 percent) and all interviewees believe that in general USAID should accept more risk to achieve sustainability. However, nearly half of survey respondents (44 percent) believe USAID *rarely* or *never* accepts greater risk when designing and implementing interventions to increase the likelihood of sustained results (32 percent *sometimes*; 24 percent *always* or *often*). An aversion to risk is still very prominent in the Agency and most survey respondents (53 percent) and interviewees indicated that staff are generally hesitant to adopt new approaches, especially those requiring longer time scales, which constrains the adoption of systems approaches and engagement with "new" local actors.

FIGURE 10: SURVEY RESULTS ON USAID STAFF APPETITE FOR RISK



Risk aversion at USAID is closely tied to both cultural and institutional constraints. Cultural constraints include the difficulty of breaking habits and lack of general familiarity with systems thinking or access to information about how to implement it. Existing institutional constraints can also hinder adoption of riskier approaches and include low staff bandwidth (which reduces one's time to innovate), a need to meet existing Congressional obligations, and few formal performance or career incentives to adopt risk. Without reward for adopting riskier behavior or an environment in which it is explicitly "safe to fail," one runs the risk of not meeting objectives. However, LSF champions and those interviewed as part of the deep-dive studies perceived they were less risk averse than their colleagues and more actively promoted the adoption of techniques perceived to be untested or unorthodox.

Since 2014, USAID has sharpened and adapted its guidance for risk management practices in designing and implementing for sustainability. In 2018, the Agency issued a Risk Appetite Statement[22] that provides USAID staff with broad-based guidance on the amount and type of risk the Agency is willing to accept as it pursues various opportunities to achieve its mission and objectives. This statement was issued primarily in response to the 2016 Office of Management and Budget (OMB) mandate that Federal Departments and Agencies implement a systematic approach to Enterprise Risk Management (ERM).[23] Although a Risk Appetite Statement was not required to be made public, USAID believed that it would support Agency staff in making informed decisions about how to manage risk throughout the Program Cycle. The

[22] https://www.usaid.gov/policy/risk-appetite-statement
[23] ERM is an intentional, holistic, Agency-wide approach to risk-management that emphasizes addressing the full spectrum of risks and opportunities and managing their combined impact as an interrelated risk portfolio. https://www.usaid.gov/policy/risk-appetite-statement

statement addresses risk in seven key risk areas: programmatic, legal, reputational, security, information technology, human capital, and fiduciary.[24]

USAID's Risk Appetite Statement identifies a high appetite for programmatic risks,[25] allowing the Agency to take more risks in project design and activity design and implementation. Although this was intended to provide further clarity to staff, it has not been translated clearly in practical programmatic terms or "trickled down" to general staff understanding. According to interviewees, the Risk Appetite Statement also makes contradictory statements that affect staff's interpretation and implementation; for example, it promotes a high programmatic risk appetite, but a low fiduciary one, impeding work with promising *new* local partners. More than half of the survey respondents, despite the likely self-selection bias towards systems thinking, did not have a clear understanding of how to conceptualize risk in this context with 22 percent unclear and 30 percent neutral. Interviews further identified that staff struggle to understand how to consider what risk management means in practice and how the Agency should approach it.

G. LOCAL SYSTEMS ENGAGEMENT IN PRACTICE

According to evidence collected through deep dive KIIs and document reviews, USAID has improved its ability to engage with local systems over the last five years due to a multitude of factors and priorities, including a perception that it is "just good practice." Procurement reform, the LSI, J2SR, capacity building efforts in general, and CLA adoption at scale are all part of a shift in mindset towards development practice and design that is more iterative, adaptive, open, evidence-based, and holistic. Since 2014, in both policy and practice, evidence from OUs points to an increased focus on capacity building of local entities, more and more frequent collaborative and co-creation processes with local actors, as well as more instances of co-creation and efforts to map the local landscape. Offices like LS and OHS and approaches like MS are relatively new to the Agency and signify a shift towards more frequent local engagement, local systems strengthening, and use of systems thinking approaches as well. Ninety-three percent of USAID staff survey respondents also think that USAID *does sometimes actively engage and strengthen* local systems, but significantly fewer think USAID prioritizes this in practice when *results take longer to achieve*.

According to interviews with Missions and Washington OUs, engagement with local systems and partners has been generally uneven and ad hoc, focusing mostly on local public or private entities with whom USAID has traditionally worked or has an established relationship, rather than selecting partners as an outcome of a systems approach or Mission/DO) mapping exercise. Connections between local actors are infrequently mapped and system tools rarely applied to understand the complexity of local systems and what this implies for programming. Additionally, given the lack of an overarching LSF management or implementation system, formal reporting, or standard indicators, it is difficult to fully understand the depth and breadth of systems practice at the Agency. As one interviewee noted, the lack of LSF mainstreaming has impeded its implementation, adding that "the LSF did not start being implemented in 2014 when it

[24] usaid.gov/sites/default/files/documents/1868/USAID_Risk-Appetite-Statement_Jun2018.pdf
[25] USAID's Risk Appetite Statement defines programmatic risk as "events or circumstances that could potentially improve or undermine the effectiveness of USAID's development or humanitarian assistance." https://www.usaid.gov/policy/risk-appetite-statement

was released: actual implementation began the moment it was integrated into training courses and started being normalized across the Agency."

While not yet the Agency norm, there are numerous examples of local engagement and systems thinking in practice. The most relevant and multidisciplinary (sector-agnostic) global "project" dedicated to integrating systems practice and conducting its evaluation is SPACES MERL[26] (2015-2024), a buy-in mechanism housed in the USAID LAB consisting of five research institutions. Its mandate is to support missions and bureaus to think systemically, understand local systems, and apply tools such as SNA, participatory systems mapping, and outcome harvesting. Since 2015, they have provided support to various Missions and released a Systems Complexity White Paper.[27] In Rwanda, SPACES facilitated a series of participatory systems mapping activities[28] to analyze factors contributing to poor early grade educational outcomes. For the Guatemala Democracy and Governance Office, a team developed a political economy system map in parallel with a PEA to visualize the complex systemic dynamics that influence and affect the Guatemalan governance system's ability to deliver public goods to its citizens, which fed into the CDCS revisions.

TECHNICAL DEEP DIVES

The team conducted in-depth interviews and document analysis to understand how LSF approaches were established and have evolved in three technical areas focusing on markets, health, and local sustainability. Each of these offices, approaches or sectors has a slightly different perspective on systems practice or the tools and methods it uses to achieve each end.

Across these deep dives, there is LSF alignment. Sectors like HSS and approaches like market systems have a stronger and more established evidence base for systems practice, and have dedicated more resources, including for staff capacity, M&E (measuring impact of systems change), and learning (building the evidence base). The Office of LS's mission is to support and work through local systems, including through LW. LW legislation has helped this office overcome the institutional constraints of risk aversion, bandwidth, and staff capacity in LW Missions. Champions are still key because even in established sectors, champions led the evolution from a previous approach to one that adopted a systems lens. In general, success has stemmed from dedicating resources via staff time (new positions or integrated into existing), flexible funding for implementation even without earmarks, and performance incentives for contributing to sustainability and local ownership/systems. Annex 6 provides more details on these deep dives.

Market Systems (MS) approaches are used by practitioners in agriculture and food security, economic growth, private sector engagement, digital finance, and financial inclusion, among others, across RFS, E3 (now DDI), LAB, and Missions globally. These practitioners use a MS approach and insights from systems thinking to address challenges in areas like food insecurity and agricultural productivity to support increased yields, income, jobs, domestic sales and exports, and nutritional status. An MS approach focuses

[26] Strategic Program for Analyzing Complexity and Evaluation Systems MERL
[27] https://pdf.usaid.gov/pdf_docs/PA00M7QZ.pdf
[28] https://linclocal.org/wp-content/uploads/2020/04/Rwanda_Education-System-SPACES-FINAL-REPORT.pdf

on building the capacity and resilience of local MS , leveraging the incentives and resources of market actors, especially the private sector, ensuring the beneficial inclusion of the very poor, and stimulating change and innovation that continues to grow beyond the life of the project.[29] The practitioners often work cross-sectorally. This approach operates within and alongside the Feed the Future (FTF) initiative, as well as within or through other programs like the Trade and Investment Hubs.

Through training and technical support in strategy, design, implementation, and MEL, the MS "team" or network[30] supports DC Bureaus and 80 Field Mission counterparts to drive sustainable market-based outcomes. Prior to prioritizing a MS approach, they operated primarily through the value chain operational framework, which used systems ideas, but focused narrowly on a single commodity and tended to neglect the interrelated set of actors and components within a country or regional system. This approach to development aims to address the root systemic causes for the failure of markets to meet the needs of more vulnerable populations through interventions developed based on careful synthesis of needs and aligns with the foundational principles of the LSF.

Enabling its success, MS has an established guidance document or framework[31] outlining its vision and approach and dedicated staff in DC and the Field with funding for implementation in programming. One of the primary implementing mechanisms to support an inclusive, MS approach at USAID was the Leveraging Economic Opportunities (LEO) project 2013-2016, which was a global support mechanism designed to improve USAID programming by enabling the development of inclusive MS . To further support this shift in approach, LEO developed a framework that defined MS and provided general guidelines for interventions. In 2020, RFS launched a new global support mechanism, MS & Partnerships, to further champion this approach. Centrally funded technical assistance and temporary duty assignments (TDY) from the Bureau for Food Security (BFS), LAB, PPL, and E3 have enabled the adoption of the MS approach across Missions through training and capacity building in MS and measuring systems change.

The Office of Health Systems (OHS) was created as a formal office in 2012 and is situated inside the GH Bureau with approximately 31 staff across three technical teams covering Equity, Quality, Resource Optimization, and one cross-cutting team covering MERL, Communications/Knowledge Management, and Digital Health. The office supports several other HSS technical areas. The office focuses on providing technical assistance to help countries identify and take ownership for investments in their health systems through partnership with key actors in government, civil society, communities, and the private sector.[32] The Office's work centers on strengthening critical health system functions across countries through building technical, financial, and management capacity. Its mandate focuses on systems strengthening rather than on providing health services directly to beneficiaries and is guided by USAID's Vision for HSS.

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[29] https://www.marketlinks.org/sites/marketlinks.org/files/resource/files/Market_Systems_Framework.pdf
[30] The MS "team" is not an official structure but is a network of practitioners in multiple bureaus.
[31] USAID's Market Systems Resilience: A Framework for Measurement.
https://www.usaid.gov/documents/1866/market-systems-resilience-framework-measurement
[32] https://www.usaid.gov/global-health/health-systems-innovation/health-systems-strengthening

The existence of a USAID office dedicated to HSS is inherently aligned with LSF principles. Since its inception, the office has collaborated with the LS team to embed principles of systems practice. The current structure dates to late 2017 and was designed to break down technical silos that had developed due to being organized according to individual health-system functions.[33] The organization now has staff with functional expertise spread across the four teams leading to better cross-fertilization and interdisciplinary programming of health systems. The outcome-based approach to structuring the office is an instance of applying systems practice to USAID's operations and in line with the evidence base for impact of systems practice in HSS.[34]

MERL for HSS is also a well-resourced and well-established sub-sector. OHS has produced extensive guidance[35] and resources[36] to strengthen MEL capacity for planning, implementing, and evaluating HSS projects and to guide research investments. To build staff capacity in systems practice through training, OHS developed a global course on HSS which incorporates systems thinking principles and approaches throughout, and is offered to DC-based staff and Missions.

Mission staff interviewed as part of the deep dive noted that a lack of dedicated funding to health systems was a challenge. Typically, funding for cross-cutting HSS activities is made up of small percentages of available health funding within the OU, but this is not standardized across missions and is sometimes dependent on central-level approval especially for PEPFAR[37] and PMI.[38]

Office of Local Sustainability (LS): LS consists of a team of 26 staff that was housed inside the E3 Bureau (recently shifted to DDI), who focus on leading the Agency in locally led development through a client-centered approach that equips Missions with the knowledge, skills, tools, and resources to: leverage local capacities and resources; engage with local systems in ways that build upon and strengthen local leadership, capacity, and self-reliance; and include marginalized populations. The office was created in 2010 to focus on the Agency priority of supporting locally led and country-sustained development through the Development Grants Program, the Cooperative Development Program, and other Congressionally directed programs. Office of LS activities are innovative and experimental, co-created, and have very flexible funding. It currently manages a suite of programs through which it provides funding to Missions and local organizations including LW, the Cooperative Development Program, the Small Project Assistance Program (with the Peace Corps), Co-Created Research Initiatives, E3/LS Unsolicited Solutions

[33] Building blocks in a health system refer to technical foci including health service delivery, health system leadership and governance, health system financing, health information systems, health workforce, and access to essential medicines. https://www.usaid.gov/sites/default/files/documents/1864/LMG_Evidence_Compendium_Introduction_and_Pharm_chapters-508.pdf

[34] Impact of Health systems Strengthening on Health https://www.hfgproject.org/wp-content/uploads/2016/03/Impact-of-Health-Systems-Strengthening-on-Health-7-24-1.pdf

[35] HSS MEL Guide https://www.measureevaluation.org/resources/publications/tr-17-167c and Compendium of Indicators https://www.measureevaluation.org/resources/publications/tr-17-167b

[36] HSS Literature Review https://www.measureevaluation.org/resources/publications/tr-17-167a

[37] President's Emergency Plan for AIDS Relief

[38] U.S. President's Malaria Initiative

for Locally Led Development, Locally Led Development Annual Program Statement, and Broad Agency Announcement for Locally Led Development Innovation. LS emphasizes working with and through local systems to achieve sustained outcomes, as well as co-creation and systems approaches led by local actors. Due to the nature of its mandate and portfolio, LS has primarily provided demand-driven assistance to Missions implementing LS programs and their partners. However, the office also has a broader mandate to share learning across the Agency on operationalizing locally led development.

Through LW, Missions can implement locally led, local systems-centered activities to address challenges to development under the premise that, "Local actors become self-reliant when they lead their own development." The office currently works with 32 Missions, added over five rounds of competition in which Missions apply for participation in the program. LW provides Missions with five-year discretionary funds that can be used in any sector and do not need to align with a CDCS, unlike traditional two-year funding. With LW funding, USAID Missions can: develop and test flexible solutions to overcome operational challenges to advancing locally owned development within USAID; explore and use systems approaches to achieve sustainable outcomes with local actors; launch new programming that focuses on and tests approaches to local leadership; and adapt existing programming to enable greater local ownership of the development process and improved results. LW activities have used systems tools (such as system mapping, 5Rs, network analysis, etc.) individually at various stages of program design, as well as more holistically. For example, the whole-system-in-the-room approach was used for broader program development in the Dominican Republic for the DR-Haiti Transboundary Water Security System program and in Burma for the Kachin Drug Epidemic: A Systems Approach to Advancing Locally Led Development program. Both programs empower local actors to address their own challenges through locally sourced solutions.

MISSION DEEP DIVES

To better understand what enabled LSF approaches despite the many barriers to integration that exist at USAID, the team conducted deep dives into two Missions, Mexico and Uganda, where systems approaches have been broadly adopted or integrated into the Program Cycle. In both cases, the LSF itself has been a driving force for integrating systems thinking, local systems engagement, and sustainability in USAID's work, and leadership used the LSF while initiating the pivot in emphasis from traditional to systems approaches by employing CLA and local engagement. In Uganda, the pivot began with integration of MS approaches in the FTF portfolio, in parallel with the increased emphasis on HSS, and DRG's ongoing efforts for cross-cutting integration, and was formalized through CDCS development and enthusiasm across the Mission. In Mexico, the activities were first revised midstream to reflect a shift in mindset and priorities and to formalize the approach while revisions were made to project designs and the CDCS later, following the Program Cycle timeline. Annex 6 provides more details on these deep dives.

USAID/Mexico is currently one of the most robust examples of Mission-wide systems practice integration at the Agency, but it is still nascent in implementation. USAID/Mexico has a portfolio of approximately $56 million and comprises two technical offices: Governance, Human Rights, and Citizen Security (GRC) and Sustainable Development (OSD), as well as a Program Office and Office of Acquisition

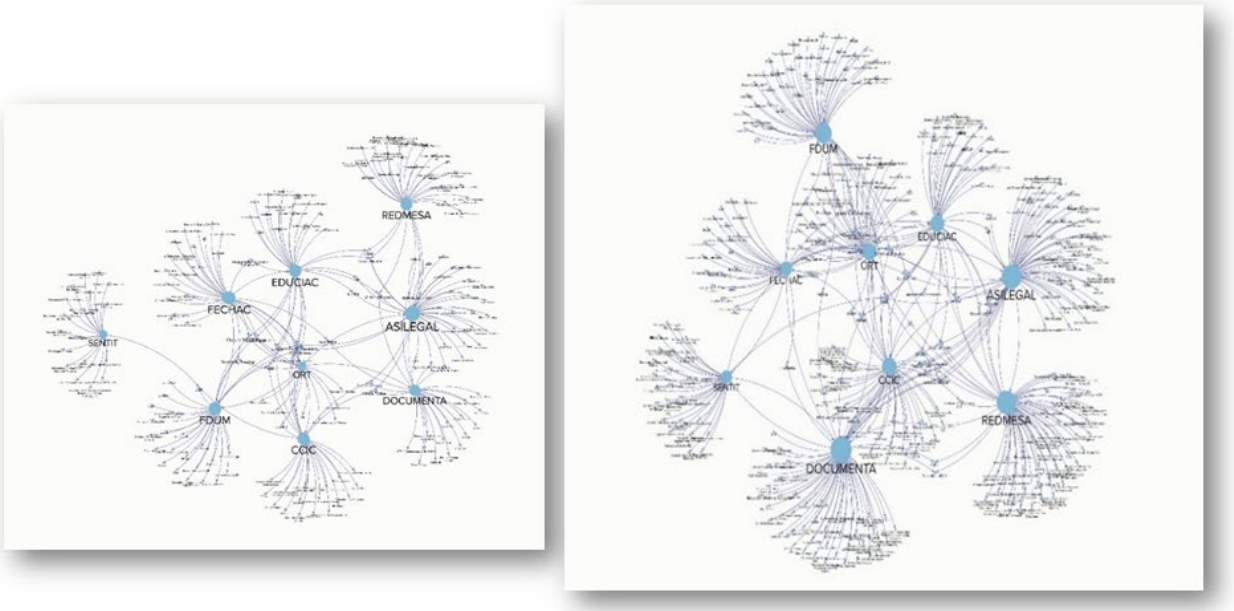
and Assistance (OAA). Its 2015-2019 CDCS[39], scored as part of the document review, included some level of systems thinking and local engagement but the Mission only seriously centered on a systems approach in October 2016, with the tenure of a new Mission Director (MD) strongly predisposed to and experienced in local systems sustainability. The MD's previous role was as the Agency's first Local Solutions Coordinator in the Office of the Agency's Counselor from 2013-2016, where she led the Agency in its commitment to supporting country-owned sustained development as well as provided technical feedback on the drafting of the LSF. Starting in 2017, the MD initiated a Mission-wide redesign of activities with an emphasis on local systems-oriented performance incentives. Starting from the top, the MD prioritized creating an enabling environment for risk adoption in programming through new, innovative, and relatively untested approaches and provided the dynamic space necessary for systems practice, learning and adapting, and for integration of tools like SNA and 100-day challenges, both discussed below.

As a result, the Mission redesigned its activity design process and template to strongly emphasize problem analysis specific to the local context, as well as to identify the purpose and theory of change through which the activity intended to make progress and the magnitude of that change. In Mexico, two points of contact for systems thinking collaborated closely with the Agreement Officer Representatives (AORs) of technical areas designing new activities with open and transparent conversations. According to one Mission staff member: "We said from the beginning that the goal was to build knowledge as we go." Mission leadership made it clear to staff and IPs that "we're not sure if what we are telling you is exactly right, but we can help you get to the right answer by having the conversations with Washington, having materials to read, and then developing new designs and implementing them." This open space for learning (and potentially failing) helped reduce resistance to adoption. An environment where staff are incentivized and empowered to innovate, learn, and pivot gracefully in a positive way is highly supportive of approaches embodied in the LSF. Additionally, staff capacity was intentionally built through training by LINC Local Systems Practice (LSP) (funded by LW)[40] and the Local Capacity Development Activity (2013-2017)[41] which provided a foundation for the integration and adoption of systems practice. Performance criteria were also revised to integrate criteria pertaining to the achievement of sustained results and prioritization of local ownership. According to an interviewee, "at USAID/Mexico, everything we do is through the Local Systems approach, from co-creation to programs to evaluations."

[39] https://2012-2017.usaid.gov/sites/default/files/documents/1869/Mexico percent20CDCS percent202014 percent202018.pdf
[40] https://linclocal.org/portfolios/lsp/
[41] https://linclocal.org/portfolios/lcda/

One of the three key activities at the USAID/Mexico mission with an embedded local systems approach is the Civil Society Activity (CSA): a five-year cross-cutting activity working to build the capacity of local civil society organizations and intermediary support organizations. CSA modified its original capacity development model to include an emphasis on SNA and mapping and then on strengthening the networks of local actors across sectors (see Figure 11).

FIGURE 11: USAID/MEXICO CIVIL SOCIETY ACTIVITY'S SOCIAL NETWORK ANALYSIS



A second key activity was the *Promoting Justice Project (PROJUST)*[42], a USD $68.2 million five-year initiative (2015-2020) that was part of the GRC Office's portfolio and overseen by the Justice Team. The activity was redesigned midway, in 2017, to demonstrate the impact that systemic change through coordinated efforts among interconnected actors can have, even in a short period of time. The PROJUST Team brought in partner Rapid Results Institute (RRI) and implemented their "100-Day Challenges" methodology, which convenes key actors working in the justice sector around a single community "problem" to collaboratively address it as a whole-system-in-a-room. The third activity was the *Juntos para la Prevención de la Violencia (JPV)* Project,[43] a $24.46 million five-year activity (2015-2020) in the GRC Office's Crime and Violence Prevention team portfolio. Its approach was redesigned in 2017 to center strongly on LSF principles, including: understanding the relevant local system and tapping into local knowledge to create change. The team worked in six Local Prevention Systems and conducted local system mapping of each active municipality to identify key players and their interconnectedness and build knowledge regarding the most

[42] PROJUST Final Report https://pdf.usaid.gov/pdf_docs/PA00W5KP.pdf
[43] https://www.chemonics.com/wp-content/uploads/2019/01/ONE-PAGER-JPV-USAID-2018-english.pdf

at-risk youth and current disputes between gangs, then test potential solutions and pivot or adapt as needed. More details on each activity can be found in Annex 6.

USAID/Uganda has an approximately $350 million development assistance portfolio with five technical offices and four support offices. The 2015-2020 CDCS[44], scored in the document review, exemplified a strong emphasis on systems practice, including local systems engagement, local system strengthening, and holistic design that crosses sector silos to achieve multidisciplinary programming for sustained outcomes. The CDCS took a systems approach that centered around the experience of a typical 14-year-old girl in Uganda to consider contextual factors that affect her life directly and focus attention on strengthening the key set of local systems and local actors that would address her development challenges. This grounded the strategy in a comprehensible and relatable context to drive design of activities and projects. DOs and Intermediate Results (IRs) also centered on a cross-sectoral approach to strengthening the local system in which she would grow up. Uganda's CDCS not only emphasized the interrelated challenges of development through the horizontal and vertical integration of DOs and IRs and cross-sectoral collaboration, but also framed its solution to sustainable development through a local systems lens, with local stakeholder participation and buy-in, as well as ongoing feedback loops, course corrections and a dynamic/adaptive approach to implementation through CLA approaches.

The USAID/Uganda Mission illustrates CDCS integration of systems approaches that was the result of a multitude of factors embodying a perfect storm. At the working level, it was the hard-earned result of a cluster of change agents that created the momentum and traction for the approach, each with the innate ability to translate the systems lens across sectors, into design, and into strategy, leveraging USAID/Washington and localized support for the CDCS development process. Their work catalyzed the energy of a Mission that already had a strong reputation for innovation and a high tolerance for risk that incentivized "best-fit approaches" rather than perfection. These concepts and practices were being advanced within a broader Mission system that at the time was actively cultivating innovation (supported by USAID/Uganda's multi-faceted relationship with the LAB), a reputation within USAID for leadership in creating and advancing in CLA, and an emerging commitment to organizational development and leadership initiatives that sought to surface opportunities for all Mission staff to demonstrate leadership behaviors within, or potentially beyond, their official job descriptions (in this last case, providing opportunities to take center stage for those who might not 'normally' lead or influence a CDCS development process across technical, support and program office roles). At the leadership level, credit goes to a MD who was interested in problem-driven analysis and strategic planning, systems-based approaches, and an emphasis on evidence with associated resources, adaptive management, and learning.

Ultimately, while well-designed strategically, the CDCS was not fully executed as envisioned in projects and activities and much of the initial intended collaboration across offices and sectors to achieve those objectives was not executed as planned. According to interviews, the offices still tend to focus on individual priorities rather than collaborating. The Mission was successful in conceptualizing PADs as platforms for adaptive development but encountered challenges in executing a systems lens because of the inherent

[44] https://www.usaid.gov/sites/default/files/documents/1860/CDCS_FINAL_26092017.tags_.pdf

difficulty in incentivizing and enabling cross-sectoral thinking among DO and Project Teams, let alone implementing across established silos. After the initial CDCS period, the leadership who had emphatically prioritized removing silos left, as did key higher-level staff leading the charge. However, USAID/Uganda is still perceived as an "avant garde" mission in systems thinking. Governance, health systems, MS , OAA, and the Program Office are all still involved in systems thinking approaches and continue to use procurement mechanisms aligned with the flexibility of such an approach. MS and health systems are also connected to the DC-based teams, which helps continue the approach absent the champion leadership.

More specifically, the Uganda health team conducted an analysis of the health systems nationwide, utilizing systems mapping techniques to identify system-wide drivers, highlight leverage points, and provide strategic recommendations on health systems programming to the Mission. The Economic Growth office also includes a Value Chain activity which cited use of the MIRADI tool[45] as a supportive structure for measuring systems change, through support from a MS MEL expert from DC. The agricultural MS team also undertook a large-scale mapping exercise of the relationships and behaviors that was then used to develop new monitoring proposals.

H. AGENCY SUPPORT STRUCTURES

Leadership support, staff capacity, and staff incentives were identified through KIIs and the survey as the three main enabling factors in cases where a local systems approach was taken. They are also the three predominant areas where the Agency is lacking the most in LSF implementation. LSF implementation is still generally champion-driven and leadership-led by individuals dedicated to the approach rather than institutionalized or normalized within the Agency. It has depended largely on USAID staff with positive experience or exposure and leadership, including Mission and Office Directors, rather than formal structures tasked with funded or mandated implementation. The LSF does not have an officially- designated coordinator focused on driving and tracking implementation and advocating for the issue, which is viewed as a constraint. Additionally, most OUs do not have a dedicated systems expert or point of contact, which constrains the bandwidth for work beyond one's job description or performance measures. Yet, in OUs that have hired a systems advisor or have staff who perform this function as part of their job descriptions (Office of LS, OHS, and E3 for MS), this is seen as an important enabling factor.

The LSC serves as the LSF's primary support structure and the LSF's de facto leader has been instrumental in spearheading the community of practice, according to its members. The LSC hosts monthly meetings (previously bi-weekly) at which guest speakers present on various systems-related topics, including both USAID staff working on systems-related activities and approaches and external experts. The LSC, largely driven by interested champions, also has an active email list for sharing best practices, facilitates cross-Agency fertilization among experienced and new practitioners via peer-to-peer learning, and has an online "platform" through ProgramNet, which houses past webinars and links to internal resources. The assessment team interviewed many LSC members and through the survey received responses from 93 of the 310 members (30 percent), representing all levels of tenure in the community (27 percent have been

[45] https://www.miradi.org/

involved for more than five years, 26 percent for three to four years, 32 percent have been involved for one to two, and 15 percent under one) signaling a constant LSC prominence and relevance. Nearly half of the respondents self-identified as passive members currently, paying attention to shared information and emails but not engaging in meetings or presentations. Comparatively, 43 percent identify as active members and pay attention to shared information and sometimes attend webinars, or meetings. Nine percent stated they were "very active."

Forty-four percent of survey respondents, including those not part of the LSC, agree that the LSC has played an important role in increasing awareness and understanding of systems thinking and practice across USAID (two percent disagree; 12 percent neither agree nor disagree, 22 percent are not familiar enough to respond, and 20 percent have not heard of the LSC at all). Ninety-one percent of LSC survey respondents believe the LSC plays an important convening and knowledge sharing function and 76 percent believe it produces technical guidance and resources, shares tools and methods, and shapes training. Fewer individuals, 69 percent, believe the LSC has been successful as a *coordinating body for implementing the LSF* (24 percent neither agree nor disagree and eight percent disagree). Interviewees agree that the LSC has been a very positive convening structure and community for existing champions and periphery staff who work on systems either directly or by proxy. Its core community identified the LSC as a strong enabler for implementation of the LSF within the existing community and *potential* enabler for broader LSF implementation, but in general they believe it has not yet played a central role in LSF implementation or dissemination of systems thought leadership more broadly to the Agency. Rather, this body has focused on convening existing practitioners and sharing knowledge internally.

Overwhelmingly, quantitative and qualitative analysis found the LSC to be a knowledge sharing community rather than an Agency support structure and suggested ways it could better serve the broader Agency community, especially in the field. As one respondent stated rather poetically, "ask not what the field can do for the LSC, ask how the LSC can better serve the field." When asked what the LSC can do to improve, the responses focused on field outreach, formal training and applied learning on systems thinking, support mechanisms for technical assistance, advocacy for institutional change, and prioritizing discovering almost-champions, and recommended looking for "innovators and early adopters to get to the 15-18 percent tipping point for the Agency to embrace systems."

While Agency-wide staff incentives or requirements for LSF implementation do not exist, the deep dives illustrate examples of leadership creating incentives through specific performance criteria and aligned job descriptions, clearly delineating priorities and expectations, and rewarding achievements within systems. Generally speaking, across the Agency interviewees also noted that FSNs are too infrequently empowered or incentivized through their job descriptions and performance incentives to provide the continuity and sustainability link in Missions through the staff rotations of FSOs and leadership, and subsequent shifts in large-scale priorities. FSOs are also not necessarily hired with or for the skill set needed for local engagement or systems thinking. Under the direction of a system champion, the Kenya mission is empowering FSNs through its adoption of a very localized and community-level approach to development programming, whereby FSNs are designated as critical linkages in engaging local actors and leaders in the system, which they understand more intimately than FSOs.

STAFF CAPACITY

While awareness of concepts is high, staff capacity or perceived capacity to implement is lower and staff bandwidth to overcome the learning curve is insufficient. Interviewees and survey respondents found some LSF approaches to be too time-consuming to use (e.g., whole-system-in-a-room, stakeholder engagement) or difficult to understand and apply (e.g., large causal-loop diagrams, often dismissed as "spaghetti charts"). There was overlap in respondents who cited time and difficulty as obstacles, suggesting that complex approaches are perceived as being too time-consuming to use or understand.

The Agency does offer formal, week-long training courses on Project Design and Activity Design both intended to provide USAID staff with skills needed to implement components of the Program Cycle. These courses were redesigned to capture changes embedded in the 2016 revision of ADS 201, including a focus on systems strengthening for sustainability in design. This is the first broad USAID training to include systems practice, and both trainings have intentionally integrated design for sustained results through local systems strengthening and engagement. This version of the Project Design course was released in 2018; the Activity Design course is still in beta testing but finalized. It remains to be seen how the more recent 2019 and 2020 revisions of ADS 201, and reduction of quantity and quality of systems language, will impact the content of these courses.

One hundred and one survey respondents participated in the revised Project Design course and of those, the majority felt the training was effective in teaching them to develop a strong theory of change (75 percent), design with systems in mind (74 percent), engage local systems as part of project design (77 percent), and design projects for sustained development outcomes (78 percent). Additionally, nearly all have applied the local systems-related knowledge a lot (28 percent), some (47 percent), or a little (21 percent), even though it is still early. Qualitative analysis of responses emphasizes its practical use in PAD development and relevant systems tools (e.g., mapping to develop a project theory of change) and even translated to CDCS design (during the most recent revision process) as well as new activity design. A smaller subset of survey respondents completed the beta Activity Design course (n=23), but as with the Project Design training most respondents felt the training was effective in teaching them to design activities using systems thinking (78 percent), and to design and implement activities to strengthen local systems and achieve sustainable results (83 percent). Application of systems thinking approaches from the training to their work was also largely positive, with only nine percent of respondents selecting "not at all." Based on responses regarding the utility of the courses, the only problem is that they are not required or highly visible to staff who have already taken an older version of the course.

USAID currently offers inadequate training in the practical application of systems practice in support of more sustained outcomes. USAID University offers no general training specific to systems thinking and none is available through searches on ProgramNet or Learning Lab. Many interview and survey respondents stressed the need for systems thinking training that is practical, applicable, and accessible to be offered through USAID University or a similar modality. Offices and sectors that take a systems approach and offer technical assistance to Missions in systems thinking, like OHS and MS, provide training courses tailored to their area of work available on USAID University, but they do not seem to be marketed to all USAID staff or particularly relevant to the broader Agency. The Agency does however have formal training in the conduct of ex-post evaluations released in June 2020. Additionally, evidence from the field suggests there is inadequate training for FSOs on how to take risks effectively and legally through new approaches and innovation in design (including systems thinking) as well as how to conduct co-creation and local engagement for design without breaking procurement regulations.

Some interviewees said it would be helpful to have a Systems Toolkit, static resource platform, and a mechanism for technical assistance in missions to address issues in both bandwidth and capacity. Different teams across the Agency have made attempts over the past several years to migrate the LSC's collection of resources into a more formal toolkit structure, but these efforts have stalled as this has not been a part of any one team's portfolio. LS has recently re-started conversations about developing this resource as part of its Knowledge Hub on ProgramNet. In addition, a systems-specific resource was developed at the request of Missions implementing LW programs and disseminated to them, and later to the LSC. This document, "Training and Resources related to Systems Thinking," begins to address the need for information identified in KIIs and the survey by USAID staff.

BUDGETARY SHIFTS

While the LSF does not call for specific budgetary changes, an inference could be made that funds being shifted to partner with local organizations, strengthen local systems, or hire staff with systems thinking expertise would be an indicator of policy implementation. Throughout the data collection, the assessment team did not uncover strong evidence of budgetary shifts driven by the LSF. One of the few examples the team found was in Mexico, where an activity redesign shifted implementation funds to new work streams but did not seem to change overall budget ceilings. The technical offices examined through the deep dives were already implementing an approach or budgetary changes that were unrelated to the LSF. However, Food for Peace (FFP)'s new Systems Advisor is a newly funded position with a budgetary shift. The LS Indicator data shows an upward trend in funding to local organizations from 2014 to 2018, with a dip in 2015, which demonstrates a commitment to local engagement and working directly with local organizations, but the assessment cannot determine for what purpose or in what spirit. The Local Solutions commitment to 30 percent of funding to local organization, which was part of USAID Forward, differs slightly from the spirit of the LSF principles writ large, but is supportive of country ownership in general.

I. SUSTAINABILITY OF RESULTS THROUGH STRENGTHENING LOCAL SYSTEMS

USAID generally claims to prioritize both sustained results and greater risk adoption through increased engagement with local systems in its policies, but evidence across methods suggests it currently fails to incentivize and prioritize them in practice. The LSF and ADS 201 (2016 revision) define sustainability as: "The ability of a local system to produce desired outcomes over time. Discrete projects contribute to sustainability when they strengthen the capacity of the system to produce valued results and be both resilient and adaptive in the face of changing circumstances" [46]. Most surveyed staff (88 percent) agreed with this definition. Additionally, most staff surveyed agree or strongly agree that strengthening local systems is the most effective way to achieve sustainable results (95 percent) and should be a focus of development assistance, even if that means results take longer to achieve (92 percent agree; with 61

[46] The 2020 version of ADS 201 includes a similar, but slightly reworded definition of sustainability: "The ability of a local system, network, or institutions to produce desired outcomes over time. Programs contribute to sustainability when they strengthen the ability to produce valued results and to be both resilient and adaptive in the face of changing circumstances."

percent agreeing strongly). Respondents also believe that using concepts and tools of systems thinking is essential to achieving sustainability (84 percent). However, surveyed staff also feel that USAID does not typically prioritize the strengthening of local systems, particularly when the tradeoff is that results take longer to achieve (67 percent responded never, rarely, or only sometimes) or when this requires additional risk (72 percent responded never, rarely, or only sometimes), both prerequisites for achieving sustainability.

One interviewee summarized the situation by stating: "the LSF and this integration of key principles into the Agency changed the way people think about sustainability, but not necessarily the way they operationalize it." Interviewees in general agreed with survey respondents and felt that the Agency still prioritizes immediate results unless OU leadership centers its messaging on sustainability and systems change and understands how that is practically achieved.

A major remaining institutional barrier to understanding and promoting the sustainability of USAID's work is that staff incentives and rotations cause constant shifts in focus to new priorities rather than considering predecessor activities' impact. Incentives to evaluate sustainable impact do not exist currently at an Agency level and it is not a formal part of staff scope, leading to reliance on personal motivation. However, even when self-motivated staff care about the sustainability of an activity or design, many constraints can impede their dedication, including the level of effort and budgets necessary to conduct an ex-post study; time it takes to complete; and staff turnover and recall bias preventing data collection from IPs, beneficiaries, or USAID itself.

According to a few USAID Mission deep dive interviews, another constraint is the lack of trust between USAID and IPs, which impedes implementation of less-tested approaches whose outcomes take longer and are less measurable because contracts attach money to the achievement of results. Risk acceptance generally falls on the shoulders of implementers who assume risk through contracts and funding tied to specific deliverables, outputs, and outcomes. USAID is ultimately responsible for oversight and management but not implementation, and evidence suggests that this reduces risk adoption. Even if USAID staff are willing to design with more risk, that fails to translate into implementation via partners. Cooperative agreements allow for more flexibility in approach, which extends to measuring outcomes. Without measurable outcomes or evidence, some USAID staff fear being unable to justify the market value of their purchase (i.e., the activity, contract, implementing mechanism).

Furthermore, while there is an increasing focus on sustainability in project and activity design as evidenced by project/activity design documents and CDCSs, as an objective it is not often tracked through ex-post evaluations, outcome data time series, or anecdotally in an accessible way as the team was generally unable to find or review this type of data and rather relied on interviews. Interviewees agree with this sentiment regarding the lack of data on sustainability. MEL sections inside CDCSs and PADs, PMPs for CDCSs, and Project Design MEL plans do not currently emphasize sustainability of outcomes as a focus, which are the appropriate levels at which one could track beyond activity and contractor timelines, as well as outside of FSO rotations. Therefore, the evidence is anecdotal to date and based on the smaller set of ex-post evaluations available and discussed below triangulated with interview and survey data.

The LSF recommends conducting ex-post evaluations to assess sustainability of development results three to five years after a project's conclusion. Ex-post evaluations provide opportunities to explore the impact that discrete interventions have had on a local system and contribute to a deeper understanding of programmatic risk. The LSF recommended for USAID to initiate an annual series of sectoral ex-post

evaluations, each year examining a different set of projects with similar aims to understand their lasting effects. This recommendation has not come to fruition since 2014 according to KIIs with USAID staff. Ex-post evaluations are still done infrequently and while their emphasis is on sustainability, there is not yet an attempt to correlate that sustainability to system change or system strengthening, likely because the activities themselves do not make that association.

In September 2020, the assessment team identified 167 documents on the Development Experience Clearinghouse (DEC) by using keyword searches to identify ex post evaluations within all evaluation "document categories."[47] However, a random sample selection revealed a substantial subset that were not ex-post evaluations and instead were performance evaluations, sectoral studies or assessments, revealing flaws in the DEC's metadata and the ability to easily unearth all existing evaluations for review.

One study looking across available ex post evaluations was conducted in 2020 through the Expanding Monitoring and Evaluation Capacities (MECap) contract, in collaboration with PPL's Office of Learning, Evaluation, and Research (LER), and similarly identified only 19 true ex-post evaluations from a much larger original sample during the 2011-2019 study period. According to the study's key informants and descriptive analysis, many evaluations were miscategorized as ex-post with the DEC's metadata in the original sample, and within the sample of those selected a large portion of the evaluation questions were not tailored to the strengths of an ex-post to examine sustainability or changes to local systems. Across the 19 evaluations in the MECap study, Food Security and Resilience (n=4) as well as Water, Sanitation, and Hygiene (WASH) (n=8) were the primary sectors (plus two each in Education and DRG, one in Peace and Stability, one in Health, and one in Energy) and they were typically conducted three to five years after implementation concluded, which aligns with the LSF's recommendation. The majority were conducted in 2017 (n=8) and 2018 (n=5) with four in 2014, and one in 2015 and 2019 each. Sixty-two percent of evaluation questions centered on sustainability while others focused on design, outcomes, and contribution. However, very few of these evaluations focused on assessing whether strengthening local systems led to sustainability and those that did centered on the sustainability of water systems and infrastructure. Of the 19 evaluations assessed, only one explicitly linked local systems to sustainability; the others examined sustainability of outcomes or interventions, institutions, organizational capacity, community capacity, and individual capacity and found that, in general, USAID's sustainability of results across those entities is mixed.

The evaluations highlight the importance of country ownership and local engagement for sustainability to occur. According to one report, "when the Projects worked with established organizations, the learning period was shorter, producing stronger community appropriations and sustainability. Further, when there was greater participation from communities in terms of funds, land, labor, and risk there was also greater local commitment and sustainability after project implementation concluded."

[47] The categories included "Final Evaluation Report", Special Evaluation, Other USAID Evaluation, Evaluation Summary, Other USAID supported study, and Special Evaluation.

Certain OUs, offices, and sectors within USAID have prioritized sustainability and its assessment more than others and explored the parameters and context in which it occurs and how to assess it. MS practitioners and RFS have begun to undertake more ex-post evaluations; GH has also completed a series of six ex-post evaluations and a synthesis[48] in the WASH sector. In 2006, FFP began requiring that all development food assistance projects include explicit explanations of how activities intend to ensure the sustainability of activities and benefits after each project's end. From 2009 to 2016, FFP, through the USAID-funded Food and Nutrition Technical Assistance Project (FANTA), conducted a multi-country study to assess the effectiveness of FFP-supported projects' sustainability plans and exit strategies to determine what factors enhanced the likelihood of sustained project outcomes. It found that evidence of project success at time of exit did not necessarily imply sustained benefit over time[49] and that incorporating the lessons for sustainability into project design may improve the likelihood of continued benefits after project completion. The report also includes a model for studying sustained outcomes from project interventions which highlights three factors critical to achieving sustainability: resources, capacity, and motivation.

The FFP findings are supported in a 2016 review of Local Solutions evaluation reports[50], which found that while 38 of the 51 projects or activities evaluated were substantially on track to achieve intended project and activity-specific outcomes, clear results related to sustainability and local ownership were ambiguous, and often not explicitly addressed. Lack of access to financial resources was commonly cited as a threat to sustainability. Overall, the study found that the evaluation reports did not consider or make clear results related to sustainability and local ownership. To further understand these issues, the Office of LS recently undertook an exercise to examine past reporting on USAID Mission and OU approaches to locally led development, and an analysis of the 2019 Agency reporting on the Sustainability & Local Ownership Key Issue Narrative. Through MERLIN, the LAB launched the Expanding the Reach of Impact Evaluation (ERIE) initiative[51] to develop opportunities to measure long-term impact. The subsequent resource guide[52] intended to help managers identify programs that are candidates for long-term impact evaluations (LTIE), understand potential LTIE designs, and prepare to conduct them.

Given that the LSF recommended conducting ex-post evaluations to prioritize and evaluate sustainability, their existence is a positive finding. As with evaluation quality writ large, there is room for quality improvement in the ex-post evaluations. Furthermore, DEC organization and metadata occasionally make the collection or identification of documents difficult. As found in the MECap study, many documents "tagged" by implementation teams as ex-post upon submission were not true-form ex-post evaluations

[48] https://www.globalwaters.org/expostevaluations/ex-post-evaluation-synthesis
[49] The ex-post study investigated effectiveness of programmatic approaches that ensure sustainability of FFP project activities and benefits of assistance once it is withdrawn and the project ends. https://usaidlearninglab.org/lab-notes/sustaining-development-results-ex-post-evaluation-among-food-peace-development-food
[50] "Closing the Loop on Learning A Review of Local Solutions Evaluation Reports" https://pdf.usaid.gov/pdf_docs/PA00MWSM.pdf
[51] ERIE landing page: https://pages.usaid.gov/theLab/EIA/erie
[52] https://usaidlearninglab.org/sites/default/files/resource/files/final_erie_guide_august_27_2018_1_1.pdf

because of the questions on which they centered their inquiry, so the universe size is inflated. However, the recently released MECap Ex-Post Evaluation Study[53] and Discussion Note[54] provide helpful guidance for staff to identify gaps in the design and conduct of ex-post evaluations. Some strides have been made towards conceptually linking the strengthening of local systems with an Agency-wide goal of sustained results but intended outcomes have not been achieved and the practical path forward remains unclear.

CONCLUSION: SYNTHESIS OF FINDINGS

Rather than simply summarizing the findings and discussing their implications, this section synthesizes the findings into a set of observations about the USAID system and its effects on LSF implementation and discusses the implications of those observations. This synthesis was developed using the systems methods described in Section II.4 ("Methodology: Systems Methods and Synthesis of Findings"), including system mapping to understand the connections between the enablers and constraints identified in interviews, survey results, and workshops; an archetype analysis to understand how the system structures identified through system mapping are driving the overall trends found in the document review, interviews, and survey results; a prerequisite analysis to connect the causal structure underlying these system structures to a dynamic theory of change capable of informing the PIA's recommendations; and workshops to validate preliminary versions of these synthesized findings and recommendations (see Annex 5 for details). Four general topics emerged from this synthesis: the misalignment between USAID culture and LSF principles, the systemic enablers and constraints surrounding LSF implementation, the systemic opportunities (or "leverage points") to transform LSF implementation, and the role of LSF champions (and potential champions) in driving implementation from the bottom up. Some key systems terms used in this section are defined in Section II.2 ("Key Terms"). These four topics are discussed in turn below.

A. THE MISALIGNMENT BETWEEN USAID CULTURE AND LSF PRINCIPLES

Many of the findings in this PIA concern features of USAID's culture that tend to resist change in ways that impede the achievement of sustained results. USAID is not always resistant to change; private sector engagement, local partnerships, innovation, and self-reliance were once new ideas that have been adopted and are currently being institutionalized. However, interviews, workshops, and the survey found that some cultural tendencies within USAID nevertheless do resist the adoption of new approaches and LSF approaches in particular. As numerous interviewees and workshop participants observed, these tendencies are bolstered by a maze of underlying factors, including a preference for analytic expertise, risk aversion, and a focus on short-term results and measurement:

- **An analytic mindset** breaks problems into pieces and solves the pieces individually, which generally leads to the use of linear methods and to a division of programming into sectors, pillars, building blocks, tasks, regions, or predefined phases. An analytic mindset can be appropriate for

[53] https://usaidlearninglab.org/sites/default/files/resource/files/discussion_note-ex-post_evaluation_vfinal_may2020.pdf
[54] https://usaidlearninglab.org/sites/default/files/resource/files/discussion_note-ex-post_evaluation_vfinal_may2020.pdf

complicated problems, which involve a lot of enablers and constraints that can be addressed separately. But analytic approaches simply do not work for *complex* problems, which involve unpredictable interactions between many enablers and constraints.[55] Solving complex problems requires analysis *followed by synthesis* to identify the complex interactions that produce potential surprises and leverage points (particularly powerful enablers and constraints). The traditional USAID mental model of development reflects an analytic mindset geared toward complicated rather than complex problems and is reliant on assumptions of linear causality. The alternative proposed by the LSF sees development as a complex problem requiring an understanding of systems and the use of tailored approaches. Although progress has been made in building on the LSF mental model, it has been stymied by a wide range of institutional and cultural constraints.

- **Risk aversion** derives from high scrutiny and negative consequences for mistakes, low staff bandwidth to try new approaches amid competing requirements, misperceptions of the actual flexibility of procurement requirements, a mindset that sees development as being more linear and predictable than it is, and high uncertainty on how to define, manage, and communicate risk for long-term results, according to workshop participants, interviewees, and the prerequisite analysis.

- **Short-term results** are critical to sustaining an effort long enough to achieve long-term DOs, but they are also easier to achieve and measure than long-term results and so tend to be the focus of most programming.

These cultural tendencies are stubborn because they are perpetuated by a maze of systemic constraints that make it difficult to find a path to success.

B. SYSTEMIC ENABLERS AND CONSTRAINTS

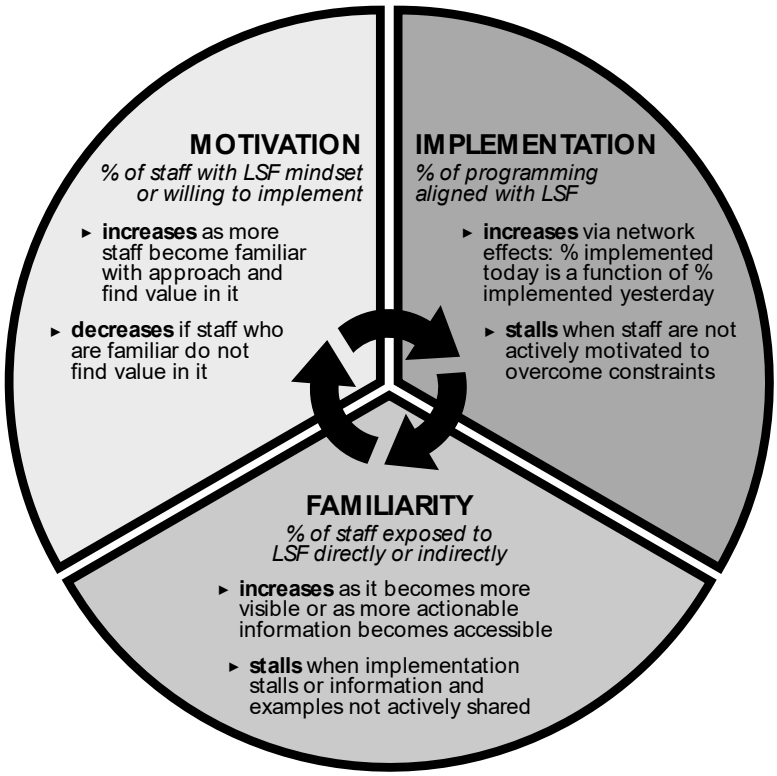
This PIA identified many institutional constraints to local engagement, systems practice, and the sustainability of results. One workshop identified 38 constraints, including 11 of high concern, while survey respondents identified nine of high concern. These constraints include contracting and reporting requirements, earmarked funding, staff bandwidth, and inadequate training, among others. Contracting and reporting requirements are often tied to Congressional requests for information and global initiatives such as FTF and PEPFAR, and these requirements motivate a focus on short-term results. Earmarks for funding specify exactly how money must be allocated according to Congressional priorities, which makes it more difficult to move funds to country-owned priorities or to longer-term objectives. Staff bandwidth is finite, making it difficult to attempt complex or riskier new approaches, and it is not always clear how competing priorities should be prioritized. Inadequate training leaves staff without the skills needed to implement the policy.

[55] David J. Snowden and Mary E. Boone, "A Leader's Framework for Decision Making," *Harvard Business Review,* November 2007.

These constraints and the key factors driving them do not exist in a vacuum: they interact in ways that can complicate efforts to overcome them, but some interactions present opportunities as well. Through interviews, workshops, system mapping, and archetype analysis, the PIA team studied the structure of these interactions and found seven system structures (cause-and-effect relationships that are well-known in the systems literature) that affect how the USAID system enables or constrains LSF implementation:

- **Virtuous Cycle.** The most important system structure driving LSF implementation is a self-reinforcing feedback loop. This self-reinforcing process has driven LSF implementation to date and would drive even more implementation if other constraints were reduced. In the LSF's Virtuous Cycle, implementation, familiarity, and motivation are mutually reinforcing processes (see Figure 12), powered by leadership support, champions, actionable information about the LSF, and perceptions of the value the LSF adds to current practices.

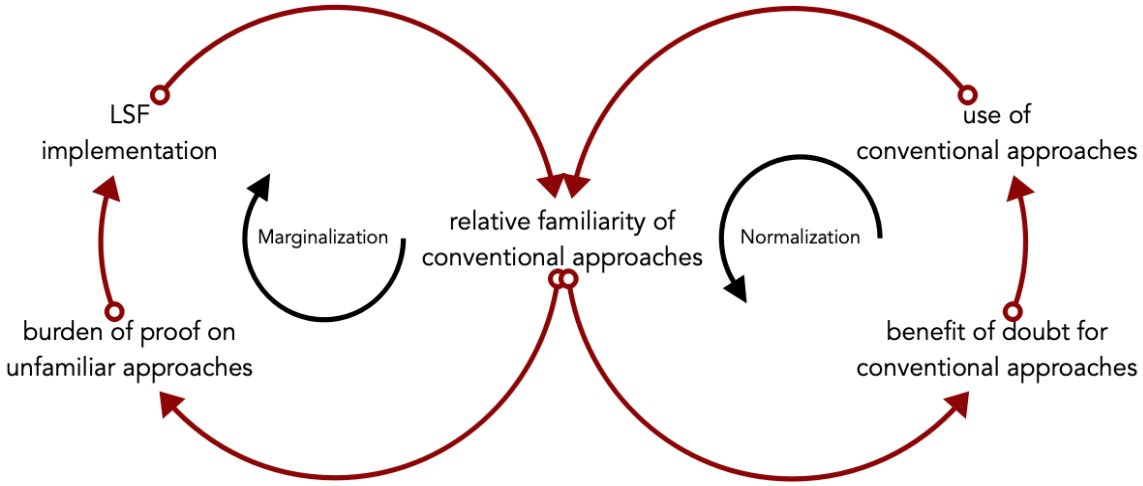
FIGURE 12: VIRTUOUS CYCLE



- **Normalization.** A large number of self-reinforcing feedback loops all converge around the reinforcement of familiar or "normal" practices and tendencies within USAID, such as an analytic mindset, sector-specific or siloed programming, a low appetite for risk, a tendency to focus on short-term results, and a reliance on linear methods for assessment and MEL. These practices are familiar enough—to staff and leadership alike—that they enjoy the benefit of the doubt, which encourages their further use and in turn keeps them

familiar. In Figure 13, the Normalization constraint is represented as a single feedback loop (right side) that interacts with the Marginalization feedback loop, which is described next.

FIGURE 13: NORMALIZATION AND MARGINALIZATION



- **Marginalization.** This is the mirror image of Normalization: unfamiliar approaches such as those outlined in the LSF bear the burden of proof (to both staff and leaders within the Agency) for why they should be used, which constrains their use and keeps them unfamiliar. Marginalization and Normalization work together in a way that ensures conventional ideas flourish while innovative ideas languish (see Figure 13). Marginalization structures can be overcome either through top-down processes, such as leader-led priorities and incentives to staff, or from bottom-up processes, such as a slow but growing familiarity due to the efforts of LSF champions.

- **Anchoring.** Some Normalization structures are anchored to features of the U.S. government that USAID cannot control, such as foreign policy priorities and Congressional earmarks or reporting requirements. This is a key constraint on the ability of leaders to make decisions that would prioritize sustainability (e.g., providing multi-year funding, programming aid around long-term results that are neither demanded nor rewarded by Congress, etc.). As long as decision makers outside of USAID do not see enough value in sustained results to demand and reward them, then constraints anchored in this way will be particularly difficult to overcome.

- **Bandwidth.** The PIA team's archetype analysis discovered that staff time (or bandwidth) is often treated as a "common resource pool" that is depleted as a consequence of a "tragedy of the commons" process (see Annex 5). Several interviewees suggested that few if any of USAID's OUs have complete visibility over the full range of demands placed on staff time, so they do not know whether staff have adequate bandwidth to implement any new requirements. Consequently, new requirements are imposed, the "resource" of excess staff time is depleted, and staff are left with little bandwidth to try implementing unfamiliar approaches such as the LSF. Structures such as this can often be overcome through better information sharing and coordination.

- **Deterioration.** The prerequisite analysis found that some enablers and constraints interact in ways that could create *new* systemic constraints under some circumstances. For example, LSF implementation, the capacity of systems practitioners to support implementation, and perceptions

of the value of LSF approaches are three factors that interact in ways that could produce a "deterioration" constraint under some circumstances: If LSF implementation grows but the capacity of systems practitioners to support implementation does not, then at some point, demand for support will exceed capacity. At that point, it will be harder to implement the LSF in ways staff will find useful, so perceptions of its value (and therefore the motivation to implement it) would deteriorate and thereby slow progress in the Virtuous Cycle. This is an important system because, even though it is dormant today, it has the potential to become an unintended consequence of the future success of the LSF.

- **Backlash.** Like Deterioration, this systemic constraint is also dormant but could likewise become an unintended consequence. If leaders require staff to implement some aspect of the LSF and if staff find that LSF implementation increases their workload without improving the kinds of results they are rewarded for, staff will eventually pressure leadership to rescind the requirement, which would reduce the chances of future implementation. This potential backlash can be avoided if staff find that the LSF somehow reduces their workload or improves the effectiveness of the short-term results they get recognized for.

These seven system structures—the *systemic* enablers and constraints—affect or are affected by all of the most important individual enablers and constraints identified in the findings, and they act together to drive or limit the growth of LSF implementation Agency-wide. If the bad news in this assessment is the large number of constraints it identified, then the good news is that these system structures interact in a way that has a known generic solution, from which a specific solution can be discovered via prerequisite analysis (see Annex 5). A prerequisite is a necessary but not sufficient enabler of some result—it is required for but does not guarantee success. As discussed in the Methodology section, prerequisite analysis identifies the "prerequisite structure" of constraints—that is, which constraints depend on which other constraints to maintain their force—which in turn helps identify leverage points, or parts of a system where an intervention can have an outsize effect on results. Derived from the second workshop and the prerequisite analysis, Figure 14 on the following page shows a partial prerequisite structure for three key results related to LSF implementation: measuring system change targeted at sustainable results, prioritizing sustainability and systems strengthening in programming, and taking on more risk to increase the chances of achieving sustained results. The following is a summary of the prerequisite analysis findings:

- **To measure system change targeted at sustainable results** (Figure 14, top left), the prerequisites include understanding how to measure long-term system change and how to select systemic indicators and (nonlinear) models. Measuring systemic change also requires MEL and CLA practices that span all phases of the Program Cycle, which depend on knowledge and authority to act across the Program Cycle and leadership support to act across silos.

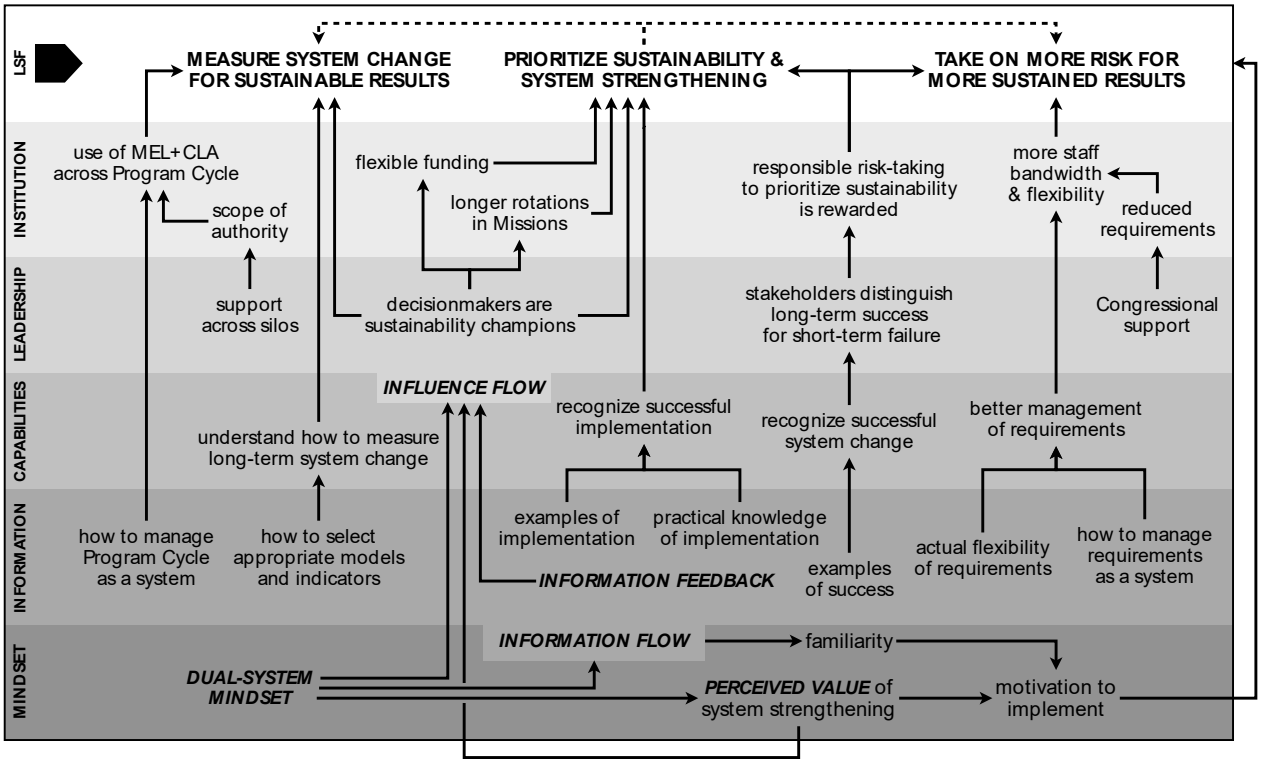
- **To prioritize sustainability and systems strengthening in programming** (Figure 14, top center) the prerequisites include flexible (e.g., multi-year) funding and a staffing structure allowing longer rotations in Missions, supported by decision makers championing sustainability. This prioritization also requires responsible risk-taking and a capability to recognize successful implementation, which depends in part on access to actionable information.

- **Taking on more risk to increase the chances of achieving sustained results** (Figure 14, top right) requires an incentive structure that rewards responsible risk-taking, enabled by an understanding (among evaluators, inspectors general, Congress, and the public) that short-term

results are not always good indicators of long-term success. That understanding depends in turn on the ability to recognize successful system change and familiarity with examples of success. In addition, the learning and documentation needed to try something new and potentially risky requires staff bandwidth, which is constrained by the number of requirements (e.g., from Congress) and the way they are managed, which depends on perceptions of how much flexibility exists and the tools available for management requirements.

Ensuring these prerequisites are in place to enable implementation requires influence on key leaders and decision makers and various forms of actionable information, underpinned by mindsets and perceptions that motivate action. Acting on them in a logical sequence creates opportunities to transform the USAID system and increases the chances the LSF will be broadly implemented.

FIGURE 14: SELECTED PREREQUISITES FOR THREE FORMS OF LSF IMPLEMENTATION



C. OPPORTUNITIES FOR SYSTEMIC TRANSFORMATION

If implementation of the LSF grows in the future, it will likely take one of three paths. The first is a "fast track," a top-down process in which leaders make decisions that have the effect of prioritizing sustainability of local systems, the lifting of systemic constraints, and the institutionalization of resources and support. The "slow track" is a bottom-up process in which champions help a small number of "early adopters" implement the LSF, then those early adopters demonstrate successful implementation to additional staff, and so on, while everyone attempting to implement looks for ways around institutional constraints. A "medium track" would combine both, starting with the bottom-up process, supplemented by efforts to influence the staff best positioned to influence leaders, who are in turn positioned to make "fast track"

decisions that would lift institutional constraints and speed adoption by more staff. In the absence of leadership support, the medium track is the most promising path.

This PIA sought to identify leverage points, or particularly powerful enablers of system transformation. In general, changes in mindsets, shared goals, rules, and information flows tend to be more transformational than changes in capacity, timing, and resources. Network effects—the way influence cascades through a system—can be strongly or weakly transformational depending on the system. The power of a leverage point can be gauged by both the effects it has on system transformation and how easy it is to act on it. By treating USAID as a system, and specifically by subjecting the systemic enablers and constraints to prerequisite analysis, the PIA team was able to identify both kinds of leverage points: some accessible, some transformational. The first three leverage points identified below affect only part of the USAID system, but they are relatively easy to change and their effects set the conditions for subsequent leverage points capable of more systemic transformation (see Annex 5). The fourth leverage point below connects the accessible bottom-up dynamics of the first three to the transformational top-down dynamics of the last three.

- **Dual-system mindset**. Adopting a dual-system mindset means thinking about USAID as a system, i.e., recognizing that LSF implementation will be most effectively achieved by acting collectively on systemic leverage points. The staff and leaders most likely to adopt a dual-system mindset are USAID's systems thinkers and practitioners, but others could be encouraged to do so. Adopting such a mindset could motivate them to work as a team to strengthen the *information flow* and *perceived value* leverage points (below). In Figure 14, a dual-system mindset (bottom left) focuses attention on a set of actions capable of influencing other leaders (for top-down decisions) and staff (for bottom-up implementation).

- **Information flow**. Greater accessibility of actionable information (Figure 14, second level from bottom), as recommended in the LSF's original action plan, could give some staff and leaders ("early adopters") the tools and confidence they need to try implementing the LSF without further incentives, the way leaders in the deep dive cases did. This in turn would constructively raise the profile of the LSF and put energy into the *perceived value* and *influence flow* leverage points (below).

- **Perceived value**. Refashioning local engagement and systems approaches to make them easier to use and aligning them with approaches that are normalized (e.g., short-term effectiveness) could improve perceptions of the LSF as a practical approach and motivate additional staff to attempt implementation (Figure 14, bottom right). Improving *perceived value* also strengthens *influence flow* (below). Perception of the LSF's value is an important leading indicator that the LSF is on a path to success.

- **Influence flow.** How staff and leaders learn about the LSF—the information they see, who shares it with them, and the colleagues they observe implementing it—determines how quickly and effectively the Virtuous Cycle of implementation can grow. As champions provide early adopters with information and support, and early adopters influence some of their colleagues by example, implementation can grow organically up to a point. But LSF proponents can also be strategic by aiming to influence leaders in a position to prioritize sustainability and system strengthening and, more specifically, to address the systemic constraints identified earlier and the individual prerequisites identified in Figure 14 ("institution" and "leadership" levels).

- **Information feedback.** If results data (e.g., from ex-post evaluations) or evidence-driven forecasts (e.g., modeling or simulation) on the long-term effectiveness of USAID programming were undertaken more often, collected from sources across USAID in an accessible format, and disseminated publicly, the resulting public and political pressure might incentivize decision makers (including in Congress and the Administration) to reform rules, budgets, and processes that constrain the prioritization of sustainability.

- **Sustainability mindset.** An Agency-wide shift toward mental models that align effective development with sustained results through local systems would have a powerful effect on the day-to-day decisions, rules, and staff incentives that affect aid delivery. Short-term perspectives are entrenched and difficult to change but can be strongly influenced by decision makers who prioritize sustainability.

- **Local-systems mindset.** If staff and leaders were to adopt a mindset that embraces systems thinking and local engagement, they would be directly motivated to put LSF principles into practice, and LSF implementation would become a normal part of development programming. The analytic mindset that characterizes USAID culture today would still have a place, because analytic and linear approaches are appropriate for complicated (rather than complex) problems. A local-systems mindset, however, can encompass such complicated problems as well as the complex problems that are more common.

Together, and roughly in this sequence, these seven leverage points represent the main components of a new *dynamic* or *systemic* theory of change. They are not, however, the end of the story. These leverage points need to be acted on by people, and the LSF needs to be implemented by people. Many LSF champions who participated in interviews and workshops seemed to realize that each of them has only been seeing—and acting on—separate pieces of the overall challenge of LSF implementation, and that is true of USAID leaders more generally. Leaders have prioritized sustainability and local engagement through the 2019 Policy Framework and J2SR but have failed to make the connection to the LSF itself. The final synthesis of findings connects people with leverage points to show how the USAID system can be shifted toward fully implementing the LSF.

D. THE PEOPLE IN THE PATH TO SUCCESS

Changing a system requires coordinated action by multiple parties operating on multiple parts of the system, often in a particular sequence. LSF implementation will succeed when leaders prioritize and support it and staff integrate LSF principles into their work. The development and launch of the LSF attracted interest in its principles and approaches and catalyzed new connections between systems thinkers, practitioners, and champions across Agency silos. Since then, however, there has not been a collective project around these issues at the same scale—and the networks the LSF catalyzed have stalled as a result. At USAID, there are few collective forums for systems practice apart from the LSC, and there is limited overlap between LSC members and the systems thinkers discovered through network mapping. Pockets of potential champions exist throughout the Agency, but they are not being engaged collectively or strategically to drive implementation further. None has a complete picture of the state of play Agency-wide, and no strategic framework exists through which they are coordinating action, tracking progress, and modifying their actions as conditions change. The leverage points and systemic constraints described in the previous two sections could form the basis of such a framework.

The sequence of leverage points introduced above is ordered as a bottom-up process in which the success of the more easily accessible leverage points sets the conditions for the increasingly transformational ones to be acted upon later. Some of these leverage points could also be implemented or encouraged in a top-down manner by decision makers (e.g., if the Administrator prioritized hiring systems thinkers in leadership positions throughout the Agency). In fact, the top-down and bottom-up approaches can be mutually reinforcing. Top-down policy decisions that effectively remove certain constraints and signal the prioritization of sustainability and complexity can quickly create incentives and launch a cascade of changing mindsets. Bottom-up efforts to spread systems thinking can not only set the conditions for its further spread through normal network effects but also—as the "medium track" approach described above suggests—can be targeted toward influencing specific leaders who are positioned to make those top-down policy decisions.

The synthesis of findings in this PIA suggests that this "medium track" is the most likely path to broad LSF implementation, as it uses the sequencing of leverage points to both strengthen the systemic enablers (especially the Virtuous Cycle and Normalization structures) and weaken the systemic constraints. The previous sections have discussed the prerequisites driving the systemic constraints. This final synthesis of findings focuses on the prerequisites holding back the systemic enablers.

Across all methods, this PIA found that a relatively small subset of USAID staff and leaders have been the main driving force behind LSF implementation to date, while further implementation has been impeded by a large number of constraints that leaders have not fully prioritized removing. Some champions, including those interviewed in the deep-dive studies, demonstrated that determined leaders in some Missions and OUs can overcome institutional constraints to implement at least some aspects of the LSF. In addition, the network mapping exercise found pockets of systems thinkers and practitioners who have tried implementing the LSF and encouraged others to do so at some point in the past. In interviews and surveys, however, staff—including some LSF champions—said they found some local engagement and systems approaches to be too time-consuming, confusing, resource-intensive, or impractical to use. Many staff have difficulty putting LSF principles into practice and many are no longer attempting implementation.

In other words, the Virtuous Cycle (Figure 12) is held back not just by systemic constraints but also by a number of factors surrounding the LSF itself. The Virtuous Cycle is a feedback loop between three variables: implementation, familiarity, and motivation. As champions have advocated or *implemented* the LSF, more staff became *familiar* with it. Familiarity can *motivate* some staff to try implementing the LSF themselves, but only if the approach clearly adds value beyond current approaches. If so, implementation grows. If not, it stalls. Practical information about how to implement the LSF improves familiarity while perceptions of its value improve motivation. The absence of actionable information and positive perceptions act as important constraints limiting the power of this virtuous cycle. That is why information flow and perceived value are considered leverage points: As Figure 14 shows, perceived value and information flows drive many (but not all) prerequisites, set the conditions needed to influence leaders ("influence flow" on the "leadership" level of the diagram), and motivate staff to attempt implementation (bottom right).

Addressing those leverage points would not necessarily lead to a large, *immediate* improvement in LSF implementation. Virtuous cycles tend to evolve slowly then shift suddenly when a critical mass of champions is reached. In social systems, norm change can accelerate rapidly after a minority of champions reaches a critical mass ranging between four and 25 percent of the population. That threshold is likely to

be higher if the champions are concentrated in a few places, as is the case at USAID (i.e., the functional bureaus and a few key Missions), and lower if they are broadly distributed or some have significant decision-making authority.[56] The network map and LSC roster suggest around six percent of current USAID staff are champions or potential champions. Survey respondents suggested that between seven and 11 percent of staff regularly implement LSF principles, depending on the measure used. Whatever the number, this proportion of champions can grow for a while without much apparent effect on LSF implementation, and then implementation can increase suddenly if that proportion reaches some (still unknown) critical mass. Whether that critical mass is reached via the slow track or the fast track, the process of reaching it will require attention to actionable information and perceived value to avoid the unintended consequences that would arise through the Deterioration and Backlash system structures.

A number of people interviewed for this PIA expressed a desire to engage in collective projects that would lead to better LSF implementation. Some said they do not know what role they could play. Others said there is a collective-action problem preventing action, but a few noted that collective-action problems can be solved by dedicated individuals making a conscious effort. Some champions said they would be willing to make the first moves, especially if those moves are not terribly burdensome. Champions and potential champions are staff who already see value in the LSF and are therefore most willing to integrate LSF principles into their work. While USAID's leadership and decision makers in Congress and the Administration are best positioned to make decisions that would directly remove constraints to implementation from the top, it is the champions and potential champions who are best positioned to initiate a bottom-up or "medium track" strategy to integrate systems thinking into the Agency's work.

RECOMMENDATIONS

If sustainability of results is truly an Agency priority as envisioned by USAID's current Policy Framework and articulated in various ways across past Administrations, Agency leadership should take a more active role in dismantling the barriers to LSF implementation through a renewed emphasis on sustainability *in practice*. However, until leaders make decisions to that end, USAID's systems thinkers, LSC members, and LSF champions are positioned to take the initiative in setting the conditions that will motivate at least some staff to implement and at least some leaders to prioritize sustainable development outcomes and country-led, country-owned programming.

The recommendations that follow are targeted first to systems thinkers ready to initiate a bottom-up strategy to promote implementation and second to leaders positioned to make decisions from the top. Together these comprise a hybrid or "medium track" approach. The team recognizes that the top-down recommendations are difficult and unlikely to be implemented in the short-term, partly because they stem

[56] A 25 percent threshold is found in Damon Centola, Joshua Becker, Devon Brackbill, and Andrea Baronchelli, "Experimental Evidence for Tipping Points in Social Convention," *Science* 360, issue 6393, pp. 1116-1119, 2018; a 10 percent threshold in J. Xie, S. Sreenivasan, G. Korniss, W. Zhang, C. Lim, and B. K. Szymanski, "Social Consensus through the Influence of Committed Minorities," *Physical Review E* 84, July 2011; and as low as "3 or 4 percent" in Nassim Nicholas Taleb, *Skin in the Game: Hidden Asymmetries in Daily Life* (New York: Random House, 2018), Book 3.

from perennial and ubiquitous issues at an Agency aiming to address a multitude of priorities with limited resources and many constraints. Yet, these recommendations are still important to clearly articulate, in order to contribute to a substantive conversation about the Agency's long-term orientation towards sustainability.

A. BOTTOM-UP: RECOMMENDATIONS TO SYSTEMS THINKERS

1. WORK COLLABORATIVELY TOWARD SHARED GOALS FOCUSED ON LSF IMPLEMENTATION.

The leverage points identified in this PIA are sequenced so that succeeding at each leverage point would set the conditions for taking effective action on the subsequent one. The following recommendations target the first leverage point, encouraging USAID's systems thinkers and practitioners to adopt a dual-system mindset and an initial agenda targeting action on subsequent leverage points.

1.1. Reinvigorate the LSF implementation agenda with an updated Action Plan based on the findings, conclusions, and recommendations in this PIA. Progress has been made in all seven parts of the implementation agenda, but none has been concretely achieved. Using this PIA to identify remaining gaps, the LSC should co-create a 2020-2025 Action Plan with representatives from relevant OUs.

1.2. Strategically expand and deepen the network of systems thinkers, practitioners, LSC members, and other LSF champions and commit to coordinating on a set of shared implementation goals. This loose network has been the engine of LSF implementation to date, but its momentum has stalled in recent years. The network could be expanded and strengthened through introductions, mentorship, and shared projects. It can also be reinvigorated by adopting a shared action agenda along the lines of the bottom-up recommendations in this PIA report. An initial agenda can include collecting and sharing practical information about implementing the LSF; identifying potential early adopters, i.e., staff who are already motivated to implement but need guidance on how to do so; connecting early adopters with existing champions willing to provide mentorship, information, and support as they attempt implementation; and strategically expanding the network to encompass key leaders positioned to remove institutional constraints on LSF implementation.

1.3. Monitor key aspects of LSF implementation. Key resources, mechanisms or staff should be identified to set up a MEL system and a CLA approach dedicated to tracking progress of LSF implementation across USAID, monitoring the expansion of the network of systems thinkers, and adapting the LSF implementation strategy as conditions change over time. Indicators might include USAID's capacity to implement aspects of the LSF, perceptions of LSF principles and associated practices, and measures of the network of systems thinkers as it expands. This tracking of implementation should focus on critical information necessary to achieve objectives and should not detract from the primary goal of supporting implementation.

2. DEVELOP AND DISSEMINATE ACTIONABLE INFORMATION ABOUT LSF IMPLEMENTATION

The LSF's implementation agenda,[57] articulated in the policy document, remains relevant but lacks practical detail: staff continue to need actionable information about how to implement the LSF effectively. Some staff are already motivated to implement but do not know how. Making such information more readily available to potential early adopters is the low-hanging fruit of LSF implementation. These recommendations should be carried out concurrently with the next set of recommendations so this information is framed in a way that clearly demonstrates its value.

2.1. Systematically collect and broadly disseminate good practices exemplified by programming that has successfully integrated LSF principles as well as OUs that have effectively integrated LSF principles into procurement and contracts, risk management, staff performance criteria, and CLA or MEL plans. These cases and examples should be solicited from the LSC and beyond, and then disseminated through documents, videos, briefings, and training. Cases yet unknown can be collected through a systems practice case competition or via email lists, ProgramNet calls, or through known points of contact in missions.

2.2. Develop new USAID "Local Systems and Sustainability" training and expand awareness of existing sectoral trainings in a central location. Incorporate practical application and approaches to local engagement and systems thinking into a new stand-alone training (which could be a short online module or a longer and more detailed in-person training) in addition to maintaining the current Project Design and beta Activity Design courses and integrating systems thinking, when possible, into other Agency trainings. Training should target all staff including FSNs, FSOs, U.S. government civil servants, and leadership across all roles, and should teach facilitation skills, sector-specific applications of systems thinking, how to take and manage risk appropriately, and how to incorporate the results of LSF-aligned tools (stakeholder mapping, archetype analysis, SNA, etc.) into design and implementation, MEL, and CLA. Sector-specific training for systems practice in MS and HSS already exist but could be made more accessible through USAID University. It is also critical to make USAID-centered training available to IPs, perhaps through Learning Lab, given their role in implementing USAID-designed activities and projects.

2.3. Develop and broadly disseminate LSF Implementation Guidance. The LSF outlines 10 key principles and a seven-point implementation agenda; the Implementation Guidance should offer a roadmap for their implementation. Technical and operational implementation guidance for the LSF should demonstrate how to prioritize and design for sustainability by integrating meaningful local engagement and systems strengthening at all levels of the Program Cycle. The guidance should include best practice examples and instructions regarding how perceived constraints can be overcome in different scenarios; how to write solicitations, activity and project designs; how to effectively engage OAA; links to Project/Activity Design training materials that incorporate LSF principles; and how to incorporate questions related to sustainability and local engagement into evaluations at the mid-term, final, and ex-

[57] LSF, "The Way Forward," pp. 14–15.

post stages. It should clarify the theoretical guidance in ADS 201 and include the depth of systems thinking not included in the LSF.

2.4. Create a Local Systems and Sustainability Toolkit to accompany the Implementation Guidance via an accessible online learning platform (e.g., Agrilinks, MarketLinks, ResilienceLinks, ProjectStarter). At a minimum, it should include facilitation guides, how-to notes, best practices in tools and methods, examples from Missions, links to existing sectoral guidance, and other technical and operational resources demonstrating practical steps staff can take to put LSF principles into practice. This toolkit should be designed to match the structure of the implementation guidance. It could reference some of the existing resources and sites generated by LS and the LSC but should be marketed more intentionally to all USAID staff. A version accessible to IPs should be linked on a publicly available website.

2.5. Develop a Discussion Note or a How-To Note on using existing MEL approaches for monitoring systemic change and local system engagement. MEL for systemic change requires both a mindset shift in how one assesses success and indicators selected for that purpose. Many current approaches (complexity aware monitoring, outcome harvesting, policy reform indexes or scale, Kirkpatrick's training levels, etc.) are relevant for monitoring both incremental and fully achieved systems change and could be beneficial for USAID.

2.6. Experiment with forecasting tools as a modality for assessing sustainability of programs to support decision making, potentially integrating these tools into MEL/CLA plans. Several methods exist (e.g., system dynamics modeling, discrete-event simulation etc.) for approximating the likely long-term results from different sets of actions.

3. DEMONSTRATE THE LSF'S VALUE TO STAFF, LEADERS, AND THE PUBLIC

Negative perceptions of the value of LSF-aligned approaches (local engagement and systems practice targeted to sustainability) are among the most important reasons the LSF has not been implemented more robustly. The overarching goals of this set of recommendations are to refashion local engagement and systems approaches so they are less time-consuming, less confusing, and more practical to incorporate into existing processes, and to reframe communication surrounding LSF-aligned approaches to clearly articulate their relationship to policies and practices that are normalized and accepted. These recommendations should be carried out concurrently with the previous set so the insights that emerge from these can be incorporated into the "actionable information" shared via documents, training, and so on.

3.1. Encourage existing LSC practitioners to share knowledge and ideas with those beyond the LSC about tools, approaches, methods, and practices that staff might find less time-consuming or easier to understand and apply than those currently in use. This information can be shared through the LSC, where this is already done (targeting new members especially); via blog posts and articles on Learning Lab containing resources and success stories; through existing technical support platforms from Washington to the field and vice versa; or through other relevant sectoral or regional communities of practice. Practitioners should be trained in best practices in the visual and verbal communication of complexity so that this information is accessible and easy to understand. Develop a communications guide that practitioners can use to improve their ability to apply clarity, simplicity, and practicality in their work.

3.2. Encourage practitioners to experiment with different approaches to local engagement and systems practice, preferably using the principles of human-centered design,[58] to identify what works.

3.3. Lead with sustainability and align with normalized practices and Agency priorities. Practitioners should share knowledge and ideas with each other about how to better communicate the connection between sustained results and LSF approaches and how to disseminate this information in ways that resonate with staff and motivate and empower them to implement the LSF. Communication of all LSF-related topics should be clearly connected with normalized practices that general staff and leaders already implement, such as the potential for LSF approaches to improve short-term (as well as sustained) results or ease management of competing requirements. When not essential to the substance of the communication, systems and complexity language should be deprioritized.

3.4. Develop a "Framework of Frameworks" tool that integrates, de-conflicts, and shows connections between the requirements, frameworks, policies, and priorities across the Agency, focusing on those related to the LSF and local systems approaches (e.g., J2SR, CLA and related sectoral policies).

4. STRATEGICALLY ENGAGE DIFFERENT TARGET AUDIENCES TO SPREAD A SUSTAINABILITY AND LOCAL SYSTEMS MINDSET

This set of recommendations is intended to build on the previous three by strategically expanding the network of LSF champions and systems thinkers, including key leaders and decision makers best positioned to remove institutional constraints.

4.1. Identify, engage, and support early adopters. As noted, the "low-hanging fruit" of implementation is ensuring that staff and leaders who already are motivated to implement the LSF get the actionable information and support they need to do so.

4.2. Encourage early adopters to engage and support their immediate colleagues, who are the staff most likely to implement after taking their cues from early adopters —but will need support, information, and training to do so.

4.3. Strategically expand the network to key Missions, OUs, and decisionmakers. Promote knowledge exchanges between champions and Missions interested in local systems about what is and is not working, with a particular focus on engaging and gaining buy-in from FSOs and FSNs.

4.4. Engage leaders in the Agency in areas where their support is needed to prioritize sustainability. Use data visualization tools like infographics and one-pagers to emphasize impact, sustained outcomes, and cost-benefit analysis.

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[58] These include: focus on the people; find the right problem, think of everything as a system, always validate your design decisions https://uxplanet.org/top-4-principles-of-human-centered-design-5e02751e65b1

4.5. Conduct studies of mindsets centered on systems thinking and local engagement to identify the system structures, job descriptions, or performance measures producing them and the prerequisites for shifting mindsets toward these ideas.

B. TOP-DOWN: RECOMMENDATIONS TO THE AGENCY AND LEADERSHIP

5. INCENTIVIZE AND EMPOWER STAFF TO PRIORITIZE SUSTAINABILITY AND SYSTEMS STRENGTHENING.

The slowest path to full LSF implementation involves champions and early adopters setting the conditions for the spread of sustainability and local systems mindsets (the two most transformational leverage points in the USAID system). The path to these leverage points can be accelerated if the Agency recruits or promotes more personnel who are already committed to LSF principles, or if it more effectively incentivizes staff and leaders to commit.

5.1 Revise staff performance and promotion criteria to include a commitment to sustainability and local systems engagement, documented by tangible evidence from activity designs and contracts with IPs, MEL of systemic change including ex-post evaluations, and other innovative approaches for measuring longer-term outcomes.

5.2. Recruit, appoint, and promote staff, especially for leadership positions, who have a demonstrated commitment to sustainability through their stated priorities, and hold them accountable through their performance criteria for promotion.

5.3. Recruit and hire more systems thinkers and local systems engagement specialists into staff and leadership positions by articulating these orientations in job descriptions and performance measures. The criteria for these positions should be developed through a cross-sectoral committee.

6. REMOVE INSTITUTIONAL CONSTRAINTS TO ENGAGING AND STRENGTHENING LOCAL SYSTEMS FOR LONG-TERM RESULTS.

The fastest path to full LSF implementation involves leaders acting directly on the systemic constraints identified in this PIA or—as the following recommendations suggest—establishing Agency structures tasked with removing constraints.

6.1. Designate a senior Agency staff member with dedicated time, resources, and an appropriate number of support staff to coordinate across USAID and enact the Agency's commitment to sustainability via local systems strengthening, in line with the LSF and other Agency priorities**.** This individual should be responsible for managing the LSF's implementation agenda and the implementation of this PIA's recommendations, and for leading or overseeing (in collaboration with other key stakeholders) the development of necessary guidance, resources, supplemental training, and revisions to critical structures such as staff performance criteria, the ADS, or mandatory training.

6.2. Design, dedicate funding to, and procure a technical-assistance mechanism that OUs and Missions can access for support with designing and implementing strategies, projects, and activities that incorporate LSF-aligned principles, approaches, and tools. This mechanism can be offered either through central funding and buy-ins or through an Indefinite Delivery Indefinite Quantity contract with a vetted

set of IPs. Services could include technical assistance with design and implementation, "office hours" for on-demand help with system tools and facilitation methods, and an open "clinic" for brainstorming and troubleshooting. Existing mechanisms such as LW or SPACES could also be expanded, promoted more broadly, or used to develop resources.

6.3. Designate a Local Systems and Sustainability Advisor in each Mission, trained in systems approaches, local systems and stakeholder engagement, and sustainability analysis and forecasting. This advisor would be the main point of contact on local systems and sustainability issues, responsible for undertaking or overseeing Mission-wide mapping exercises, systems analysis, and the tracking of sustainability over the life of projects and activities in support of CDCS strategic objectives. This individual would ideally be located in the Program Office and coordinate closely with the MEL specialist or learning advisor, as well as work with all offices and teams across the Mission. If a Mission has a platform MEL contract, some of the implementation responsibilities could be integrated into that contract.

7. ADOPT LEARNING AND DATA PRACTICES THAT SUPPORT SUSTAINABILITY AND COMPLEXITY.

Two key leverage points involve information: one about the flow of practical knowledge about LSF approaches, the other about feedback between evidence of sustained results and incentives to target sustained results. The following recommendations target both.

7.1. Require, through the ADS, a demonstrated commitment to tracking long-term sustainability of DO outcomes and IRs explicitly in CDCS PMPs, traversing project and activity implementation timelines and contractors, transcending FSO rotations, and incentivizing sustainability tracking for both FSN and FSO staff. This can be accomplished using a mix of quantitative and qualitative methods and indicators, with examples including indices, outcome harvesting, most significant change, capacity assessments, and systems tools. This tracking should not be done primarily through quantitative indicators but should be a thoughtful and intentional exercise to document sustainability of local systems and outcomes. It is not enough to aggregate activity-level indicator data from IPs across implementing mechanism lifecycles, but relevant data collection should be included in contracts and cooperative agreements to buttress the data collected specifically for sustainability tracking.

7.2. Require the collection of and make more accessible data on sustainability of results. Data about how sustained the outcomes of USAID's activities and projects are should be collected systematically and made easily accessible to USAID personnel, Congress, the Administration, and the public. This recommendation is intended to shift incentives and promote a sustainability mindset.

7.3. Require and allocate some centralized funding for ex-post evaluations. OUs should require the conduct of one ex-post evaluation per CDCS/Regional Development Cooperation Strategy (RDCS) DO to track projects or implementing mechanisms three to five years after completion, focusing on large, flagship, or smaller but particularly promising activities (even if the evaluation size and scope is limited to only one or two key questions). These evaluations could also be completed at the project level for a portfolio of activities if sustainability of systems is a key part of the PAD/PDP or at the level of an entire DO. Priority should be given at first to activities that have sustainability as an explicit objective or that take a new or innovative approach. USAID should update the Evaluation Policy to emphasize ex-post evaluations in operating budgets. A centrally located entity such as

PPL/LER should look across future ex-post evaluations (much like it did in its study of past ones) to assess progress made towards sustainability, critical factors, and best practices.

7.4. Require the use of systemic MEL approaches in several high-profile LSF-aligned activities over the next year to provide better evidence of their value. Demonstrate how systemic indicators are selected and explain how to account for nonlinear progress (e.g., accumulations, thresholds, etc.) at the system level. Consider two-part final evaluations, with the first being conducted at the end of an activity and the second about a year later, which aligns with the goal of conducting more ex-post evaluations and begins to incrementally shift the mindset towards prioritizing sustainability post implementation. Use existing MEL platforms, central Indefinite Delivery/Indefinite Quantity (IDIQ) mechanisms, or the technical assistance mechanism recommended above.

7.5. Conduct further studies of USAID institutional and cultural constraints, particularly those that affect not just LSF implementation but policy implementation more generally, which faces a wide range of constraints that originate in and outside of Missions. These include constraints associated with procurement, hiring practices, performance measures, public engagement, Congress, budgeting, foreign policy, and deep assumptions about international development (i.e., analytic mindsets). Each of these areas merits focused study using a systems approach to understand the structures causing these constraints to emerge and potential ways to overcome them. This PIA identified the LSF's constraints and obtained feedback from a subset of systems thinkers on how to overcome them but did not examine the enabling environment for policy implementation more generally.

8. ENGAGE CONGRESS TO ENCOURAGE FLEXIBILITY IN FUNDING TO SUPPORT SUSTAINED RESULTS.

Among the most formidable systemic constraints found in this PIA were those anchored to Congressional requirements—i.e., the "Anchoring" feedback loop in which demand for earmarks and short-term results is reinforced by the normal delivery of reports meeting that demand and by the absence of incentives to do something different. This constraint can only be eased by engaging members of Congress and their staff.

8.1. Engage the Bureau for Legislative and Public Affairs (LPA) to communicate with Congress about easing the requirements to report on short-term, easily measurable outcomes and increasing timelines to obligate funding. While these are lofty goals, to achieve more sustainable outcomes projects require longer timelines and funding aligned with objectives, or they need clear transition plans and handovers between iterations of activities with different IPs. The Office of LS and the LW program's five-year funding has shown promise for increasing local engagement and sustainability of outcomes and further exploration into the optimal timeline could provide the evidence base for other designs. The Agency clearly states that a one-size-fits-all approach to development does not work, but that priority has not yet been translated into practice for structures of design and implementation, including timeframes and funding.

8.2. Engage LPA to communicate with Congress about reducing earmarks that impede sustainability goals and strengthen or create earmarks that promote them. Funding that is less tied to specific sectors could be better targeted to meet the needs of a local system. The LW earmark should be maintained and potentially expanded and ideally funding should be dedicated to systems approaches through other sectors, such as HSS.

ANNEX 1. SEMI-STRUCTURED KEY INFORMANT INTERVIEW INSTRUMENT

NOTES TO INTERVIEWER: the semi-structured interview process is not always linear nor formal to allow for open and unguarded conversation. The following questions do not need to be asked or addressed in the same order each time. General prompts at the beginning (i.e., Q1) could open up the discussion to all of the remaining points. It is your responsibility to be familiar enough with the questions and contents of this instrument to note answers to questions that are not part of the current question.

Demographics/Background:

Name:
Bureau/Office/Mission:
Position:
Length of time with USAID: (year started):
Have you worked with any other OUs (Missions/Bureaus) during this time? Which ones?

Role in your OU: describe your job, activities, and projects you oversee or are part of:
What CDCS/RDCS is/are of most relevance to you (as many as possible):
Name activities, projects:

Probing Questions:

Are you aware of the LSF? How familiar are you with it?

- Unaware
- Aware of it but not sure what it says
- Aware and know the content
- Aware and know the content very well
- Aware and use frequently in my work.

If you're at least somewhat familiar with the LSF, how would you describe what it is? How would you describe its key principles, recommendations, or requirements?

<<<Interviewer - listen for key words and understanding - does the individual being interviewed seem to understand the LSF, its principles (sustainability, risk management vs "requirement," additional work, sustained development, transformation, importance of multiple and interconnected actors and systems, adaptability to shocks, - list from desk review) >>>

Notes:

How do you define "local system"? What does that mean to you?

<<<Listen for use of key systems concepts, such as emergence, mapping, sustained development, transformation, importance of multiple and interconnected actors and systems, adaptability to shocks, - list from desk review >>>

Insert keywords here:

If familiar with LSF, how has it affected your work (if at all)? (listen for design, budget shifts, strategy foci, staffing)

<u>If not familiar,</u> what does systems thinking or engaging local systems mean to you?

How does systems thinking or engaging local systems affect your work (if at all)?

How has your OU or others that you're familiar with engaged local actors and systems? (USAID)
Listen for: references to LSF principles as part of the engagement
Probe: Has this changed over the last five years?

What are ways that you have engaged local systems in program design? What about in program implementation?

What are some ways that the capacity of local partners or local systems has been built through these processes?

Make note of references to OWN OU and to interaction with Missions - note them separately. From your perspective, are the Missions with whom you interact/work integrating or talking about systems thinking and LSF principles? If yes, are these influencing the way Missions are designing projects and activities?

What are some good or best practices you'd like to reference *(listen for reference, do not prompt)*

- Institutional factors/enabling environment_____
- People as facilitators (leadership, or general personalities)
- Contracts/procurement
- Staff knowledge/understanding/capacity: (additional training? encouraging people attending existing training?)
- Knowledge Management for it (e.g. a space to access knowledge/information like learning lab, program net, AgriLinks, ProjectStarter)
- Funding for it
- Other:

NOTES TO INTERVIEWER: As you're conducting the interview, use the following to make note of challenges, impediments, barriers that the interviewee offers up in discussion of the process and experience with LSF and systems thinking. If at the end, the interviewee has only discussed positive experiences and no challenges, ask the question directly in an open-ended manner, noting barriers that the individual cites.

What have been some of the challenges to its (LSF or systems thinking/engaging local systems) implementation? (listen for bottlenecks, mark, and note *throughout the conversation. If the interviewee doesn't mention challenges along the way, ask the question directly at the end*)

- Institutional barriers/enabling environment_____
- People as barriers (leadership, or general personalities)
- Contracts/procurement barriers
- Pushback on "another" "requirement"
- Staff knowledge/understanding/capacity: (lack of training? or lack of people attending existing training?)
- Knowledge Management for it (e.g. a space to access knowledge/information like learning lab, program net, AgriLinks, ProjectStarter)
- Funding for it
- Other:

Based on your experience, how have CDCSs or other higher level strategic documents or frameworks relevant to your sector or Operating Unit (OU) changed since (due to) the LSF? Have you seen a more intentional incorporation of LSF principles (sustainability, local systems, systems thinking) into either the process or the content of these documents?

Based on your experience, how has project or activity design (e.g., as reflected in PADs or solicitations) related to your sector or OU changed since the LSF? Have you seen a more intentional incorporation of LSF principles (sustainability, local systems, systems thinking) into either the process or the content of these documents?

Are systems thinking and LSF principles integrated into monitoring, evaluating, and learning from activities and projects? (USAID, IPs) (MEL Plans at all levels, CLA and Learning Agendas, other learning opportunities) Are local actors/systems incorporated into learning events?
How and which areas:
MEL system/general

- Mapping (stakeholder, process, social network, systems)

Monitoring

- Indicators related to LSF
- Indicators related to systems thinking
- CAM monitoring methods (outcome harvesting, MSC, sentinel indicators, etc)
- Other

Evaluation

- Systems thinking, systems tools/approaches
- Complexity aware approaches (see above)
- Participatory methods, engaging local actors and systems
- Other

CLA

- Pause and reflect sessions
- Co-creation workshops
- Broad Agency Announcements
- Learning Agenda includes related questions
- Knowledge Management tools

Have any of the changes we discussed led or contributed to the policy's overarching goal of strengthening local systems to achieve sustainability? Why or why not?

Has leadership supported implementation of the policy? Have you heard your leadership (AA, DAA, Director) mention the LSF as a priority? What about systems thinking and engaging local systems? *(Listen for key words related to LSF vs J2SR. Listen to get a sense of whether there is support for local systems outside of that and whether the thinking is nuanced or a generic reference to the J2SR)*

Are you aware of any organizational changes at USAID to better promote and integrate the policy?

Do you have any thoughts or recommendations for how implementation and internal support for the LSF and systems thinking/engaging local systems could be enhanced in the future?

Have you received any training on systems thinking or other relevant topics? Have you used other resources to learn about these topics?

NOTE TO INTERVIEWER: LISTEN FOR MENTION OF THE CONCEPTS INCLUDED IN THE FOLLOWING QUESTION DURING THE INTERVIEW WHEN DISCUSSING LSF, SYSTEMS THINKING EXPERIENCE. Ask directly at end if not covered.

If you're familiar with systems thinking, have received training:
Have you used or are you using systems analysis mechanisms such as: Causal Loop Diagrams, Social Networks Analysis and the 5Rs framework?

- Causal Loop Diagrams
- Social Network Analysis
- 5Rs
- OTHER:

Local systems and sustainability prompts for in-depth interviews to be selected as appropriate to interviewee

- When people talk about how important it is to treat local systems as **systems**, what do you think they mean? What do you mean by "system"?
- When people talk about **sustainability** in development outcomes, what do you think they mean? What do you mean by "sustainability"?
- Have you ever tried to **incorporate strengthening of local systems to achieve sustainable outcomes** into your [projects / activities / strategies / theories of change / plans / budget requests]? What else have you done to achieve sustainable outcomes? Why / Why not? Tell us about that experience.
- Have you ever experienced **resistance** to incorporating strengthening local system to achieve sustainable outcomes? From which offices or process? What do you think drove that resistance?
- Did you / why did you / didn't you focus the **goal** [of the project / activity / strategy / theory of change] around sustainability of [the development outcome in question]?
- Did you / why did you / didn't you consider how [the project / activity / strategy] would affect the **local system as a system**?
- Did you / why did you / didn't you assess / study / research the local system using **system methods / tools** / thinking and design [the project / activity / strategy / theory of change] around those results?
- Did you identify systemic **leverage points** in the local system and design [the project / activity / strategy / theory of change] around those leverage points?
- How much funding does / did your **budget** support for the use of system tools/thinking/ approaches to inform the design of [the project / activity / strategy / theory of change]?
- Does / why does / doesn't your **theory of change** clearly identify sustainability as a goal — and/or explain how leverage points / feedback / other dynamics will transform the local system toward that goal?
- Does / why does / doesn't your **monitoring and evaluation** plan track dynamics, leverage points, and/or progress toward local-system transformation?
- Please explain the **mechanisms** through which you believe [the project / activity / strategy / theory of change] will transform the local system?
- Have you had **training** in sustainability, local systems, systems thinking, or systems tools/methods? What did you think of it? Why did you take it? What do you remember from it? How do you use it?
- Do you ever participate in **conversations** about sustainability and/or systems? Are those conversations informal (e.g., with colleagues, friends) or formal (e.g., conferences, discussion groups, communities of practice, etc.)?
- Do you have / have access to a **budget that supports training** or ongoing education about sustainability and/or systems?

ANNEX 2. DOCUMENT ANALYSIS METHODS AND CODING GUIDE

To understand the degree of LSF integration and alignment throughout the key entry points in the Program Cycle, the team conducted a review of over 300 documents relevant to strategy, MEL, project design and implementation, and procurement, including: CDCSs, PADs. solicitations, ex-post evaluations, and other technical documents. See Table 3 below for the full list of documents and number of each reviewed.

TABLE 3: DOCUMENTS INCLUDED IN DESK REVIEW

Document							
	CDCS	**PADs**	**Solicitations**	**Ex-post Evaluation Reports**	**Technical Documents**	**Other (i.e. Project Design documents)**	**Total**
Subtotal	**64**	**99**	**89**	**25**	**15**	**8+**	**300+**

KEYWORD SEARCHES FOR COMBINED SCORES

The first part of the desk review included analyzing 252 of the 300+ available documents (64 CDCS, 99 PADs, and 89 solicitations) via two separate automated-coding methods.

1. The first method used NVivo data analysis software to run keyword searches based on a set of systems thinking terms serving as proxies for LSF integration (see Table 4 for key words and LSF concepts). The overall frequency of all keywords in a document (total number of mentions of all keywords added together and normalized for length of document) was used to determine a **combined score** for each individual document as a preliminary measure of LSF integration. This combined score was used as a starting point for determining CDCS and PADs that have low, medium, and high integration of the LSF, with higher combined score indicating higher integration.

2. The second method used R software to assess the proportion of use of systems thinking word pairings for comparison with the other keyword findings to validate combined scores and the relevant categorization of CDCSs and PADs with low, medium, and high integration of the LSF.

Both the word pairs and combined score methods experimented with different standard measures used in text mining, including term frequency, normalized term frequency, document frequency, and in one case term frequency–inverse document frequency, which attempt to account for the length of the document being mined. The different measures generally produced similar results for the word-pair method, but document frequency (the number of documents in which the terms appeared compared to the total number of documents published that year) provided the clearest connection between word pairs. For the combined-score method, the normalized term frequency (number of times the terms appeared in the document, divided by the total number of terms in the document) produced what the team judged to be the most reliable results. In addition, a number of other text-mining methods were attempted but found no evidence of LSF influence.

TABLE 4: SEARCH TERMS USED AS PROXIES FOR KEYWORDS/CONCEPTS RELEVANT TO LSF IMPLEMENTATION WITH NVIVO SOFTWARE

Keyword(s)/Concept	Search Terms Used
Systems Thinking	System, local system, complexity, risk, network, participatory, sustainability, collaboration
Direct Citation of LSF Policy	LSF Policy, LSF, or Local Systems Framework
Sustainability	Sustainability, Sustain, Sustained, Sustainment (with stemmed words)
5 Rs References	roles AND resources AND responsibilities AND rules AND relationships
System Tools Used	network map, network mapping, loop diagram, causal loop, group model, sentinel indicator, leverage point, leverage points, process tracing, process trace, agent-based, agent based, CLD, feedback loop, feedback loops, process tracing, process flow, process map, dynamics, system archetype, dynamic process
Risk Management	risk, risk management, managing risk, risk mitigation
Sustainability and Local Systems	sustainability (with stemmed words) AND systems or local systems

TABLE 5: KEYWORD PAIRINGS USED WITH R SOFTWARE

Market system	System strengthening	Systems thinking
MS	Systems strengthening	Sustainable development
Local system	System change	Sustainable results
Local systems	Systems change	System mapping
Health system	Complex system	Systems mapping
Health systems	Complex systems	Network mapping
Network analysis	Local solutions	Local engagement

See Figures15-19 on the following page for specific findings.

Figure 15: Percent of CDCS References to LSF Policy

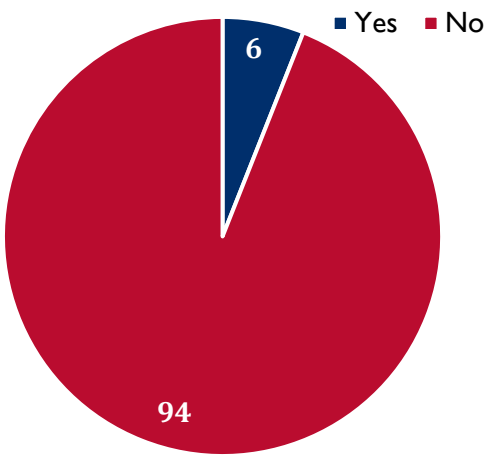


Figure 16: CDCS Systems Integration Combined Score

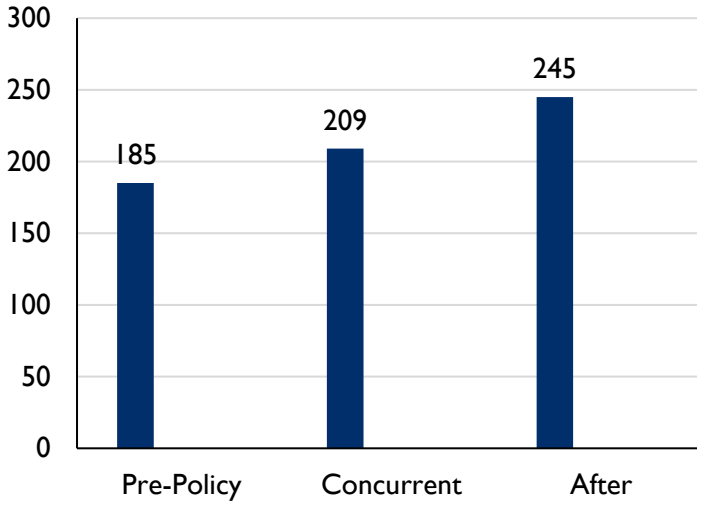


Figure 17: Percent of CDCSs Citing System Tools

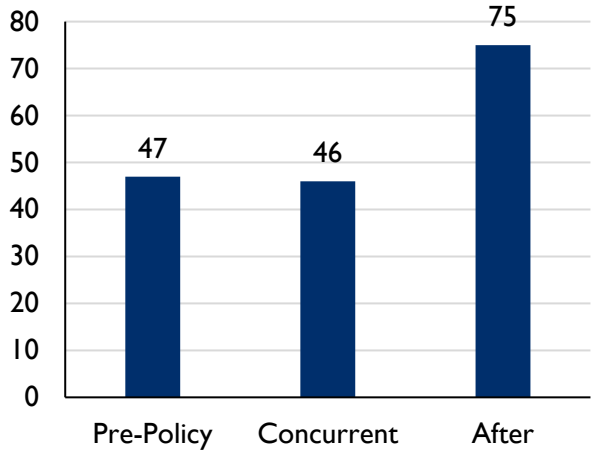


Figure 18: Average Number of Systems Mentions per CDCS

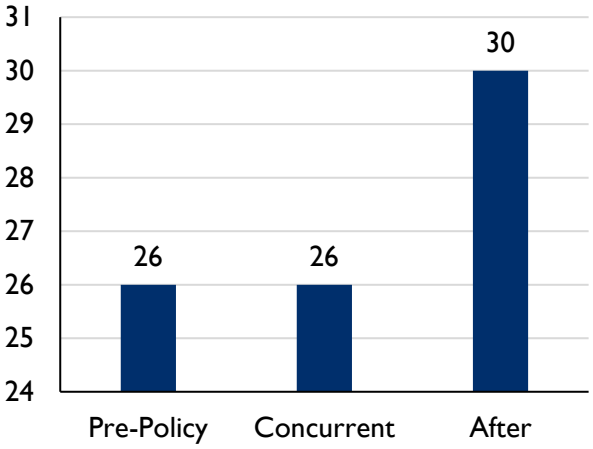
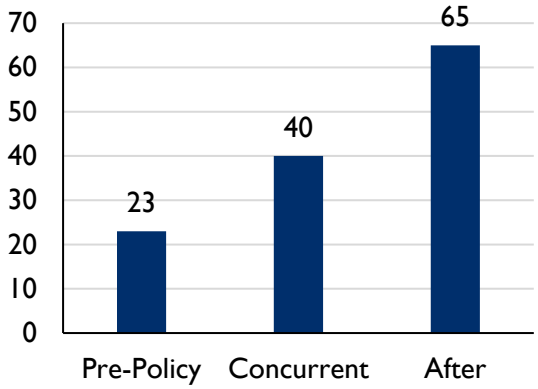


Figure 19: Percent of CDCSs Citing Risk Management or Mitigation



IN-DEPTH MANUAL CODING

The assessment team then used the combined scores to rank the list of CDCSs and PADs by level of LSF integration, and selected the 10 highest scored documents in both CDCSs and PADs, and a random selection of 10 from the average integration group in both CDCS and PADs. The text for each of the 20 documents selected for the in-depth analysis (20 CDCS, and 20 PADs) was manually coded using both NVivo and R software to pull out textual examples according to nodes that correspond with the LSF Integration scoring card included below (Table 7).. The coded textual content was then analyzed and each of the 40 coded documents received an LSF integration score based on the scale of 0 to 4 and respective criteria (0= no evidence 1 = little evidence; 2=mentioned but not robust; 3=featured prominently; and 4=centers around systems thinking and sustainability). See Table 6 below for the breakdown of CDCSs, PADs, and solicitations included in the keyword searches and manual integration scoring.

TABLE 6: SAMPLE SIZE FOR IN-DEPTH TEXTUAL ANALYSIS OF CDCSS, PADS, AND SOLICITATIONS

	Document Type		
Analysis Type	**CDCSs**	**PADs**	**Solicitations**
Key Term Search/NVivo Combined Score	64	99	89
Word Pairings Search/R	64	99	89
Manual Coding Qualitative Nodes/NVivo	20	20	n/a
Manual Coding Qualitative Notes/R	20	20	n/a
Integration Score (Scale of 1-4)	20	20	n/a

ADDITIONAL DOCUMENT REVIEW

Additionally, the team reviewed 25 ex-post evaluation reports, ADS 201 content and revisions, 15 technical documents, and Project and Activity Design Training resources. The team also reviewed, watched, and listened to relevant LSC webinars and resources. The coding frameworks and keyword search terms are below.

The team also conducted manual qualitative reviews of ADS 201 revisions, Agency sectoral policies and guidance, training materials, USAID's Risk Appetite Statement, USAID's 2019 Policy Framework, documents related to the J2SR, deep dive project and activity reports and MEL data, ex-post evaluation reports and secondary study data collected by MECap.

DETAILED DOCUMENT REVIEW SCORE SHEETS

Table 7 provides the CDCS example of the template score sheets used for the subset of 20 (each) manually coded CDCSs and PADs.

TABLE 7: CDCS REVIEW SCORE SHEET

CDCS REVIEW		
Country:		
Year:		
Review question	**Score (may also respond "not applicable" or "I can't tell," as needed)**	**Coded text (include sufficient context to provide evidence of the score)**
DOCUMENT OVERVIEW:		
1. Overall score for integration of systems thinking	Use the following scale: 0-----1-------2-------3-------4 0 = No evidence 1 = Little. Systems are mentioned only in passing in the context or background but not in substance 2 = Systems thinking concepts or tools mentioned throughout the document, but discussion is not robust 3 = Systems are featured prominently throughout the document, strong evidence of systems thinking and appropriate use of systems tools 4 = The document demonstrates a mastery of systems thinking and integrates it at all levels	

Review question	Score (may also respond "not applicable" or "I can't tell," as needed)	Coded text (include sufficient context to provide evidence of the score)
2. Overall score for engaging local systems to achieve sustainability of outcomes	Use the following scale: 0-----1-------2-------3-------4 0 = No evidence 1 = Little. Local systems and/or sustainability are mentioned only in passing in the context or background but not in substance 2 = Engagement with local systems and/or sustainability is mentioned throughout the document, but discussion is not robust 3 = Local systems are featured prominently throughout the document, strong focus on understanding, engaging and strengthening local systems to achieve sustainable outcomes 4 = The entire document centers around understanding, engaging and strengthening local systems to achieve sustainable outcomes	
3. Direct citation of LSF policy?	Yes No	
CONTENT ANALYSIS:		
3. Does the CDCS include a definition of local systems? If yes, paste in notes.	Yes No	
4. What evidence exists of systems thinking?	Qualitative (note coded text)	

Review question	Score (may also respond "not applicable" or "I can't tell," as needed)	Coded text (include sufficient context to provide evidence of the score)
5. Does the CDCS include discussion of systems tools?	Ex. Process Map System Map Causal Loop diagram Others as discovered	
6. Does the CDCS include plans for local system strengthening? If so, for what sectors or systems?	Yes No Qualitative (note coded text)	
7. Does the CDCS have local systems-based DOs? If yes, how many out of total and for what sectors/systems? Paste DO in notes.	Yes No	
8. Does the CDCS have local systems-based IRs? If yes, how many out of total?	Yes No	
9. Does the CDCS discuss sustainability of outcomes? If so, does it address local systems in this context or other modalities (note which ones)?	Sustainability: Yes/No Local Systems: Yes/No Qualitative (note coded text)	
10. Where risk is mentioned, is there a recognition that supporting sustainability alters risk calculations (i.e. accepting greater programmatic risk in order to increase the likelihood of realizing sustained results)?	Yes No Qualitative (note coded text):	

TABLE 8: CDCS SCORE SHEET ANALYSIS OF KEY DATA POINTS

Overall score for integration of systems thinking	0 = No evidence	1 = Little. Systems are mentioned only in passing in the context or background but not in substance	2 = Systems thinking concepts or tools mentioned throughout the document, but discussion is not robust	3 = Systems are featured prominently throughout the document, strong evidence of systems thinking and appropriate use of systems tools	4 = The document demonstrates a mastery of systems thinking and integrates it at all levels
	15%	40%	40%	5%	0%
The average score for the 20 CDCS reviewed was 1.45, indicating a low level of integration of LSF principles into CDCS, with a few key exceptions.					
What evidence exists of systems thinking?	Evidence of systems thinking at the CDCS level focused mostly on cross-sectoral programming or references to local systems. A few CDCS discuss the potential use of political economy analysis to contribute to design and strategy, but none shared the results.				
Overall score for engaging local systems to achieve sustainability of outcomes	0 = No evidence	1 = Little. Local systems and/or sustainability are mentioned only in passing in the context or background but not in substance	2 = Engagement with local systems and/or sustainability is mentioned throughout the document, but discussion is not robust	3 = Local systems featured prominently throughout the document, strong focus on understanding, engaging, and strengthening local systems to achieve sustainable outcomes	4 = The entire document centers around understanding, engaging and strengthening local systems to achieve sustainable outcomes
	5%	20%	45%	25%	5%
What evidence exists of engaging local systems?	Evidence at this level in the CDCS typically related to the required section on local engagement and centered more on plans or rather than actual local engagement. Actors were described mostly vaguely as civil society, private sector, government. A few CDCSs did specifically cite engagement with all key local actors or call them out specifically by name.				

PAD DOCUMENT REVIEW ANALYSIS

The team conducted a thorough review of 20 PADS with varying degree of evidence of LSF integration (according to the keyword search), covering at least two regions and two sectors. The team selected the 20 PADS to represent at least four different regions and one Washington DC-based OU, also covering at least three to four different sectors, with a threshold level of LSF integration according to the keyword search.

FIGURE 20: PERCENT OF PADS REFERENCING SYSTEM TOOLS

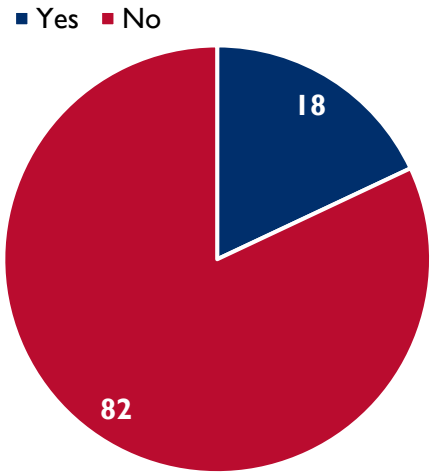


FIGURE 21: AVERAGE NUMBER OF SYSTEMS AND SUSTAINABILITY REFERENCES, BY PAD REGION

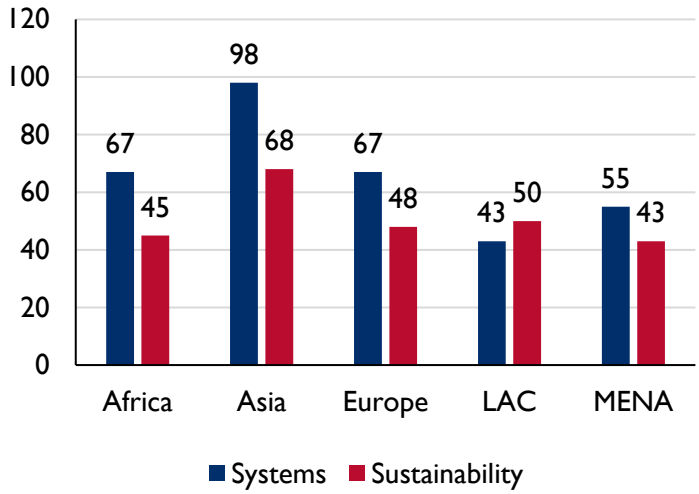


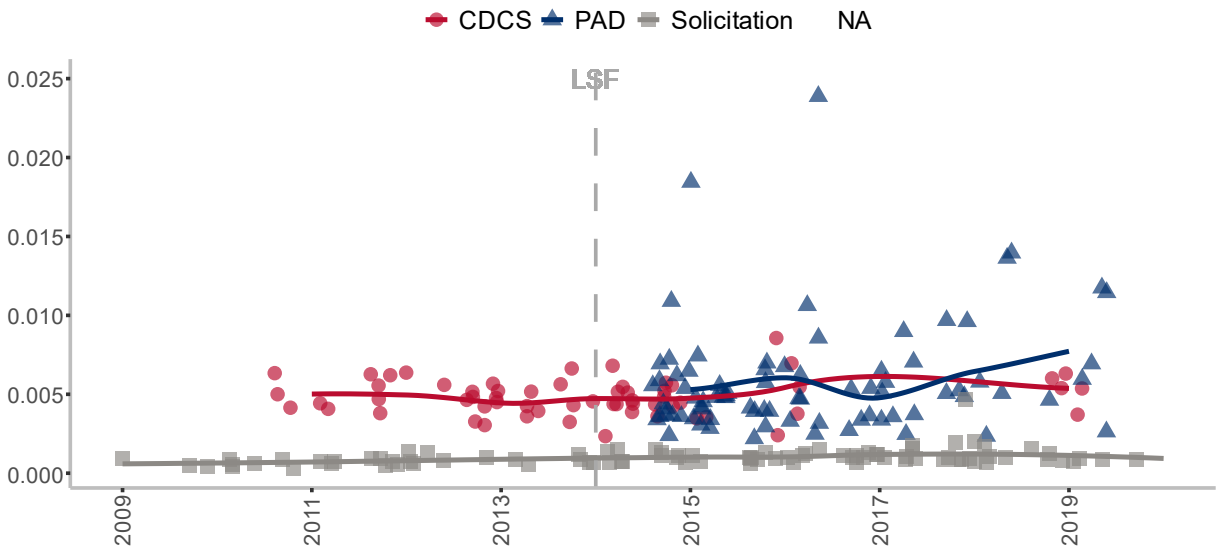
TABLE 9: PAD SCORE SHEET ANALYSIS OF KEY DATA POINTS

Overall score for integration of systems thinking	0 = No evidence	1 = Little. Systems are mentioned only in passing in the context or background but not in substance	2 = Systems thinking concepts or tools mentioned throughout the document, but discussion is not robust	3 = Systems are featured prominently throughout the document, strong evidence of systems thinking and appropriate use of systems tools	Overall score for integration of systems thinking
	29%	35%	24%	12%	0%
The average Systems Thinking score for the 20 PADs reviewed was 1.2, indicating a low level of integration of systems thinking and sustainability into PADs, with a few key exceptions. The average Local Systems/Sustainability score was 2.2, indicating higher levels of emphasis on these principles rather than systems thinking.					

What evidence exists of systems thinking?	The PADs reviewed did not mention systems thinking as an approach to PAD design. However, PADs did contain evidence of thinking about local systems in the context of their design, of actors within the systems, and the interconnectedness of programming/projects/ activities to achieve sustainability of outcomes and systems.				
Overall score for engaging local systems to achieve sustainability of outcomes	0 = No evidence	1 = Little. Local systems and/or sustainability are mentioned only in passing in the context or background but not in substance	2 = Engagement with local systems and/or sustainability is mentioned throughout the document, but discussion is not robust	3 = Local systems are featured prominently throughout the document, strong focus on understanding, engaging, and strengthening local systems to achieve sustainable outcomes	0 = No evidence
	0%	29%	41%	12%	18%
Evidence of local systems engagement: Most that included an emphasis on sustainability did so through USAID's Project Design Sustainability Analysis Tool and presentation of approach or resulting data was uneven; some PADs had conducted an analysis and found the proposed activity to be "partially sustainable", while others cited an intent to complete the analysis prior to funding and therefore included speculation. Engaging local systems including local actors (e.g. those in national or provincial government, civil society, private sector, academia, beneficiaries) was integrated into PADs both with and without mention of sustainability as its purpose in the required ADS PAD and Project Design Plan section but the content was not always specific. PADs typically included language about potential ways in which local actors would be engaged (i.e. consulted and involved) and who they were, but not concretely how and for what purpose during design or implementation. Standalone activities focused on building the capacity of parts of a local system are the most prevalent approach in projects and activities in documents reviewed; this is sometimes cited as being supportive of sustainability of both outcomes and local systems.					

DATA TRENDS OVER TIME

FIGURE 22: LSF KEYWORD FREQUENCIES, BY YEAR AND DOCUMENT TYPE



ANNEX 3. SURVEY INSTRUMENT

USAID SURVEY INSTRUMENT

Section 1
Thank you for participating! This survey is part of an assessment commissioned by USAID's Bureau for Policy, Planning and Learning (PPL) to learn more about the experience of USAID staff in engaging or building the capacity of local systems and employing a systems thinking approach. This is a general survey aimed at all staff, regardless of familiarity with the Local Systems Framework and systems thinking, and we hope to collect information about both successes and challenges. Your thoughtful responses will feed into PPL's assessment of the Local Systems Framework and will help us identify best practices, systemic barriers, and recommendations for improving its effectiveness. PPL periodically assesses the impact of Agency-wide policies five years after publication and this is the sixth such assessment. The survey will take approximately 15-20 min and must be completed in one sitting. Thank you for your time and participation.
Section 2
Your participation in this survey is voluntary and you may choose to exit at any time. The survey does not collect identifying information, such as your name or email address unless you explicitly provide it. Data from this survey will be kept securely in an internal database on Google Drive and analyzed by researchers working through Dexis's Policy Implementation Assessments Contract and PPL staff. Findings and recommendations using this data will be published in a publicly available report and presented to USAID staff and external partners. All quotations in the final assessment report will be attributed to a general stakeholder group (e.g. Mission staff, donors, IPs, etc.), with all identifying information removed.

Question 1	Do you consent to your survey responses being stored and analyzed as outlined above?
	Agree Disagree

Section 3	
Question 2	How familiar are you with USAID's Local Systems Framework?
	Not at all familiar: what is that? Somewhat familiar: I have heard of it but only know about broad themes Familiar: I know what it says, but have to reference it for specifics Quite familiar: I know what is says very well Extremely familiar: I know what is says and apply it regularly in my work

Section 4

The Local Systems Framework defines a local system and systems thinking in the following way:

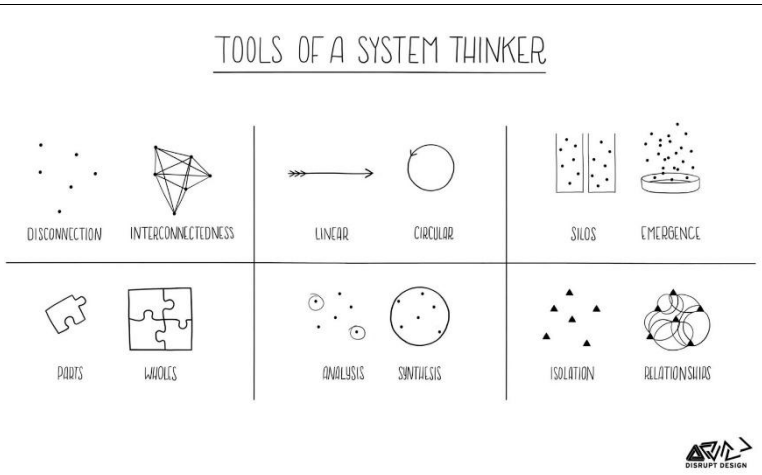
Definition: Local System

Local system refers to those interconnected sets of actors – governments, civil society and the private sector, universities, individual citizens, and others – that joins produce a particular development outcome.

The "local" in a local system refers to actors in a partner country. As these actors jointly produce an outcome, they are "local" to it. And as development outcomes may occur at many levels, local systems can be national, provincial, or community-wide in scope.

Definition: Systems Thinking

Systems Thinking refers to a set of analytic approaches – and associated tools – that seek to understand how systems behave, interact with their environment, and influence each other. Common to all of these approaches in a conviction that particular actions and outcomes are best understood in terms of interactions between elements in the system.



Question 3	Which of the following systems thinking concepts are you familiar with? (select all that apply)
	Leverage points Dynamic processes Feedback loops Social networks System boundaries Interdependence Emergence Multiple causation Synthesis None of these
Question 4	How familiar are you with systems thinking overall?
	Not at all familiar: what is that? Somewhat familiar: I have heard of it and know the main concepts Familiar: I know what it is and apply it occasionally Quite familiar: I know it very well and apply it sometimes

	Extremely familiar: I know it well and apply it regularly in my work
Question 5	Which of the following tools or methods, if any, has your OU used directly, or used the results of, during the past five years? (select all that apply)
	Organizational/social network analysis (O/SNA) Systems mapping/causal loop diagrams (CLDs) Sensemaker or other narrative-based approaches SCALE+/whole-system-in-a-room Systems modeling or simulations Ex-post facto evaluations The 5Rs framework None of these Other
Question 6	If you personally used these tools or their results, did you find them useful?
	Yes, and I found them useful Yes, but I did not find them useful I didn't use the tools or results personally
Question 7	Please explain why you did or did not find them useful:
Question 8	As far as you know, how familiar are most USAID staff with systems thinking?
	Not at all familiar Somewhat familiar: they have heard of it and likely know the main concepts. Familiar: they know what it is and apply it sometimes to their work. Quite familiar: they know it well and apply it regularly to their work.

	Extremely familiar: they know it very well and apply the lens always in their work. No opinion
Section 5	
Question 9	Do you agree with the definition of sustainability? Definition: Sustainability Sustainability refers to the ability of a local system to produce desired outcomes over time. Discrete projects contribute to sustainability when they strengthen the system's ability to be both resilient and adaptive in the face of changing circumstances.
	Yes No I don't know
Question 10	Please indicate your level of agreement with the following statements:

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Strengthening local systems is the most effective way to achieve sustainable results.					
Using concepts and tools of systems thinking is essential to achieve sustainability.					
USAID development assistance should focus on strengthening local systems, even if that means results take longer to achieve.					
USAID should accept more risk when designing and implementing interventions to increase the likelihood of sustained results.					

I have a clear understanding of how to conceptualize risk in the above statement.	
Question 11	Most USAID staff would agree with me about the statements above.
	Yes No I don't know
Question 12	Please indicate how frequently USAID engages in the following, as far as you know:

	Never	Rarely	Sometimes	Often	I don't know
USAID programs actively engage and strengthen local systems.					
USAID staff use systems thinking.					
USAID programs prioritize strengthening local systems, even when that means results are achieved more slowly.					
USAID accepts greater risk when designing and implementing interventions to increase the likelihood of sustained results.					

Section 6

As a refresher, the Local Systems Framework articulates the following set of principles for engaging local systems:

Recognize there is always a system.

Engage local systems everywhere.

Capitalize on our convening authority.

Tap into local knowledge.

Map local systems.

Design holistically. Ensure accountability. Embed flexibility. Embrace facilitation. Monitor and evaluation for sustainability.	
Question 13	Please select which principles your OU has meaningfully integrated into its work:
	Recognize there is always a system Engage local systems everywhere Capitalize on our convening authority Tap into local knowledge Map local systems Design holistically Ensure accountability Embed flexibility Embrace facilitation Monitor and evaluation for sustainability None of these
Question 14	Which of these ten principles have been the most challenging to implement (select up to 3)?
	Recognize there is always a system Engage local systems everywhere Capitalize on our convening authority Tap into local knowledge Map local systems Design holistically

	Ensure accountability Embed flexibility Embrace facilitation Monitor and evaluation for sustainability None of these
Question 15	Has the Local Systems Framework facilitated or enabled the integration of these principles?
	Yes, it was a driving force No, these principles are good practice in general Yes and no: it was supportive to reference as policy, but we would have done it anyway. Does not apply -- the principles were not integrated. No opinion
Section 7	
Question 16	To what extent has your OU integrated the Local Systems Framework principles and approaches throughout the Program Cycle?

	Not at all integrated	Somewhat integrated	Fully integrated	No opinion/ Does not apply
CDCS/RDCS design and content				
Project design				
Activity design or solicitations				
Monitoring, evaluation, and learning				

Question 17	To what extent has your OU integrated the Local Systems Framework principles and approaches into the following areas?

	Not at all integrated	Somewhat integrated	Fully integrated	No opinion/ Does not apply
Policy or guidance documents				
Budget allocations				
Staffing/hiring				
Trainings				
Coordination with partner government				
Coordination with other donors				
Co-creation for design				
Learning events to share knowledge, work, practices				

Question 18	Do you have any additional comments about how these principles have or have not been integrated?

Question 19	Have you directly worked on or supported any projects/activities at USAID?
	Yes (continue to next section)
	No (go to section 9)

Section 8

Question 20	For what portion of projects/activities that you work with substantially are the following statements true?

	None are	Some are	Many are	Most are	All are	No opinion

These projects or activities were designed to leverage opportunities for system-wide change, not just seek short-term outcomes. I believe they are actually capable of strengthening local systems to achieve sustained development results. Local systems were meaningfully engaged when conceptualizing these projects or activities. MEL systems for these projects/activities track progress toward system change, not just outputs or changes among individual beneficiaries or beneficiary organizations.	
Question 21	Do your responses to these questions apply more to: Projects Activities Both
Section 9	
Question 22	Which of these factors related to Agency structures have been either enablers or constraints to successful implementation of Local Systems Framework principles and approaches?

	Major Constraint	Constraint	Neither	Enabler	Strong Enabler	No opinion
Leadership support						
Lack of formal Points of Contact						

Informal champions Lack of Agency Coordinator Local Systems Community of Practice	
Question 23	Which of these factors related to Agency processes/priorities have been either enablers or constraints to implementation of Local Systems Framework principles and approaches?

	Major Constraint	Constraint	Neither	Enabler	Strong Enabler	No opinion
ADS 201						
Earmarked funding						
Availability of funding						
Contracts/procurement						
Reporting or other MEL requirements						
USAID priorities						
Risk management						
The Journey to Self-Reliance						

Question 24	Which of these factors related to staff capacity have been either enablers or constraints to implementation of Local Systems Framework principles and approaches?
	Training (availability, or lack of) Technical guidance and resources (availability, or lack of) Collaboration, networks, conversations, events Understanding of concepts Staff skill and capacity to implement

	Staff bandwidth to implement
Question 25	Additional enablers/constraints or comments about your responses:
Section 10	
Question 25	Have you or a colleague done anything in the systems space that you're proud of or want to share? Explain a little below and send any materials, tools, or examples to npetrovic@usaid.gov
Section 11	
Question 26	Do you participate in networks, groups, workshops, communities and/or events related to systems thinking or working with local systems?
	Yes (continue to next section) No (go to section 13)
Section 12	
Question 27	If yes, are these internal to USAID or external?
	USAID External Both
Section 13	
Question 28	Do you agree that USAID's Local Systems Community of Practice has played an important role in increasing awareness and understanding of systems thinking and practice across USAID?
	I have not heard of the Local Systems Community of Practice (go to section 15)

	I have heard of it but am not familiar enough to respond (go to section 15) Strongly disagree (continue to next section) Disagree (continue to next section) Neither Agree nor Disagree (continue to next section) Agree (continue to next section) Strongly agree (continue to next section)
Question 29	Are you a member of the Local Systems Community of Practice?
	Yes (continue to next section) No (go to section 15)
Section 14	
Question 30	For how long have you been part of the Local Systems Community of Practice?
	Under one year 1-2 years 3-4 years 5+ years
Question 31	Are you on the Local Systems Community of Practice Council?
	Yes No
Question 32	On average, how frequently do you engage with the Local Systems Community of Practice?
	Not at all: I don't read the emails nor do I attend sessions. Passive: I pay attention to emails and shared information, but don't really engage in conversation or sessions. Active: I pay attention to shared information and sometimes attend webinars or meetings. Very active: I frequently attend webinars/meeting and actively contribute to the community.

Question 33	To what extent do you agree with the following statements? The Local Systems Community of Practice:

	Strongly disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly agree
Has been successful as a coordinating body for implementing the Local Systems Framework					
Plays an important convening and knowledge-sharing function					
Produces technical guidance, shares methods and tools, and shapes trainings					

Question 34	What are the most useful contributions of the Local Systems Community to your work?
Question 35	What would make it more effective and useful to you, its other members, and/or the agency?
Section 15	
Question 36	Have you taken the Project Design Course since 2018?
	Yes (go to section 16) No (go to section 17)
Section 16	
Question 37	Do you agree or disagree that the training was effective in teaching you how to:

	Strongly disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly agree
Develop a strong theory of change using systems thinking.					
Design projects using systems thinking.					
Engage local systems as part of project design.					
Design projects for sustained development outcomes.					

Question 38	To what extent have you been able to apply systems thinking approaches from the training to your work?
	A lot Some A little Not at all
Question 39	How have you applied the systems thinking and practice concepts that you learned in your work? If not, why were you unable to apply them and what would help?
Section 17	
Question 40	Have you taken the Activity Design Course since 2019?
	Yes (go to section 18) No (go to section 19)
Section 18	
Question 41	Do you agree or disagree that the training was effective in teaching you how to:

	Strongly disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly agree
Design activities using systems thinking. Design and implement activities to strengthen local systems and achieve sustainable results.					

Question 42	To what extent have you been able to apply systems thinking approaches from the training to your work?
	A lot Some A little Not at all
Question 43	How have you applied the systems thinking and practice concepts that you learned in your work? If not, why were you unable to apply them and what would help?
Section 19	
Question 44	Other than Project/Activity Design, have you taken any other trainings, either within or outside of USAID, that included a substantial discussion of sustainability, local systems, systems thinking, or system tools?
	Yes, I have taken three or more (go to next section) Yes, I have taken two (go to next section) Yes, I have taken one (go to next section) No (go to section 21)
Section 20	

Question 45	What did these trainings teach you (select all that apply)?
	How to achieve more sustainable results How to engage local systems Systems thinking Systems tools None of these Other
Question 46	Please provide the name of the most effective training you took in covering the above concepts, the organization that provided it, and year taken (if you recall)?
Section 21	
Question 47	If, starting tomorrow, it was your job to continue rolling out the Local Systems Framework, what would you do to expand its reach and impact within the Agency? Think actionable, specific.
Question 48	Do you have any additional comments you would like to share?
Section 22	
Question 49	Where are you currently based?
	Washington, DC (US)

	Field
Question 50	What is your Operating Unit (Mission, Bureau, or Independent Office)?
Question 51	What is your Office within your Operating Unit?
Question 52	What year did you start working at USAID?
Question 53	What is your hiring mechanism?
	Foreign Service Officer Foreign Service National Civil Servant Personal Services Contractor Institutional Contractor Other
Question 54	At USAID, what is your function?
	Operational (Contract and financial management) Technical Office staff Program Office staff Mission/Bureau Front Office staff Administrative Management Support (Staffing, IT) Other
Question 55	Are you in a supervisory or leadership position in your office?
	Yes

	No
Question 56	Would you be willing to participate in a key informant interview to discuss your opinions about the Local Systems Framework? If so please provide your name and email address below.
Section 23	

THANK YOU FOR YOUR TIME!

Your thoughtful responses will help us identify recommendations and lessons learned for improving the effectiveness and utility of the Local Systems Framework, its principles, and support structures at all levels of the Program Cycle.

Please consider sending the survey link to a few more of your colleagues!

ANNEX 4. NETWORK MAPPING ANALYSIS

INSTRUMENT

The PIA team collected data directly from USAID staff to map the network of systems thinkers within USAID since approximately 2009. The data-collection approach was snowball sampling (meaning that respondents were asked to name others who were then contacted), with the first questionnaire going to the primary author of the Local Systems Framework (and proponent of systems thinking within USAID more generally). At each round of the questionnaire, respondents were asked:

- ***Q1:*** *Please name up to 10 individuals associated with USAID (past or current USAID staff) whom you believe have been the most effective advocates, implementers, or practitioners of the Local Systems Framework, systems thinking, and/or sustainability at USAID. After each name, please indicate the USAID operating units or offices they most influenced (whether they worked in that office or not) during the time periods identified in the table below [see below].*

- ***Q2:*** *Please name up to 10 individuals associated with USAID (past or current USAID staff) who have most positively influenced your own thinking or practice related to systems and sustainability. After each name, please indicate the time period during which their influence began. Feel free to list the same individuals as were identified in Question 1.*

- ***Q3:*** *What USAID Bureau/Mission/OU and Office (or external employer) have you worked for over the past decade, what time period did you work there, and what was your position?*

The full instrument is included in the final section of this annex.

- Responses from the first question (Q1) were used to identify people to include in the subsequent round of questionnaires.
- Responses from the second question (Q2) were used as the primary source of data for influence flows between individuals, as well as to identify people to include in the subsequent round of questionnaires. Most of the network analysis draws on data from the second question.
- Responses from the third question (Q3) were used to identify the USAID affiliations (bureaus, missions, operating units, and offices) of the individuals who completed questionnaires.

For the first two questions, respondents were asked to indicate the time periods during which their responses were relevant:

- **Period 1:** pre-2013
- **Period 2:** 2014-2016
- **Period 3:** 2017 to the present

These periods were selected to be consistent with the document review method. The second period is when the LSF was being finalized and promulgated.

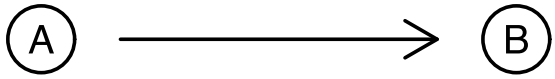
For the third question, respondents were asked to indicate which years they worked at each place within USAID "over the past decade" (interpreted as "since 2009"). Some respondents reported earlier time periods; these observations were kept but coded simply as "earlier" than 2009. Only USAID affiliations were included in the final analysis. The boundary cases were institutional contractors, who were kept in the dataset if the institutional contractor had a *USAID.gov* email address and was physically co-located in the same office as permanent staff of that office during the period in question. Otherwise, those affiliations were removed from the dataset.

NETWORK ANALYSIS DATA

In network analysis, a "node" (or "vertex" in some frameworks) is an entity that is connected to one or more other entities. An "edge" (a "link" or "arc" in some frameworks) is a connection between two nodes. A network, therefore, is simply a set of interconnected entities. There are two kinds of edges: directed and undirected. An undirected edge indicates simply that there is a relationship between the two nodes (e.g., "coworkers" or "affiliation"). A directed edge indicates a flow of some sort (e.g., information, authority, influence) from one node to another.

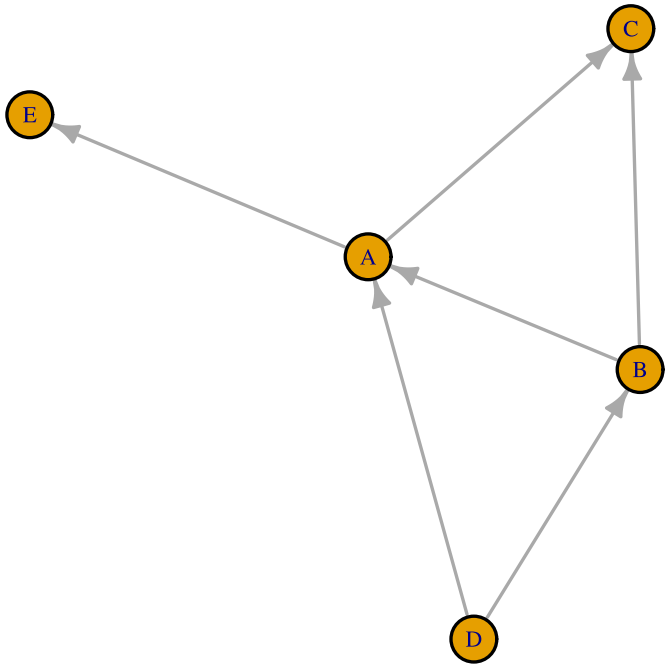
In Figure 23, *A* and *B* are nodes connected by a directed edge: *A* has (or had) some kind of influence over *B,* so *A* is the "source" node and *B* is the "target" node *("A* influenced *B")*.

FIGURE 23: TWO NODES AND A DIRECTED EDGE



A more complex plot capturing information about a group of entities and how they influence each other (such as the data collected by this exercise) would look like Figure 24.

FIGURE 24: EXAMPLE OF A DIRECTED NETWORK



Additional data can also be attributed to both edges and nodes. For example, for the USAID network, the key node "attribute" was *affiliation,* i.e., the name of the operating unit the survey respondent worked in. In this analysis, edge attributes included the *round* of snowball sampling the edge data came from, the *data source* (the person the edge data came from), and the *period* or *year* during which the influence between the edge's nodes began.

SAMPLING AND VARIABLES

The first three rounds of questionnaires asked respondents all three questions. The fourth round asked only Questions 2 and 3. Question 1 responses were no longer needed because their primary purpose had been to identify subsequent-round respondents, and the fourth round was the last round. The fourth round identified a final group of individuals who would have been sent questionnaires as Round 5 but were not due to time limitations. Each round identified a diminishing number of "new" names; it is likely that, with one more round of questionnaires, the network data would have converged on a set of names representing a more or less complete network, at approximately a thousand individuals. The PIA team estimated that two more rounds of questionnaires likely would have provided definitive convergence, but this was outside of the scope of the available LOE.

For each round of sampling, questionnaires were emailed to each person named in the previous round's responses to Question 1 ("who was influential?") and Question 2 ("who influenced you?"), except in the final round of data collection (when only Q2 was asked). Responses arrived as text in the bodies of email messages (except for Round 4, which used a Google Form). This data was manually entered into a Google Sheets document then transferred to a Microsoft Excel document, with the responses to each question saved in separate sheets.

DATA CLEANING

The open-source R data-analysis computer programming language was used to clean and analyze the data; the network analysis packages *igraph* and *ggraph* were used to speed analysis but standard data analysis tools were used as well to summarize and visualize results.

During data cleaning, the PIA team used the data validation feature of Google Forms to standardize the spelling of the bureau-level units (using USAID's standard organizational chart) and Missions against a standardized list of abbreviations. Data validation was also used with respondents' names. Separate lists were also made showing which Missions were associated with which regions of the world, and missing affiliation data was independently collected from public sources, such as LinkedIn.

A very small number of names was dropped from the dataset because they appeared in responses to Q1 (they were influential in general) but not Q2 (they influenced specific people), and the dataset required data about who influenced whom.

The Q2 data had the most important influence information: it showed reliably who influenced whom, because respondents themselves indicated who influenced them. It was also important to see how influence flowed across offices, so it was necessary to create a master list that matched information from Q2 (who influenced whom) with the affiliations (with time periods) from Q3. Some problems needed to be overcome. For example, data was entered only for the *period* when influence began, not the year. To identify the *year* influence began (the "onset" year of influence), several assumptions were made in data preparation:

- First, what was the first year that the source and target were both USAID staff? It's possible a source influenced a target before one of them had ever worked at USAID. Because this is a study of influence within USAID, the earliest possible year of influence was defined as the first year when both people were USAID staff. For edges without start data (i.e., Round 4 respondents and non-respondents), this is the year that was chosen as the *onset* year.

- Second, since there was data for *start period* of influence for at least some of the edges, that data was used to constrain when the *onset* of influence could have been for those edges; for example, if both people worked at USAID as early as 2010, but the target stated the source didn't influence them until "period 2" (which starts in 2014), then that was used to indicate that influence started in 2014, not in 2010.

This set of assumptions tended to suggest that influence began on average earlier than it likely did in reality. In other words, this is a conservative assumption with regard to the assessment's key question: the PIA team made it harder, not easier, to demonstrate LSF influence. Other sets of assumptions were tested to see how they affected the network analysis, but the results were relatively insensitive to the specific assumptions.

SUMMARY DATA

After four rounds of snowball sampling, 242 people had completed questionnaires and identified a total of 724 people as systems thinkers or practitioners who were influential within USAID (and 502 people as having directly influenced the respondents themselves). The data therefore represents the way influence related to local systems and sustainability has flowed between staff since approximately 2009. All of the people in this dataset were considered systems thinkers because they were named as such—directly or indirectly—by people who were clearly influential in the development and initial implementation of the LSF. Of those who did not receive or complete a survey, the research team was able to manually identify affiliation data for 226 people through public sources (e.g., LinkedIn). That means, of the 724 people identified as systems thinkers within USAID, affiliation data is available for 477 people, 338 of whom currently work at USAID.

The first (seed) round had one respondent, who was asked to name the people who influenced his thinking. He returned the names of 12 individuals as having influenced him (Q2) and 21 individuals as having been influential within USAID more broadly (Q1). That means Round 2 included a total of 23 people (accounting for overlaps in his two lists), all of whom were sent the survey; 22 of those 23 completed the survey, for a response rate of 96 percent.

Beginning in Round 2, respondents were asked to name "up to" 10 people. Collectively, the Round 2 respondents identified 58 people as having influenced them and 90 as being influential more generally, with significant overlap in the two lists. Of the total 104 people named as being influential in Round 2, 81 were new names, and again, all of those individuals were sent a survey.

In Round 3, 68 out of 81 people completed the survey, for a response rate of 84 percent. Collectively, the Round 3 respondents identified 164 people as having influenced them and 293 as being influential more generally, again with significant overlap in the two lists. A total of 342 people were named as being influential by Round 3 respondents and 238 were new names.

Round 4, therefore, included 238 people in the survey, and of those, 151 responded, for a response rate of 63 percent. The Round 4 respondents identified 396 people as having influenced them. (Round 4 respondents were not asked Q1.)

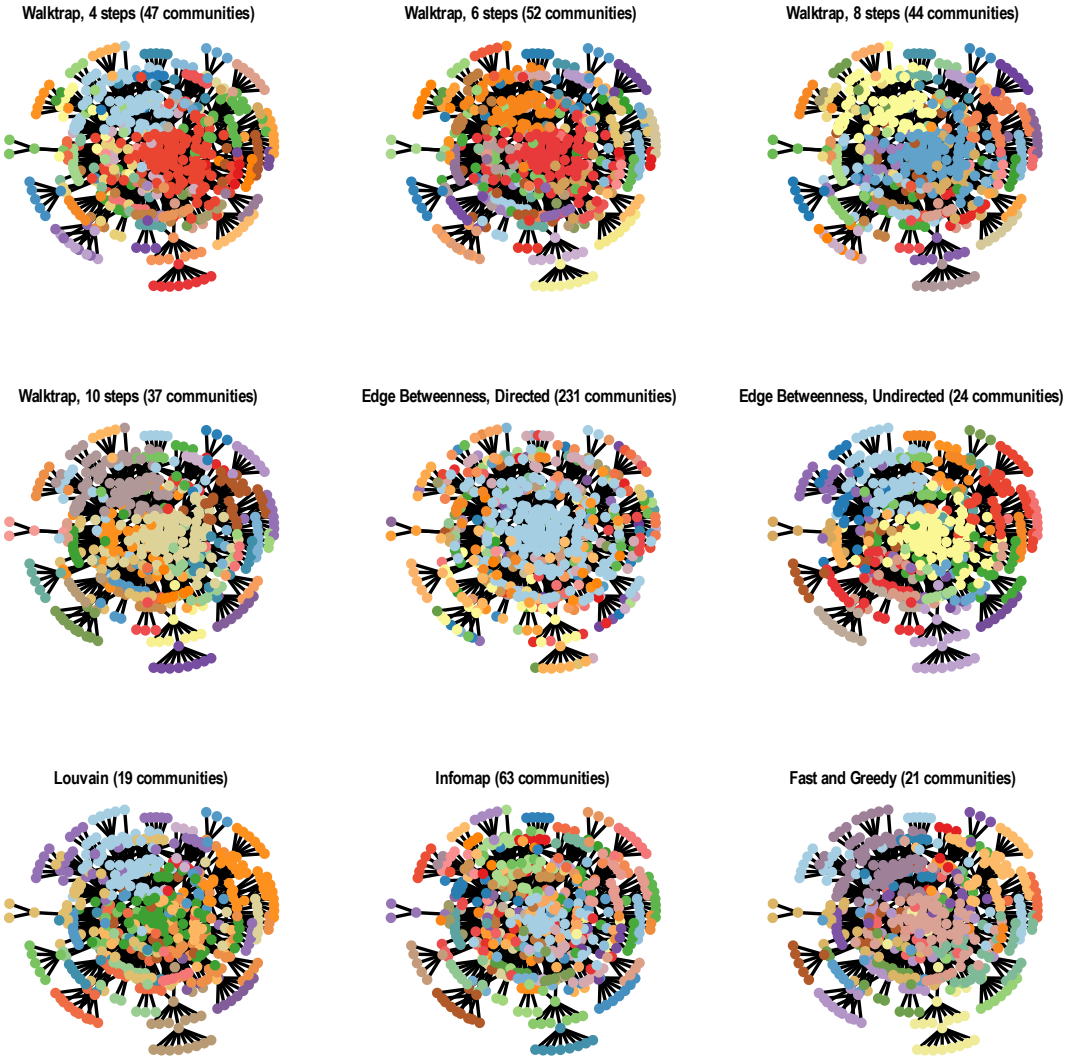
NETWORK ANALYSIS

In the network analysis, the network nodes represented people—systems thinkers at USAID—and the edges represented the influence between them: one person was a source of influence, the other was the target of influence. Several methods were used to assess this network and how it was affected by the LSF.

HOW SILOED IS THE NETWORK?

The overall structure of this network was examined visually, using a layout algorithm that clusters together nodes that have more connections with each other than with other nodes, to see in general how siloed the network appears. The network did not seem particularly siloed, so the PIA team applied a number of standard community-detection algorithms to determine whether and how the individuals in the network clustered together into silos, that is, cohesive sub-communities within the broader network. There are a number of ways to identify such communities, but each method tends to give different results. The PIA team used six community-detection algorithms under different sets of parameters and assumptions: Louvain clustering, Louvain clustering against a "backbone" of the most central figures, fast and greedy, walktrap, infomap, and edge betweenness. These produced extremely different results, with Louvain finding 19 communities and edge betweenness ("directed" version) finding 231 communities (see Figure 25). With a network of this size, these results suggested the network is not particularly siloed.

FIGURE 25: NINE MEASURES OF CLUSTERING

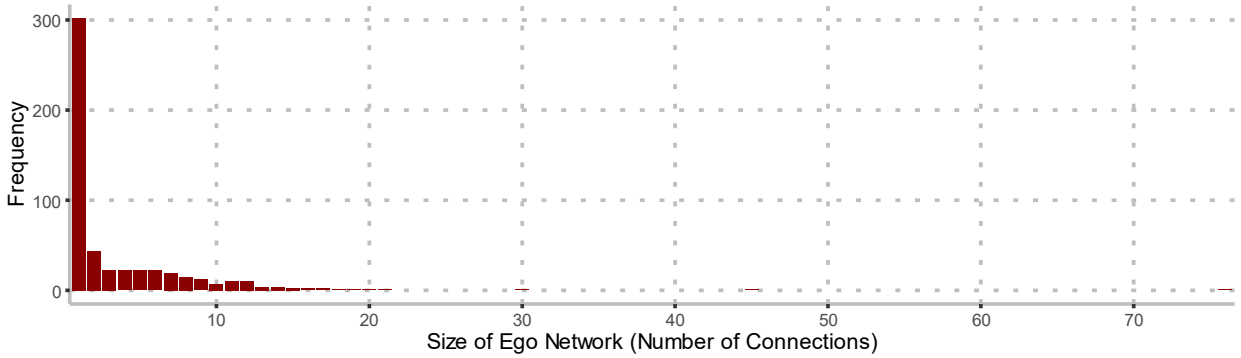


HOW HAS THE NETWORK CHANGED OVER TIME?

Standard centrality measures of individual nodes in the network were calculated. An "ego network" is the local network of a specific person within the larger network; it includes the node in question (the "ego") and all other nodes it is connected to directly (the "alters") or indirectly ("alters of alters"). Ego networks are generally described by a range of "centrality" measures that serve as proxies for how influential different people in the network are.

Degree centrality is the raw number of people any one person is connected to. Because this is a directed network—influence flows *from* some people *to* other people—it is possible to either measure all connections people have or measure just the in-coming or out-going connections, called *in-degree centrality* (they have been influenced by a lot of people) and *out-degree centrality* (they have influenced a lot of people). The goal of this analysis is to understand how influence regarding systems thinking flows through USAID, so the appropriate measure is the total number of people someone influenced—that is, their out-degree centrality. On average, the individuals in this network have influenced two other people, but the distribution of out-degree centrality was extremely skewed: one person influenced nearly 80 people, one influenced a little more than 40, the vast majority influenced just one each, and the rest influenced just a handful of others (see Figure 26).

FIGURE 26: DISTRIBUTION OF DEGREE CENTRALITY



Other centrality measures were similarly skewed, with the same dozen or so people showing up as the most central figures in most measures. The following measures were considered:

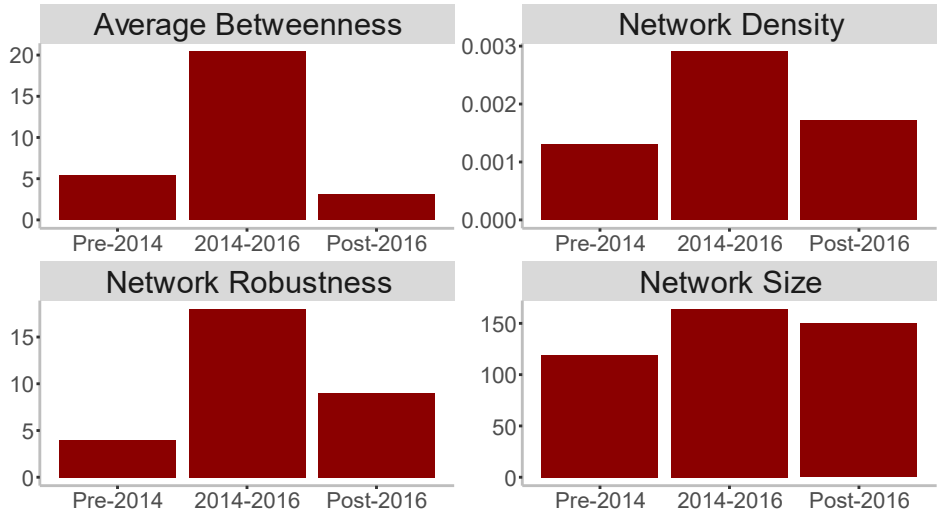
- **Closeness centrality** is a measure of how well-connected someone is—that is, how easy it is for someone to reach anyone else in the network.
- **Betweenness centrality** is a measure of someone's ability to connect different groups within the network; influence brokers, bridge-builders, and superconnectors have high betweenness scores.
- **Eigenvector centrality and page-rank centrality** both measure how well-connected people are to other well-connected people; these are the power brokers.
- **Hub centrality and authority centrality** are mirror-image measures: hubs are people who influence many influential people (as measured by eigenvector centrality), and authorities are people who influence many influential hubs.

Standard network-wide measures were taken as well. These are not measures of individual nodes but measures of the network as a whole:

- **The network size** is the number of people (nodes) in the network.

- **The density of the network** is the proportion of the actual number of edges in the network compared to the total number of possible edges (i.e., the number of edges there would be if every node were connected to every other node).
- **The diameter of a network** is the shortest distance between the two nodes that are farthest apart (i.e., have the largest number of nodes between them).
- **Transitivity** is a measure of how "clustered" a network is—specifically, the probability that two nodes connected to a third node are also connected to each other.
- **Reciprocity** is the probability that any two nodes are influenced by each other.

FIGURE 27: COMMON MEASURES OF THE NETWORK OVER TIME

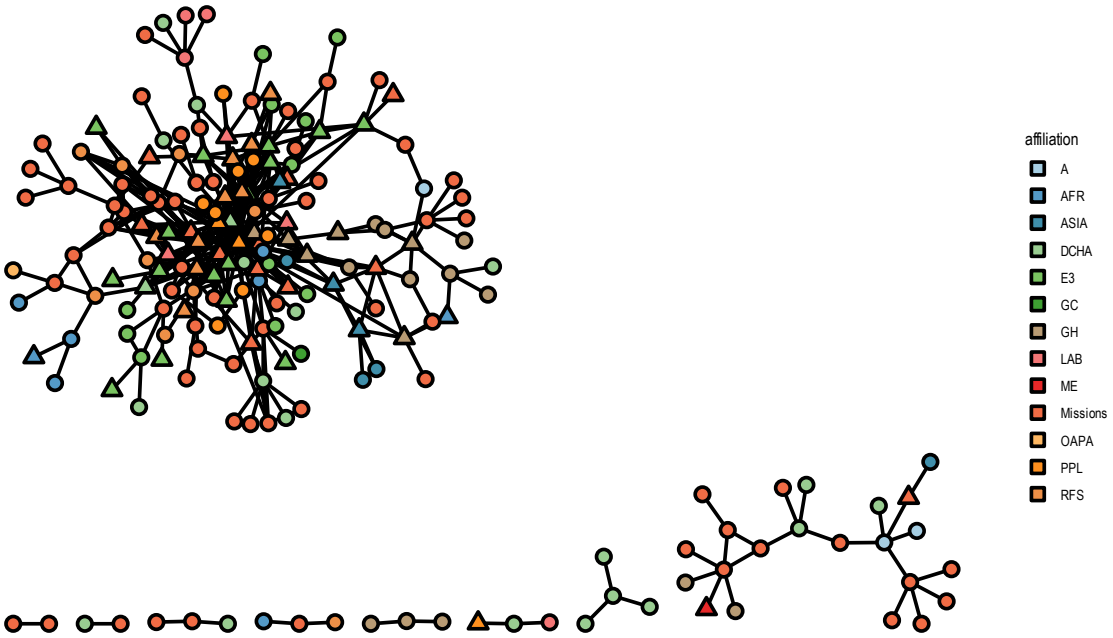


The PIA team disaggregated the network data into different time periods and calculated all of the above measures for each period, testing several different sets of assumptions along the way. Findings were generally consistent across combinations of methods and assumptions: the network of systems thinkers was at its strongest during 2014–2016 (see Figure 27, Period 2 in each chart), compared to the period before the LSF was released in 2014 and the period since 2016. Figure 27 therefore illustrates only a subset of these measures. Average betweenness shows significantly more bridge-building between silos taking place during the second period (2014–2016) than before or since. Similarly, the rate of growth was higher (size), more introductions were made per systems thinker (density), and the network was more resilient against bridge-builders leaving USAID (robustness) than in the periods before or since. Further, a subsample of respondents who reported being influenced during the 2014–2016 period was asked to specify the exact year within the period during which they were influenced by the systems thinkers they had identified. Based on that subsample (and the totality of results), it appears that the quality of USAID's network of systems thinkers peaked the year the LSF was released, in 2014.

HOW ROBUST IS THE NETWORK?

One of the measures tested was the "robustness" of the network over time, i.e., how easy is it to fragment this network? The PIA team simulated removing the most connected individuals within the network (as measured by betweenness-centrality score) and checked how their removal would affect the size of the main network. Removing someone with a high betweenness score—a bridge-builder—would likely separate a cluster of people from the main network and thereby reduce the size of the main network. The purpose of the simulation was to see how many of those bridge-builders would need to be removed before the main network was fragmented to half its starting size. A higher number of removals suggests a more robust network (e.g., resilient against the departure of key staff).

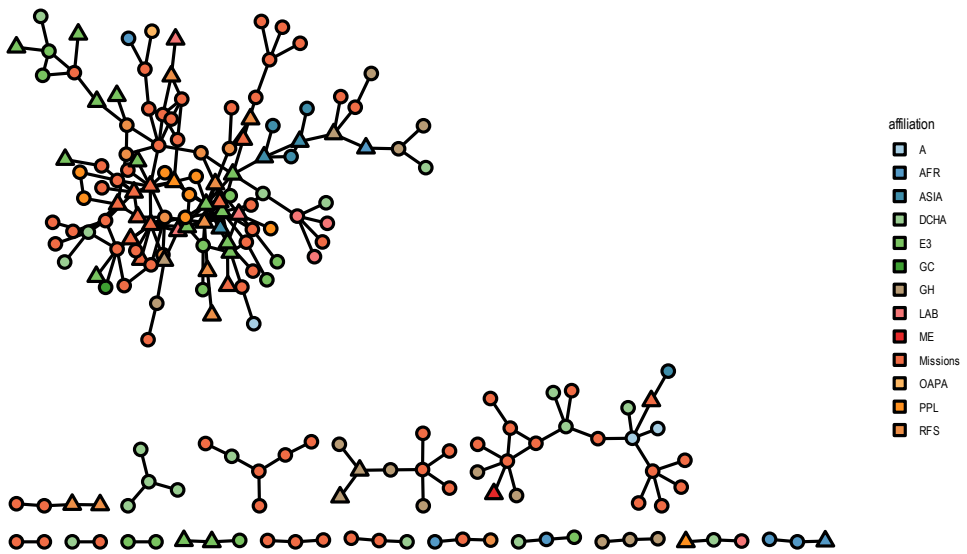
FIGURE 28: NETWORK (2020) BY AFFILIATION (TRIANGLE = LSC, CIRCLE=NON-LSC)



The process used by the PIA team simulated a "targeted attack" on the network by removing the person with the highest betweenness-centrality score, then measuring what percentage of the largest part of the network remained connected, then repeating the process until the largest part of the network was half the size it was originally. The robustness score is the number of bridge-builders it takes to fragment the network in half. This simulation was run across all three time periods. The network as it existed during the period 2014–2016 was more robust than at any time before or since, requiring an average of 18 staff to be removed before the network would be halved. The average from 2017 to 2020 was 9 staff, meaning the network's robustness has fallen significantly since the LSF's release. Including only staff who are *currently* working at USAID (in early 2020), the network would be halved with the removal of 14 staff—more robust than the average in the post-2016 period but still less robust than the period of the LSF's release.

Figures 28 and 29 show the network of current staff (as of mid-2020). The PIA team acquired information about current members of the LSC so their position within this network could be identified; they were represented in the network visualization as triangles, whereas non-LSC members were represented as circles. Affiliation data was incorporated into the network map, with bureau-level affiliations represented by colors. A clustering algorithm was used as the network-map layout to show whether any clusters (or silos) within the network were associated with organizational silos. Figure 28 shows the network structure as it looked in mid-2020. Figure 29 shows what the network structure would look like if it were fragmented in half, that is, if the 14 most central bridge-builders were removed. The network fragments but still seems robust enough to support efforts to improve LSF implementation in the near future. To *sustain* implementation in the future, however, more connections would need to be made *within* the existing network to make it more robust to staff departures and to generally maintain its ability to cross organizational silos so that influence might flow more effectively across the Agency.

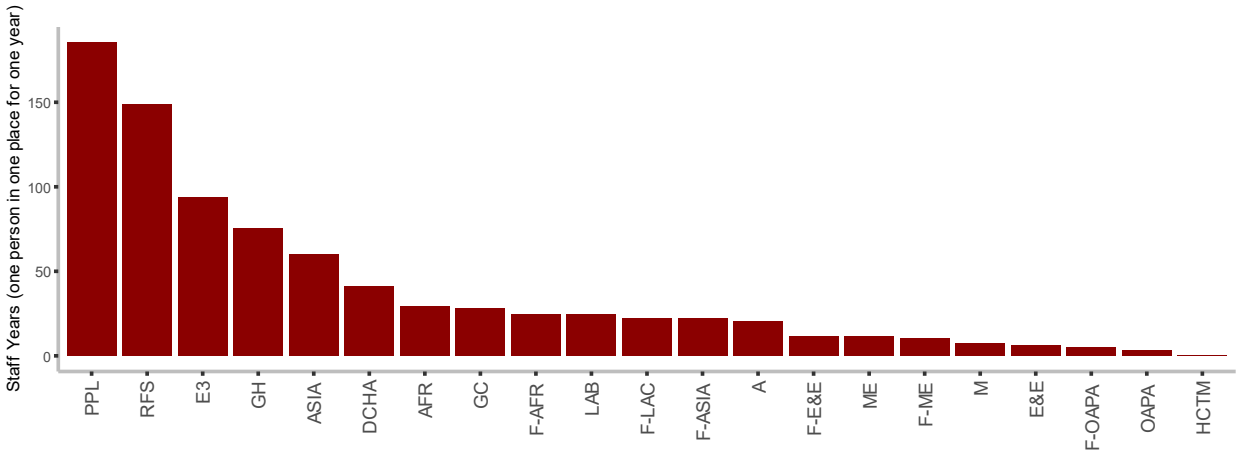
FIGURE 29: CURRENT NETWORK (2020) WITH MOST CENTRAL ACTORS REMOVED



WHERE IN THE AGENCY ARE THE SYSTEMS THINKERS?

To determine the distribution of systems thinkers across USAID as it currently exists (as of mid-2020), the PIA team removed all people for whom there is no affiliation data or who no longer work at USAID. Figure 30 show the distribution of staff by operating unit, with Missions aggregated by region. The unit of measure is the staff-year (one person in one place for one year), normalized according to the size of each OU. In general, systems thinkers are concentrated in PPL and the functional bureaus.

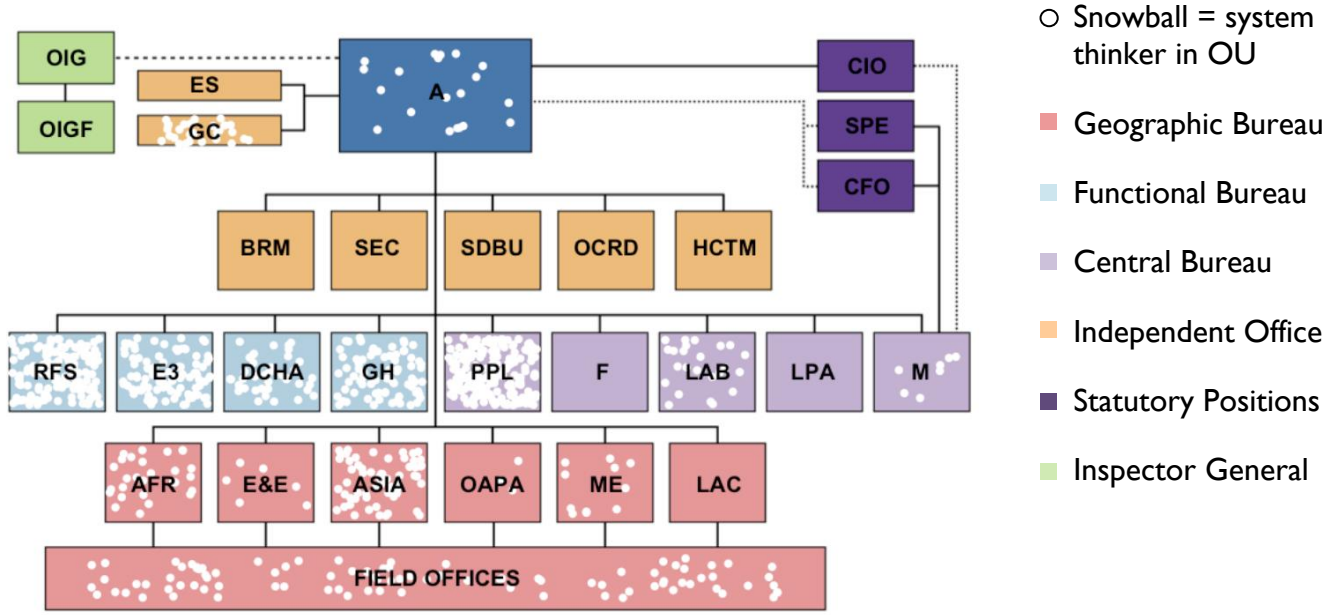
FIGURE 30: DISTRIBUTION OF SYSTEMS THINKERS (CURRENT), BY AFFILIATION (PER 1,000 STAFF)



To visualize the distribution, the PIA team created a "snowball" chart, USAID's standard organizational chart (portrayed as it stood in mid-2020, with the reorganization partly completed) superimposed with

white dots that represent the proportion of systems thinkers in a given year compared to total staff in each unit of the organizational chart (see Figure 31). Missions were grouped by region and portrayed directly beneath their associated regional bureaus. This was calculated by multiplying the total number of systems thinkers in each unit (a "box" in the org chart) by the total number of years those staff had worked in that unit, then dividing by the total number of staff employed in that unit (according to a 2016 staffing report to Congress), and finally scaling the results to improve visualization. This made it possible to see where USAID's systems thinkers are concentrated.

FIGURE 31: DISTRIBUTION OF SYSTEMS THINKERS ACROSS THE AGENCY



Figures 30 and 31 show that systems thinkers are unevenly distributed across the Agency, suggesting there is plenty of room for the network's further expansion. If support for LSF implementation is needed from leaders in some of the central bureaus or independent offices, those leaders would not be easily reached through the network of systems thinkers. If leadership support is important to LSF implementation, then one way to increase the chances of getting that support—and this is not the only way—might be to surround that leader with staff who have a mindset that is aligned with LSF principles. For example, if it were considered important to hire more systems thinkers or to ensure that political appointees received training that included systems thinking, then the network of could be expanded more firmly into HCTM. The network might find it useful to engage LPA on questions of managing risks related to public perceptions or identifying Congressional staff who are systems thinkers, or members of Congress interested in seeing longer-term results from development programming. There are many institutional and cultural constraints that can only be overcome with the support of key decision makers inside and outside of USAID. If the network of systems thinkers were to identify those leaders and their staff, that would give direction to network expansion, and the network could be used as a conduit for information and influence surrounding the practical value of the LSF. (In the PIA report, this approach is referred to as the "medium track," which targets the "influence flow" leverage point.)

QUESTIONNAIRE

The following is the text of the original network-mapping instrument.

EMAIL TO BE SENT

Dear [name of respondent]

The Policy Office in PPL periodically assesses the impact of our Agency-wide policies and this year we are focusing on the Local Systems Framework.

As part of the assessment, we plan to build a network map of individuals who have been strong advocates for—or exemplars of—systems thinking and local sustainability within USAID.

You have been named by one or more of your colleagues as one such individual. Would you be willing to take a few minutes of your time to answer just three questions, which will help us build this network map? The survey is available at [this link].

We very much appreciate your taking the time to respond today. Your response will enable us to better understand how ideas related to systems and sustainability have been disseminated throughout USAID over the past decade and give us a basis for discovering how to improve implementation of these approaches in the future. Note that the names of individuals identified as having a positive influence may be included in the network map we develop.

Sincerely,

[name of sender]

SURVEY INSTRUMENT

[The introduction may repeat some of the text from the email above]

Q1. Your Full Name

Q2. In the table below, please name at least three (and up to 10) individuals associated with USAID whom you believe have been the most effective advocates, implementers, or practitioners of the Local Systems Framework, systems thinking, and sustainability in the Agency. After each name, please identify the time frame of their influence (you may check more than one, if relevant) and, to the degree you are able, please also indicate the USAID operating unit(s) that they worked in and most influenced during the relevant periods (which may be the same).

Name of influential individual	**2013 or earlier**	**2014 to 2016**	**2017 to present**	**Bureau/Mission/OU and Office they worked in**	**Bureau/Mission/OU and Office they influenced**
[text]	[check]	[check]	[check]	[text]	[text]
[text]	[check]	[check]	[check]	[text]	[text]
etc.					

Q3. In the table below, please name at least three (and up to 10) individuals who have most positively influenced your own thinking or practice related to systems and sustainability, and the time period during which that influence began. You may identify individuals associated with USAID or individuals,

organizations, or institutions outside of USAID if their influence on you was significant. Please also name (to the degree you are able) the USAID operating unit(s) or external organizations these individuals worked in during that period.

Name of individual who influenced you	**2013 or earlier**	**2014 to 2016**	**2017 to present**	**Bureau/Mission/OU and Office or external Organization they worked in**
[text]	[check]	[check]	[check]	[text]
[text]	[check]	[check]	[check]	[text]
etc.				

Q4. What USAID Bureau/Mission/OU and Office (or external employer) have you worked in over the past decade, what time period did you work there, and what was your position? Please complete the table below:

Bureau/Mission/OU and Office (or external employer) you worked for	**2013 or earlier**	**2014 to 2016**	**2017 to present**	**Your position**
[text]	[check]	[check]	[check]	[text]
[text]	[check]	[check]	[check]	[text]
etc.				

ANNEX 5. DUAL-SYSTEM ASSESSMENT METHOD

THE DUAL-SYSTEM PROBLEM

A dual-system assessment applies the tools of systems thinking to both the system producing a problem and the system attempting a solution. This approach derives from the concept of the *dual-system problem,* which arises when two systems interact and one is more adaptable than the other. The consequence of the dual-system problem is that the less adaptable system will not be able to solve problems generated by the more adaptable system—not because the problem is unsolvable but because the system solving it is outmatched by the system producing it.[59] The dual-system concept emerged from two traditions.

The first is international development practice. Half a decade after the 2005 Paris Declaration on Aid Effectiveness, recipient countries repeatedly reminded bilateral and multilateral donors that they were not living up to their commitments. Donors were still engaging in development practices—such as short-term perspectives, failures to account for local dynamics and desires, poor donor coordination, etc.—that the agencies themselves had recognized were antithetical to effective development. That means suboptimal development outcomes were not due simply to problems in the recipient countries but also to problems in aid delivery. Subsequent research found that the capacity to absorb aid is not an objective feature of recipient systems but is an outcome of interactions between recipient systems and donor systems.[60] Studying both of those systems and how they interact, therefore, was identified as a useful way to discover how aid can be delivered in more locally appropriate ways.

The second tradition that inspired the dual-system concept was systems practice. Many of the challenges that international development assistance is designed to address are stubborn. Stubborn problems tend to persist because they are products of a complex system in an unfortunate and stable equilibrium state. For complex challenges, progress on one indicator of success often has little effect—or sometimes big, unintended, and undesirable effects—on the rest of the system, and the unfortunate equilibrium persists as a result. Observations by Margaret Mead, Ross Ashby, and others in the cybernetic tradition framed such challenges in terms of feedback between two systems: one system acts on another system, observes how it responds, then adjusts its own actions accordingly. John Boyd argued that for one system to have an impact on another requires a superior capacity to observe, orient oneself, decide, and act. As Stanley McChrystal put it: "it takes a network to defeat a network."[61]

Together, these traditions—development practice and systems practice—suggest international development assistance could be more effective if donors recognized that they are themselves complex

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[59] Lamb and Mixon, *Rethinking Absorptive Capacity* (Washington, DC: CSIS, 2013).
[60] Ibid.
[61] Margaret Mead, "The Cybernetics of Cybernetics," in *Purposive Systems,* edited by Heinz von Foerster, John D. White, Larry J. Peterson, and John K. Russell, pp. 1–11 (New York: Spartan Books, 1968); W. Ross Ashby, "Requisite Variety and Its Implications for the Control of Complex Systems," *Cybernetica (Namur)* 1, no. 2, 1958; John R. Boyd, *A Discourse on Winning and Losing,* edited by Grant T. Hammond, (Maxwell AFB, Alabama: Air University Press, 2018); Stanley McChrystal, "It Takes a Network: The New Front Line of Modern Warfare," *Foreign Policy,* February 21, 2011; see also Chris Argyris, "Double Loop Learning in Organizations," *Harvard Business Review,* September 1977.

systems attempting to influence other complex systems and found ways to manage their own systemic complexity better.

A dual-system assessment, therefore, studies donor systems as *systems* to discover how aid can be delivered *and* received in more locally appropriate and effective ways. To treat something as a system means to consider how its various elements interact with each other and how those interactions produce results that are different from what might be expected if those elements acted independently. Elements can be factors (e.g., indicators, variables, or rates), entities (e.g., people or bureaus), or events (e.g., decisions or the start of the fiscal year). Interactions can include feedback and accumulations, which can produce slow-then-sudden results, results that change briefly then revert, or oscillations between two or more different results; clusters and hubs (e.g., organizational silos or "superconnector" individuals), which affect the flow of ideas or influence, and resilience or fragility against disruptions; and a wide range of other structures (e.g., network topologies or system archetypes) that can help predict behavior. Anything that is "greater than the sum of its parts" is a system.

In truth, the dual-system problem is a many-systems problem. But it is easier to conceptualize two systems interacting than to imagine the intersecting complexities of many systems.

A dual-system approach, therefore, starts by identifying two systems:

- **System 1** is the system that includes all significant factors, entities/actors, and events affecting some problem or challenge. From the perspective of USAID, it is the system "out there."[62] For example, in the realm of HSS, System 1 can include the local health system in the partner country, including patients, health care providers and administrators, policies, infrastructure and equipment, rates and distributions of mortality and morbidity, corporate entities, knowledge and beliefs about illnesses and injuries, procedures and practices, relationships, schedules, and so on. System 1 usually also includes people who benefit from current arrangements and might actively resist change, along with others whose actions inadvertently perpetuate the challenges of concern.

- **System 2** is the system—rarely recognized as a "system"—that includes all the entities/actors intending to address that challenge of concern, along with all the factors and events affecting their ability to do so. It can also be thought of as the entities positioned to implement recommendations emerging from of an assessment of System 1. From USAID's perspective, it is the system "in here."[63] In the health systems example, System 2 can include any combination of USAID, particularly its GH Bureau and Missions; other local, bilateral, and multilateral donors; local and foreign IPs; agreements and interactions between any or all of the above; procurement regulations; beliefs and assumptions about the effectiveness of different interventions or about how knowledge is created and shared; Program Cycle processes; the distribution of authority over programmatic and administrative decisions; organizational structure and culture; and so on. All of these elements interact in ways that determine the degree to which donors are able to deliver aid to System 1 effectively. System 2 usually includes people who might not see how their efforts to build capacity

[62] "Addressing the Complexity in Here to Enable the Systems Practice Out There," panel session, *A Systems Summit,* USAID conference, Washington, DC, September 11, 2019.
[63] Ibid.

in one building block of the local system might prevent progress in other building blocks or in the system more generally.

Conceptually, if a problem in System 1 (the local system) is persistent, it likely stems from hidden complexity resisting change: the stable, equilibrium state of the system (sometimes called the "implicit goal" of the system) is *to produce the problem.* Systems approaches can help identify the hidden structures perpetuating the problem and producing the resistance to solutions. Based on those findings, a strategy (a theory of change or theory of success) that acts on those structures can be devised.

System 2 exists for the purpose of intervening in System 1 in a way that is intended to *transform* System 1 so it no longer perpetuates the problem. If it succeeds in acting on those hidden structures, the result of the intervention will be sustained because the stable, equilibrium state of the system—its implicit goal—is now *to produce the preferred result.*

To undertake that intervention successfully, however, System 2 needs to be able to deliver on its promised contributions to System 1. Systems approaches are helpful here as well: they can be used to find the hidden structures within *the donor system itself* (e.g., within USAID) that might prevent it from consistently engaging in the kinds of practices that can deliver such interventions effectively. Those findings can be used to build a "second-order strategy" (an inwardly focused organizational theory of change, or theory of successful implementation) capable of transforming the donors themselves.

When taken together, the first- and second-order strategies—the dynamic theories of change for System 1 and System 2—can inform a *collective* strategy, that is, a division of labor for implementing both strategies to ensure the long-term success of the intervention. Being able to devise a collective strategy is a key purpose of a dual-system assessment.

In short, if System 2 (the USAID system) is too complex to manage and adapt to change, System 1 (the local system) is not likely to be transformed. A key challenge is that people inside of System 2 systems do not generally think of themselves as part of a "system": they think of themselves as part of an organization, a bureaucracy, or a coalition. That mindset makes it difficult to understand how their own actions might lead to unintended or counterintuitive results—or whether everyone's individual efforts are adding up to a collective strategy capable of producing what System 1 needs.

A dual-system mindset encourages curiosity about one's own role in the broader effort—and humility with regard for the possibility that one might be contributing not only to the solution but also, unintentionally and unwittingly, to the collective inability to implement the solution effectively. Such a mindset also makes it possible to find ways to transform one's own organization so it can deliver on its promises and fulfill its mission more effectively and more sustainably.

DUAL-SYSTEM ASSESSMENT OF POLICY IMPLEMENTATION

This PIA demonstrates how the "System 2" part of a dual-system assessment—and how future PIAs—can be carried out. For the purposes of this PIA, one can consider System 1 to be any local system where USAID is attempting to help resolve a long-standing problem. Good development practice suggests that aid programming should prioritize achieving sustainable results, which generally means results that are desired by, beneficial to, and at least partly achieved by the people who are most affected by the problem in question (or who would be affected by any solutions). Systems approaches are useful when the problem is stubborn, multidimensional, contested, or otherwise complex.

The LSF encourages USAID to aim for sustainable results, engage with local stakeholders, use approaches capable of identifying the system structures perpetuating the problem, measure both short-term and long-term results using approaches capable of dealing with complexity, and manage risk in a way that is

appropriate to complex challenges and long-term engagements. Despite some progress in the six years since the release of the LSF, this PIA's overarching finding is that USAID still does not do that. Programming is still not aligned with LSF approaches and principles to the degree the LSF envisioned.

By treating USAID as a system, the PIA team was able to identify the hidden structures that consistently prevent the delivery of programming fully aligned with LSF principles. Along the way, the team identified system structures that constrain the implementation of other policies as well, and as such the findings from this PIA can contribute to a more systemic understanding of the constraints to policy implementation more generally.

The PIA team used systems approaches (system mapping, archetype analysis, prerequisite analysis, and network mapping) to understand why the desired result (LSF implementation) is not being fully achieved within USAID and to identify leverage points (particularly powerful systemic enablers) where focused attention might have an outsize effect on implementation.

Among the most powerful types of systemic leverage points is the "implicit goal" of the system,[64] or the set of results the system consistently produces. In the USAID system, there are a number of policy statements and learning documents suggesting an explicit goal of sustainability, but in practice the Agency continues to emphasize short-term results over sustained results. That is its implicit goal—its equilibrium state. For the LSF to be fully implemented, USAID would need to transform and shift into a *different* equilibrium state, one that consistently aims at sustained results in local systems. As a leverage point, this change in implicit goal has the greatest potential for change, because it connects USAID to any of the local systems it engages. But no one person or entity is in a position to change USAID in this way: a new implicit goal will emerge only if other leverage points are acted on successfully.

Another type of leverage point that tends to be extremely powerful in systems is the "mindset" of people within the system—their deep assumptions, paradigms, mental models, beliefs, values, and perceptions. At USAID, there is one mindset in particular that is directly at odds with LSF implementation. An analytic mindset is the assumption that the way to understand and solve multidimensional problems is to break them down into their main components to study and solve them individually. This mindset naturally drives programming that is divided into sectors, pillars, building blocks, task, regions, or predefined phases. It informs siloed organizational structures and processes. And it drives the use of methodological approaches that assume independence between factors: lists of enablers and constraints, selection of indicators, and mathematical methods such as linear regression that assume the existence of independent variables. This mindset is so deeply ingrained that "analysis" is generally synonymous with "research."

An analytic mindset can be appropriate for complicated problems, which involve a lot of enablers and constraints that can be addressed separately. But analytic approaches simply *do not work* for complex problems, which involve unpredictable interactions between many enablers and constraints.[65] Solving complex problems requires analysis *followed by synthesis* to identify how complex interactions produce

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[64] Donella Meadows, *Leverage Points: Places to Intervene in a System,* (Hartland, Vermont: Sustainability Institute, 1999).

[65] David J. Snowden and Mary E. Boone, "A Leader's Framework for Decision Making," *Harvard Business Review,* November 2007.

potential surprises and leverage points. The LSF is informed by a systems mindset, which encompasses both analysis and synthesis.

This "mindset" leverage point is nearly as important as the "implicit goal" leverage point. If both could be acted on successfully, LSF implementation would succeed by definition: engaging local systems *as systems*—using approaches capable of addressing systemic complexity—for the purpose of achieving sustained results in those local systems is exactly what the LSF is designed to achieve. For that same reason, however, these are leverage points in principle only: they can be acted on only indirectly, through action targeting other, more accessible leverage points.

In general, changes in mindsets, shared goals, and information flows tend to be more transformational than changes in capacity, timing, and resources, while network effects (how ideas or influence cascade through a system) can be strong or weak levers depending on the system. Whether a leverage point is strong depends on both the effects it has on system transformation and the ease with which it can be acted upon. For example, some mindsets—like those above—would transform the system entirely but are so difficult to change that focusing on them is of no practical use. Other mindsets are easy to change but affect only part of the system—and yet these latter mindsets can still be leverage points if their influence on part of the system affects another leverage point capable of transforming the system more generally.

This PIA identified both kinds of leverage point: those that are accessible and those that are transformational. Equally important, it identified a sequence of actions capable of activating those leverage points, beginning with the accessible ones because those set the conditions that make the more transformational ones possible. This sequence enables LSF implementation to be driven by a dynamic theory of change rather than a list of enablers to strengthen and constraints to overcome.

To preview these systemic findings, the PIA found the following leverage points, listed roughly in the order that each can feasibly be acted upon or is needed to create the conditions for the success of later ones. (The part of the system targeted is noted in parentheses; "early adopters" are staff and leaders who can be fairly easily motivated to try implementing the LSF; "decision makers" refers to those in Congress, the Administration, and USAID with oversight or managerial authority; "leaders" are decision makers within USAID.) The sequence of leverage points is:

- **Dual-system mindset** (target: systems thinkers)
- **Information flow**: the accessibility of actionable information (target: early adopters)
- **Perceived value** of the LSF as a practical approach (target: staff and leaders)
- **Influence flow**: how staff and leaders are motivated to implement (target: staff and leaders)
- **Information feedback**: the accessibility of results data (target: decision makers)
- **Sustainability mindset** (target: decision makers)
- **Local-systems mindset** (target: staff and leaders)

Of these, *perceived value* is the key turning point—the most important leading indicator that the LSF is on a path to Agency-wide implementation; the previous two, if acted on in sequence, are necessary (but perhaps insufficient) conditions for achieving a positive perceived value. *Influence flow* and *information feedback* are two alternative paths from *perceived value* (which they depend on) to *sustainability mindset* (which they enable). The sustainability mindset of decision makers is a leading indicator that LSF implementation is highly likely Agency-wide. A *local-systems mindset* is a real-time indicator of success.

The next section discusses the systems methods used to identify these leverage points as part of the PIA, walking through how the boundaries of the USAID system were chosen, the methods used to collect data, and how the system mapping, archetypes analysis, prerequisite analysis, network mapping, and synthesis methods were carried out.

DUAL-SYSTEM METHODOLOGY AND FINDINGS

Methods for undertaking a dual-system assessment are the same as those used to study systems more generally except they are targeted and sequenced: first it assesses the system facing the challenge, then the system proposing a solution. For this PIA, the assessment was applied only to that second system, USAID. This section walks through the sequence of methods used and how the results were applied.

In this assessment, the focus was the internal USAID system (while the deep-dive cases provided some insight into the challenges of interfacing with external local systems). The boundary of this system was defined as including any office, bureau, operating unit, Mission, regulation, policy, practice, factor, process, staff position, individual staff or leader, or institutional contractor (but only those with a *usaid.gov* email address who physically shared office space with USAID staff) with material influence over any aspect of the program cycle that affects LSF implementation. IPs, institutional contractors, and factors outside of USAID's control (such as foreign policy priorities or Congressional decisions) were considered to be outside the boundaries of the system and therefore outside the scope of the system assessment.

Within the boundary of the system were the "5Rs"[66] as applied to USAID and LSF implementation:

- **Resources.** These included funding to support dissemination and training, leadership support, staff incentives, and learning. In more traditional frameworks, these would be considered the "inputs" needed for LSF implementation.

- **Rules.** All systems have principles governing conduct that are formally defined (e.g., policies, laws, regulations, or processes) and informally understood (e.g., norms, values, or culture). Informal rules tend to be highly underappreciated contributors to system behavior, so significant attention was paid to those.

- **Roles.** Different people play different kinds of roles in the implementation of a policy. Key stakeholders can include champions, potential champions, and holdouts.

- **Relationships.** Systems approaches focus on relationships between stakeholders and relationships between the factors affecting their behavior. System mapping helped elucidate interactions between factors, and the SNA, interactions between stakeholders. Understanding the structures of influence over implementation made it possible to find paths to influencing implementation in the future.

- **Results.** The outcome of concern for this PIA is the degree to which the LSF has been implemented or might be implemented in the future, for example by measuring system change targeted at sustainable results, prioritizing sustainability and systems strengthening in programming, and taking on more risk to increase the chances of achieving sustained results.

Finally, the 5Rs framework proposes four phases of systems practice: listening (appreciate the system "as is"), engaging (select/initiate appropriate interventions), discovering (learn from the effects of interventions), and adapting (modify interventions based on discoveries), which feeds back into listening.

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[66] Bureau for Policy Planning and Learning, "The 5Rs Framework in the Program Cycle," *USAID Technical Note,* October 2016.

Any evidence that an adaptive process such as this was driven by or enabled by the LSF was considered within the boundaries of the internal USAID system.

DATA COLLECTION

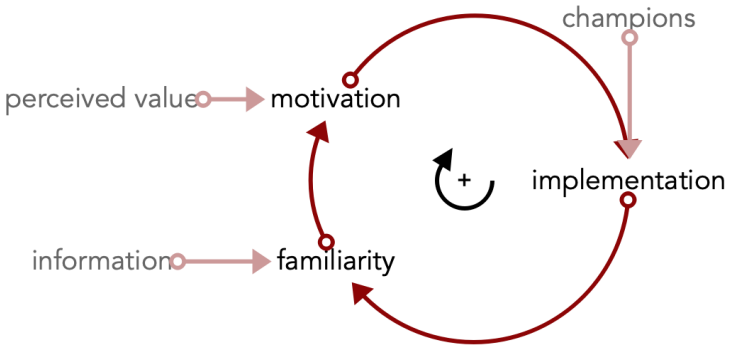
The methods used to collect data are described in the Methodology section of the PIA report and Annexes 2–5. They included semi-structured interviews designed to collect both broad and deep perspectives on LSF implementation, an Agency-wide survey on all aspects of LSF principles and their use, a network-mapping exercise to discover how influence on LSF-aligned approaches has flowed through the Agency over the past decade, manual and automated reviews of key documents to estimate the degree to which the LSF has been integrated into the Program Cycle and knowledge resources over time, and two workshops with systems practitioners and LSF champions to help synthesize the findings.

SYSTEM MAPPING

The interviews, survey, and workshops identified a wide range of enablers and constraints and the links between some of them—that is, they identified *system structures,* or the particular way the elements of a system regularly interact (e.g., feedback loops, clusters of variables or people, multi-causality, and critical mass). Among the most basic system structures are feedback loops, or processes where an action triggers a chain reaction that subsequently influences the original action. For example, in some interviews it was suggested that staff have had negative impressions of LSF-aligned approaches: certain local-engagement processes were too time-consuming (e.g., whole-system-in-a-room); some systems tools were too confusing (e.g., causal-loop diagrams); and it was not always clear how the results of some tools could be incorporated into programming (e.g., SNA). As a result, those staff have abandoned the idea of using those approaches again in the future. In other interviews, it was clear that some staff were familiar with the LSF because they had worked with a champion who had explicitly put LSF principles into practice. Logically, these insights implied a feedback loop: the number of people exposed to the LSF influenced the number of people with negative or positive impressions of the LSF, which influenced the number of people motivated to try implementing the LSF, which influenced the number of people exposed to the LSF. A "positive impression" feedback loop would be an enabler; a "negative impression" would be a constraint. In several rounds of conversations aiming to be more precise about that particular feedback loop, participants argued that the factor influencing motivation was not a "positive impression" of the LSF but the "perceived value" of the LSF.

A similar process drove the discovery of additional feedback loops. Initial structures were identified by the PIA team's Systems Practice Adviser (SPA) or brainstormed during the first workshop with LSF champions and systems practitioners, then further developed by the PIA team, and finally validated through one or more rounds of email exchanges or conversations. As these feedback loops were identified, they were incorporated into a type of system map called a causal-loop diagram (CLD), which was also revised after feedback. (System maps and CLDs portray relationships between the elements of a system, using arrows to show the direction of influence.)

FIGURE 32: FEEDBACK LOOP: CONSTRAINTS



Large CLDs are not generally useful vehicles for communicating clearly to lay audiences about systems: for anyone not trained in how to produce or read them, CLDs impose a high cognitive load on viewers, who tend to describe them as confusing or overwhelming—then have negative associations with them in the future. This has been the professional experience of several of the systems practitioners interviewed as well as that of the SPA on the PIA team. Therefore, rather than publishing a large CLD, a series of smaller visuals was generated, communicating one key point at a time, an approach that tends to be received more favorably by lay audiences. This approach is also consistent with one of the recommendations of this PIA, which is for systems practitioners to find ways to make complexity more accessible and usable. The process and results are described in the next section.

ARCHETYPE ANALYSIS

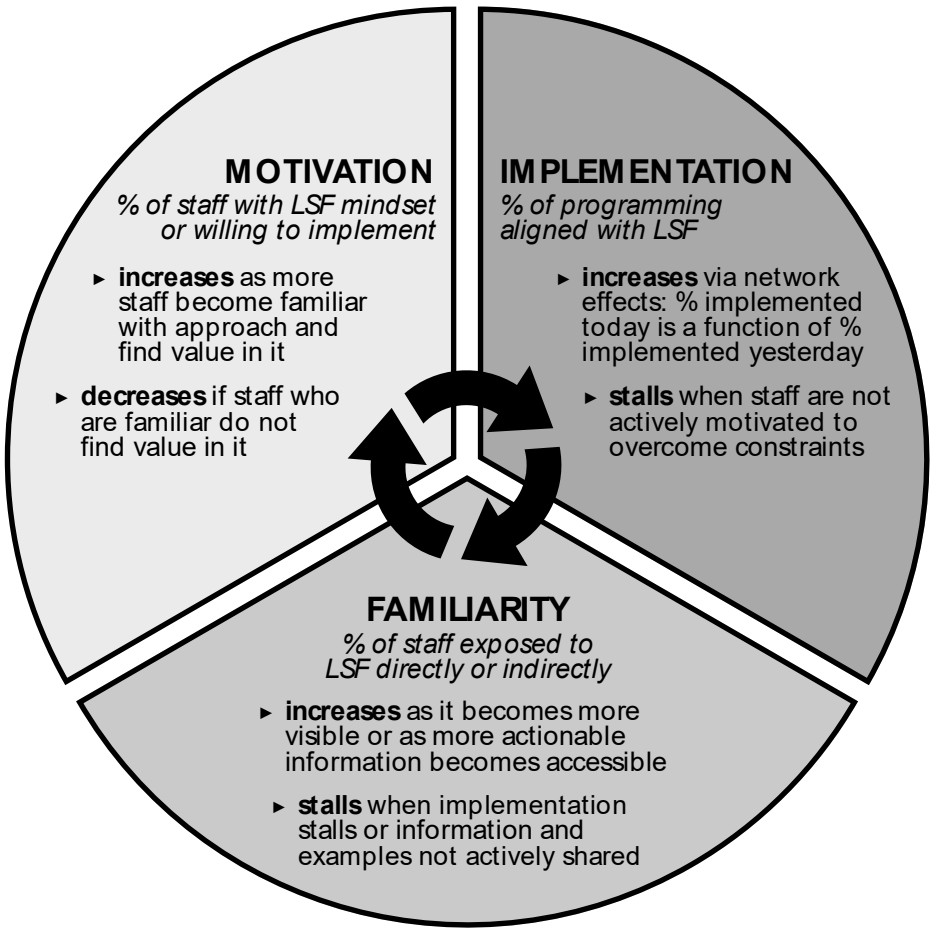
A system archetype is a system structure that is common enough that scholars have identified the typical problems they produce and the generic solutions for overcoming them. The most common archetypes have standard names (e.g., "policy resistance," "success to the successful," "tragedy of the commons"). All system archetypes are system structures, but not all system structures are system archetypes. Archetype analysis examines system structures that produce predictable behavioral patterns. For example, a self-reinforcing feedback loop produces exponential growth in its key indicator, or *s*-shaped growth if the key indicator has a limit of some sort (e.g., limited capacity). A counterbalancing feedback loop will tend toward a stable result if it has one key indicator that measures a level or amount of something (e.g., population, inventory, a resource, resentment, etc.) but will oscillate between more than one result over time if it has more than one such indicator.

The power of archetype analysis comes from knowing the connection between system structure and system behavior: every archetype has a predictable result and a generic solution. Real-world systems are rarely perfect archetypes, but how a real-world indicator has changed over time can still offer a hint of the underlying system structure that produces that result. And if that structure is verified, it can offer a hint of the kinds of solutions that might be feasible. When time, resources, and data are not available to build simulation models capable of identifying leverage points, archetype analysis is a less resource-intensive alternative for finding potential paths through complexity toward desired results.

Archetypes can be quite sophisticated. As feedback loops intersect, the behavior of the system becomes more complicated, but the regularity between structure and behavior remains. For example, a "policy resistance" archetype (there are several) has a balancing feedback loop in which a policy successfully addresses the *symptoms* of a problem, but because the policy makers or implementers are not aware of the underlying causes, the policy has some unintended consequence that worsens the problem over time or crowds out a more sustainable solution so the result never improves. A "success to the successful"

archetype consists of two self-reinforcing feedback loops that exacerbate existing inequalities (e.g., the rich get richer while the poor get poorer, or conventional ideas flourish while innovative ideas languish). A "collective action" or "tragedy of the commons" archetype has at least four intersecting feedback loops that explain how a resource becomes depleted. All have generic solutions for which real-world analogues can be sought.

FIGURE 33: VIRTUOUS CYCLE: MOTIVATION, IMPLEMENTATION, FAMILIARITY

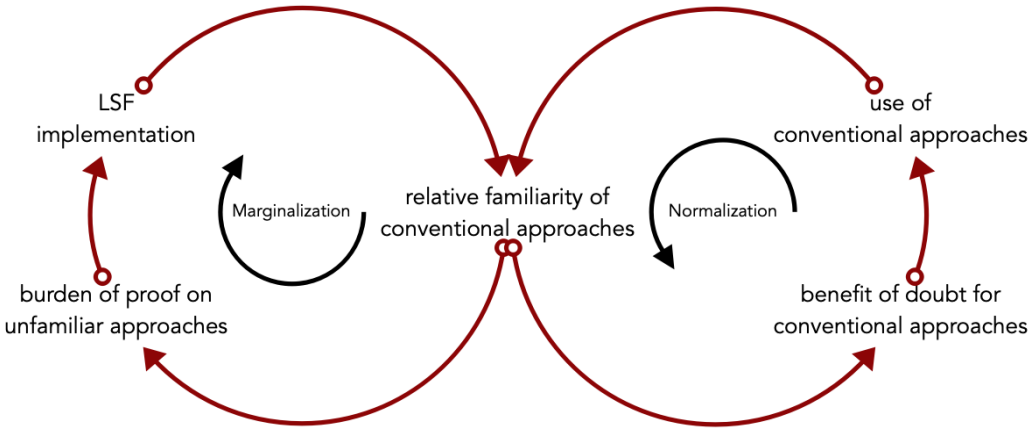


A number of system structures and archetypes were identified during the system mapping exercise conducted as part of this PIA. The seven most important structures and archetypes discovered are as follows.

- **Virtuous Cycle.** The first is a simple self-reinforcing feedback loop. This process leads to an increasingly desirable outcome until it reaches some limit (see Figure 33). This virtuous cycle has been driving LSF implementation since the beginning: as more champions implement the LSF, more staff become familiar with it; all else equal, familiarity can positively motivate staff to try implementing it themselves; and as more staff implement the LSF (exposing their colleagues to it), even more staff become familiar with it. It is driven by three key enablers: champions (who have been its main source of strength to date); access to actionable information about the approach (which to date has been inadequate); and perceptions of the value the LSF adds to current practice (which has probably been the most important self-imposed constraint to date).

- **Normalization.** The second archetype consists of a large number of self-reinforcing feedback loops that all converge around the reinforcement of conventional practices. Familiar or "normal" practices tend to be used by default: they enjoy the benefit of the doubt, which encourages their further use, which over time become a habit for individuals and a norm for everyone (see Figure 34). How things become normalized varies, but once normalized, they generally stay normal (all else being equal). USAID culture has a default preference for sector-specific, "pillar," and "building-block" approaches, for example, which likely derives from USAID's relatively flat organizational structure (e.g., food, health, and markets in separate bureaus). Staff have a lower appetite for risk than is permitted and in interviews staff suggested that this aversion to risk persists due largely to misperceptions of the rigidity of procurement requirements, a reasonable fear of legal repercussions for violations, and habit formation due to bandwidth constraints. USAID programming has a strong tendency to focus on short-term results (e.g., very few ex-post evaluations), and despite longstanding encouragement to seek sustainable results, few incentives exist for doing so: results that take time to materialize are hard to measure and can look like failure in the short term, and multiyear funding to support longer-term approaches is not frequently authorized by Congress. These and other conventional tendencies are stable because they are familiar, comfortable, and normal to essentially everyone, with exceptions proving the rule. In Figure 34, the Normalization constraint is represented as a single feedback loop (right side) that interacts with the Marginalization feedback loop, which is described next.

FIGURE 34: NORMALIZATION AND MARGINALIZATION



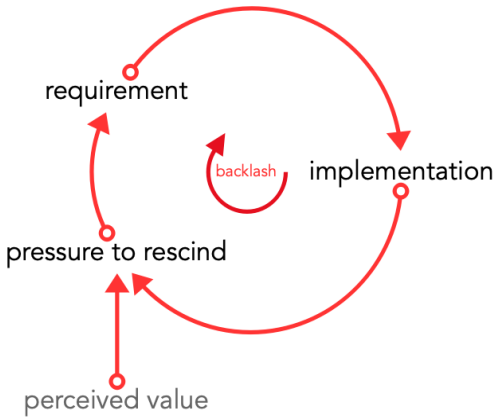
- **Marginalization.** This is the mirror image of Normalization. Unfamiliar approaches, such as those outlined in the LSF, bear the burden of proof (to both staff and leaders) for why they should be used, which constrains their use and keeps them unfamiliar. This reinforcing feedback loop is a "vicious cycle" because it perpetuates the marginalization of the unfamiliar. The Marginalization and Normalization feedback loops intersect in a way that ensures conventional ideas flourish while innovative ideas languish. Marginalization structures can be overcome either through top-down processes, such as leader-led priorities and incentives to staff, or through bottom-up processes, such as a slow but growing familiarity due to the efforts of LSF champions.

- **Anchoring.** Some Normalization structures are anchored to features of the U.S. government that USAID cannot control, such as foreign policy priorities and Congressional earmarks or reporting requirements. This is a key constraint on the ability of leaders to make decisions that would prioritize sustainability (e.g., providing multi-year funding, programming aid around long-term results that are neither demanded nor rewarded by Congress, etc.). As long as decision

makers outside of USAID do not see enough value in sustained results to demand and reward them, constraints anchored in this way will be particularly difficult to overcome.

- **Bandwidth.** The "tragedy of the commons" archetype normally involves the depletion of a common resource pool, such as public grazing lands or ocean fisheries. Each individual uses more of the resource than is sustainable because the benefit to each individual is direct and immediate while the cost is indirect and delayed. The aggregate effect is depletion, which leaves everyone worse off. In this case, the "common resource pool" is the time available for staff to do their jobs (colloquially called "bandwidth"), and the "individuals" are the various silos within USAID (different bureaus, different initiatives, etc.) that impose some requirement that absorbs staff time. Because each silo has poor visibility over the full range of demands placed on individual staff, they see no reason *not* to impose a requirement they consider important. If something is a requirement, however, staff have to deliver it regardless of how much time they have. As long as staff deliver something, there is no disincentive across silos to impose additional requirements. The result: over time, staff no longer have the bandwidth to complete additional work or try new approaches. The "resource" of excess staff time is depleted.

FIGURE 35: FEEDBACK LOOP: BACKLASH



- **Deterioration.** This is a simple counterbalancing feedback loop that is currently dormant. It is driven by the capacity of systems practitioners (including those among IPs) to provide high-quality training, advice, support, or examples to staff attempting to implement the LSF. If implementation grows over time, demand for such support will rise. If demand ever exceeds that capacity, it will be harder to implement the LSF in ways staff will find useful, so perceptions of its value and therefore the motivation to implement it would deteriorate.

- **Backlash.** This counterbalancing feedback loop is also dormant, but it could be awakened by leaders who require staff to implement some aspect of the LSF. If that were to occur, there is a risk it would generate a backlash if perceptions of the LSF's value are negative: staff would fulfill the requirement, but if doing so increases their workload without improving the types of results they are rewarded for, they will eventually pressure leadership to rescind the requirement (see Figure 35). This potential backlash can be avoided if the LSF is seen as adding real value, such as by *reducing* staff workload, improving the effectiveness of results staff get recognized for (e.g., achieving short-term targets), or rewarding staff for achieving more sustainable results. The

Backlash and Deterioration structures are described here even though they are currently dormant because it is important to be aware of the potential for unintended consequences of success.

The overall structure of the problem at hand is that LSF implementation has grown but that growth has been limited by a wide variety of (feedback-driven) constraints that have been acting (and interacting) simultaneously—or that would be activated by the very growth in implementation that is desired. A system archetype, a variant of the "attractiveness principle,"[67] describes this structure. In this archetype, one reinforcing feedback loop represents desired growth while a large number of counterbalancing feedback loops draw their strength from the growth of the very result that is desired and thereby limit the growth. For example, as an artistic neighborhood attracts more residents and businesses, it eventually attracts so many that it becomes overcrowded and unaffordable. According to the attractiveness principle, no solution can address all problems at once, so the solution that produces the least unattractive result should be pursued (e.g., to accept overcrowding but work to make it affordable).

For the LSF, the reinforcing feedback loop is the Virtuous Cycle, which is counterbalanced by the Backlash and Deterioration structures described above. However, the rest of the system structures that constrain LSF implementation—Bandwidth, Marginalization, and the multiple feedback loops represented by Normalization and Anchoring—all tend to *reinforce* existing trends or results rather than counterbalance them. As a result, the system reinforces competing approaches and crowds out adoption of the LSF: the LSF is not opposed so much as it is outcompeted. That suggests a path to LSF normalization: avoid Backlash and Deterioration (the counterbalancing structures); escape Marginalization-Normalization (the reinforcing structure); solve Bandwidth and key constraints in Normalization (to make LSF more competitive); activate Virtuous Cycle; and avoid Anchoring.

PREREQUISITE ANALYSIS

The generic solution to an attractiveness-principle archetype is careful sequencing, determined by studying the structure of dependencies in the system. The overall problem cannot be solved simply by strengthening enablers and weakening constraints. A constraint will merely re-emerge later if its underlying cause is not addressed. Discovering the right sequence in which to address those underlying causes requires studying the "prerequisite structure" of the constraints—that is, identifying which constraints depend on which other constraints to maintain their force. Any constraint that (a) other constraints depend on, but (b) does not itself depend on other constraints is a likely leverage point and should be addressed first. A leverage point is a part of a system where an intervention can have an outsize effect on results.

A prerequisite is a necessary *but not sufficient* enabler of some result—it is required for but does not guarantee success. The LSF can be implemented in a wide variety of ways, but for the purposes of this prerequisite analysis, three were considered: prioritize sustainability and systems strengthening in programming, take on more risk to increase the chances of achieving sustained results, and measure system change targeted at sustainable results. Data for this analysis came from a combination of the system mapping exercise—which in turn relied on survey and interview data and the first workshop—and from the second workshop, which was designed to discover prerequisites for these modes of implementation.

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[67] The attractiveness-principle archetype was originally identified by Gene Bellinger. It is described in Peter M. Senge, *The Fifth Discipline,* Doubleday/Currency, 1990, and William Braun, "The System Archetypes," SUNY University at Albany, 2002.

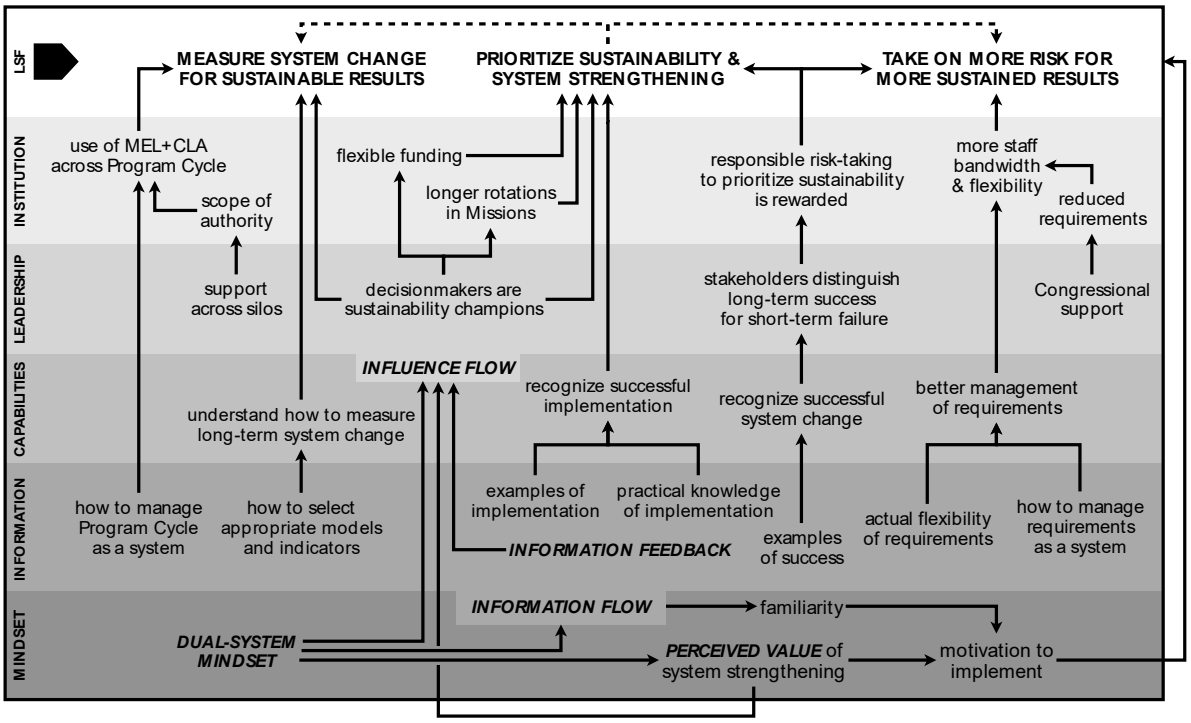
Many of the enablers and constraints identified in the findings are reframed here as prerequisites. Figure 36 shows a partial prerequisite structure for three key "results" related to LSF implementation:

- **To measure system change targeted at sustainable results** would require that staff understand *how* to measure long-term system change, which depends on the ability to select indicators and (nonlinear) models that measure results both directly and indirectly over time. In addition, MEL practices would need to be applied more consistently at all phases of the program cycle—in the spirit of collaboration, learning, and adaptation (CLA) and evidence-driven adaptive management—to increase the chances that different actors will use the same frameworks, theories of change, and indicators for the duration of an activity or project. More strongly combining MEL and CLA across the Program Cycle would, in turn, require both leadership with adequate scope of authority to insist on this kind of integration (requiring leadership support to act across silos) and knowledge about how the Program Cycle itself could be managed *as a system* (i.e., across all parts of the Program Cycle). Finally, it would be critical to have more members of Congress and other decision makers acting as champions of sustainability, prioritizing it alongside short-term results and direct delivery of aid.

- **To prioritize sustainability and systems strengthening in programming** would require more flexible (e.g., multi-year) funding and a staffing structure allowing longer rotations in Missions, which would be enabled by more decision makers championing sustainability. This prioritization would also require a capability to recognize what successful implementation looks like so implementers know what to prioritize, which in turn requires better access to actionable information (examples and practical knowledge).

- **Taking on more risk to increase the chances of achieving sustained results** would require a change in the incentive structure: at the moment there is no reward for taking that risk, only downsides. Results that take time to materialize and are hard to measure can look like failure in the short term. A key prerequisite to taking on more risk, therefore, is to reward responsible risk-taking aimed at sustainability, which in turn requires that evaluators, inspectors general, Congress, and in some cases the public understand that short-term results are not always good indicators of long-term success, an understanding that would be enhanced by familiarity with successful system change. In addition, the learning and documentation needed to try something new and potentially risky requires staff bandwidth, which is constrained by the number of requirements staff are expected to comply with (requiring in turn support from Congress for such changes) or a better way to manage requirements, such as by correcting misperceptions about the actual flexibility that exists or by treating the various requirements as a system (i.e., different requirements have intersecting features that could potentially be interpreted and managed through a single framework).

FIGURE 36: SELECTED PREREQUISITES FOR THREE ASPECTS OF LSF IMPLEMENTATION



In the figure above, a number of terminal prerequisites can be found by following the prerequisite arrows backward from the top. In the "leadership" tier, for example, *support across silos* and *Congressional support* have nothing below them. This does not mean they have no prerequisites themselves, only that their prerequisites were not identified by the methods used for this analysis. The same can be said for most of the other prerequisites as well: each has further prerequisites that were not identified, were outside the boundary of the analysis (e.g., partner-government priorities), or were obvious enough not to merit inclusion (e.g., leaders care about results).

This figure also omits some dependencies between prerequisites to avoid visual clutter. For example, recognizing successful implementation would require not just more examples and practical knowledge but likely would require *all* of the prerequisites in the "information" tier. Similarly, understanding how to measure long-term system change would require the ability to recognize successful system change as well as technical information about indicators and models. (As an exercise, readers are invited to examine Figure 36 to identify prerequisites and dependencies they believe are missing.)

Many of the prerequisites in the figure seem to terminate in the "information" tier, indicating that more staff would attempt implementing the LSF if they had better information about how to do so. This is not the full story, but it is an important part of the story. The interviews and survey indicated that many staff had difficulty putting LSF principles into practice (e.g., not knowing what to do with the results of a system mapping exercise) and did not see the value of trying again. Other staff faced other challenges (e.g., the partner government's priorities changed) or never tried because they never saw its value, believed it was feasible, or knew it existed.

In other words, not all prerequisites are equal: some apply to all personnel, others apply only to some. The PIA team therefore segmented the population of USAID staff and leaders according to the number

of prerequisites that would need to be present to motivate them to implement. This segmentation was based partly on the classic "diffusion of innovation" framework by Everett Rogers, whose research found that populations adopt innovations (e.g., a new product or practice) in a particular sequence depending on a mix of personal characteristics, position within the broader group, and dynamics of authority within the institutions.[68] In general, it is a bottom-up model of the adoption of new ideas and practices but it recognizes the significant role played by characteristics of the institution itself, including top-down dynamics such as policy, leadership support, and decision-making authority.

If implementation of the LSF grows in the future, it will likely take one of three paths. The first is a "fast track," a top-down process in which leaders make decisions that have the effect of prioritizing sustainability of local systems, the lifting of institutional constraints, and the institutionalization of resources and support. A "slow track" is the classic bottom-up diffusion process, in which champions take advantage of network effects by helping a small number of "early adopters" implement, then those early adopters demonstrate successful implementation to additional staff, and so on, while working to find ways around institutional constraints. A "medium track" would combine both, starting with a bottom-up effort to influence staff who are positioned to influence leaders who in turn are positioned to make "fast track" decisions that would lift institutional constraints and speed adoption by more staff. The staff and leaders in each of the diffusion-framework segments described below would be affected differently depending on which track LSF implementation takes in the future:

- **Innovators.** The smallest segment in the diffusion framework are the "innovators" who immediately see value in a new practice and have the risk tolerance and position to try it right away. At USAID, this segment would correspond to the original champions who led the development of the LSF and the founding of the LSC, the deep-dive interview subjects, and the few survey respondents who reported "regularly" putting LSC principles into practice.

- **Early adopters.** The second smallest segment in the diffusion framework tends to be opinion leaders willing to give new ideas the benefit of the doubt and generally require little more than instructions for how to put the new idea into practice. For LSF implementation, this segment would, by definition, correspond to the small number of staff who say they embrace LSF principles, including LSC members, the central systems thinkers identified through network mapping, interview subjects who said they have tried implementing the LSF in the past (successfully or not), and the survey respondents who reported embracing the principles enough to "sometimes" put them into practice. Providing early adopters the information and support they need to try implementing is the "low-hanging fruit" of LSF implementation.

- **Early majority.** The vast majority of USAID staff are neither champions nor early adopters and therefore require more than information and basic support to motivate them to implement. The diffusion framework divides this majority into "early majority" and "late majority" adopters. The early majority tend to have some connection with early adopters and opinion leaders but tend

[68] Everett M. Rogers, *Diffusion of Innovations* (New York: Free Press of Glencoe, 1962). Similar dynamics are found in product releases and infectious diseases. See Frank M. Bass, "A New Product Growth for Model Consumer Durables," *Management Science* 15, no. 5, January 1969, pp. 215–227; and William Ogilvy Kermack and A. G. McKendrick, "A Contribution to the Mathematical Theory of Epidemics," *Proceedings of the Royal Society of London* 115, August 1, 1927, pp. 700–721.

not to be opinion leaders themselves, even if some are in leadership positions. By definition, they are open to new ideas and practices but will not adopt them until they see others putting them into practice, see results that clearly demonstrate their value, and receive more training and support than early adopters require. For the LSF, early-majority staff and leaders likely include the more peripheral systems thinkers found through network mapping, survey respondents who said they have heard of the LSF or systems thinking and perhaps try to apply it on occasion, and probably at least some of their closer colleagues. This is the most important segment to target, because they can speed implementation along any of the tracks: on the fast track, they require more constraints to be lifted than early adopters but fewer than everyone else; on the slow track, when a critical mass of early-majority staff have become implementers, the Virtuous Cycle driving implementation can become self-sustaining; and on the medium track, champions and early adopters can strategically influence early-majority adopters who work closely with the leaders best positioned to make fast-track decisions.

- **Late majority.** According to the diffusion framework, the late-majority segment is a hard sell because they impose a high burden of proof on new ideas and practices, and they are hard to reach because they tend not to be active in communities of practice or have a close connection to champions and early adopters. By definition, they will implement only with direct incentives, a clear signal from leadership that implementation is a requirement or a priority, and evidence that most other staff are already implementing. The methods used for this PIA were not designed to identify or engage this segment. It is a reasonable guess, however, that the late majority are those staff and leaders who survey respondents and interviewees said are not trying to put most of the LSF principles into practice. It will be faster to motivate both majorities—early and late—via top-down policy (i.e., requirements imposed, constraints lifted) than via bottom-up influence (i.e., peer pressure or encouragement). If a critical mass of *early*-majority implementers can be reached and the main institutional constraints lifted, then the late majority will eventually implement.

- **Laggards.** This segment is unlikely to adopt LSF-aligned practices unless directly required to do so and offered significant assistance.

Just as the system mapping and archetype analysis found feedback loops and system structures that should be addressed in sequence (previous section), and the prerequisite analysis identified an implicit sequence of constraints to address the diffusion framework made it clear that the *audience* for encouraging LSF implementation can be targeted in a particular sequence as well, whether by leaders making decisions to prioritize sustainability or by champions hoping to influence leaders to make such decisions.

The final workshop of the assessment included two breakout sessions to generate data to identify prerequisites targeted at these groups. Participants were asked to identify reasons each of the modes of implementation (the top tier in Figure 36) was not already being implemented (e.g., why is sustainability of local systems not already being prioritized?). They were then asked why the *answer* to that question was also not already happening, and so on, for five "whys."[69] This data was analyzed in combination with the system structures and archetypes to complete the prerequisite analysis. This analysis revealed that the creation and distribution of actionable information plus influence over perceptions of the LSF's value both

[69] David Gray, Sunni Brown, and James Macanufo, *Gamestorming: A Playbook for Innovators, Rulebreakers, and Changemakers* (Sebastopol, Calif.: O'Reilly Media, 2010), ch. 6, "5 Whys."

depend on the same three sets of actions: expanding the network to more influential people, making complexity accessible (selecting and presenting tools and approaches in ways that are easier to understand, use, and integrate into existing workflows), and aligning LSF approaches with valued narratives that already exist in the Agency (e.g., short-term effectiveness). These systemic actions can be taken by champions, practitioners, and even some early adopters by adjusting *how* they communicate about the LSF (e.g., noting it can connect short- and long-term results), *what* they communicate (i.e., the items in the "information" tier of Figure 36), and *with whom* they communicate (to make the network of champions bigger and more effective).

There is key a reason this group is not already taking these actions. In the second workshop, champions identified this as a collective-action problem. They are only able to encourage implementation based on what they are able to observe within their own sphere of influence. All of them have bandwidth constraints, and none of them has full visibility over how the LSF is being implemented across the Agency. As a result, the champions are doing their best to encourage implementation, but the collective result is less than what everyone desires.

The research literature has identified three generic solutions to collective action problems: regulation, privatization, and self-coordination.[70] For the LSF, regulation might involve leadership assigning staff or an operating unit to take responsibility for demonstrating the LSF's value. Privatization is mainly a metaphor in a government agency, but the equivalent might involve hiring an LSF coordinator or creating a technical support mechanism. For self-coordination, a small group of champions would voluntarily take the lead on coordinating action.

Of these solutions to the collective action problem, self-coordination is likely to be the easiest to launch early on. This group of staff has the raw material already in place to overcome the collective action problem through self-coordination: intrinsic motivation by the key actors, portions of their time already spent on aspects of implementation, the existence of a community of practice, the discovery of a hidden (if loose) network of systems thinkers, and a mindset and skillset that already makes it possible for them to think in systems and networks. Taking this bottom-up approach makes it more likely that the other two approaches could be taken in the future, because there would be more staff seeking support for implementation and therefore more demand for policies to facilitate it and the removal of institutional constraints.

That leaves a final prerequisite in the overall structure: getting these champions and practitioners to change their mindset—how they see their own role in the broader effort—to begin thinking of themselves not as individual systems thinkers but as part of a *system of systems thinkers.* Because they are already systems thinkers, the realization that they themselves are part of a system that encompasses other systems thinkers—who collectively have a goal of encouraging systems thinking in the service of sustainability—would very likely change their behavior toward more self-coordination to overcome their collective-action problem.

None of the results of the prerequisite analysis should be interpreted as arguing that the LSF is most likely to be implemented via a bottom-up process. On the contrary, a strictly bottom-up process—in which

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[70] See Elinor Olstrom, *Governing the Commons: The Evolution of Institutions for Collective Action* (Cambridge, UK: Cambridge University Press, 1990)

champions influence early adopters, early adopters influence early-majority staff, and anyone trying to implement the LSF needs to do so by finding ways to overcome systemic constraints—would be the slowest way for USAID to achieve sustained results in its programming. By contrast, a top-down approach—in which leadership made it clear that the sustainability of results in local systems should be prioritized and that responsible risks taken to that end would be rewarded—would be the fastest path to sustainable development. In the absence of leadership support for that approach, the synthesis of findings suggests the most effective way to achieve broad LSF implementation would be the "medium track" approach described earlier: a bottom-up approach that spreads systems thinking and a sustainability mindset, not just to any staff but to those staff who are best positioned to influence leaders who can make the kind of top-down decisions that would fast-track LSF implementation in the future.

SYNTHESIS OF FINDINGS

The LSF's overarching goal of getting USAID to prioritize the sustainability of development results in local systems is not being achieved to the degree the LSF envisioned. To the degree USAID is held accountable for results, it is for short-term results, not sustained results. Of the various approaches that could be used to achieve development results (of any duration), analysis and expertise are prioritized over synthesis and local engagement. That is, analytic expertise is the default—the norm—that enjoys the benefit of the doubt, while local systems approaches are alternatives to the norm and as such face a burden of proof for their use. Local systems approaches (e.g., local engagement, systems thinking, complexity-aware M&E, etc.) are perceived as requiring more effort—to learn and apply—than is needed to achieve the kinds of results that are generally expected. By contrast, analytic expertise delivers the type of results that are generally expected—and when it fails to, there are few direct negative consequences as long as "normal" risks were taken (meaning normal approaches were employed).

Therefore, in the absence of an authoritative demand or any real reward for sustained results in local systems, there is generally no perceived value to prioritizing sustainability or putting LSF principles into practice. This is not to say that staff and leaders do not value the *principles* of the LSF, nor that those principles are never put into practice. It is only to suggest that there remains a significant distance between what is valued in principle and what is valued in practice. Leaders and staff who want to put LSF principles into practice today have either an inadequate scope of authority or inadequate knowledge, tools, resources, or capacity to do so.

A *systemic* understanding of LSF implementation begins with these observations because they represent the equilibrium state of the complex system that is USAID. To increase LSF implementation to a point where it becomes a norm itself—which is presumably the goal of any policy—will require a transformation of the system into a new equilibrium state. That can only be achieved if the structure of the system is known and the leverage points for its transformation are acted upon.

The system mapping, archetype analysis, and prerequisite analysis exercises described above were intended to discover the system's structure, leverage points, and prerequisites for success. Taken together, these insights suggest that a successful path to full LSF implementation in System 2 (USAID in general) likely moves through the following seven leverage points, in rough order of the sequence in which they need to be acted upon (each builds on the success of the previous):

- **Dual-system mindset** (target: systems thinkers)—A "system of systems thinkers" overcomes the collective action problem preventing systems thinkers from strengthening the *information flow* and *perceived value* leverage points.
- **Information flow** (target: Early Adopter staff and leaders)—Greater accessibility of actionable information strengthens the *familiarity* variable (and indirectly the *motivation* variable) of the

Virtuous Cycle system structure and gives the Early Adopters segment the tools and confidence they need to implement the LSF effectively.

- **Perceived value** (target: staff and leaders)—Improving perceptions of the LSF as a practical approach strengthens the *motivation* variable of the Virtuous Cycle, neutralizes the Backlash structure, and encourages the Early Majority segment to follow the lead of Early Adopters.

- **Influence flow** (target: staff and leaders)—How staff and leaders are motivated to implement affects the order in which different segments of staff and leaders enter the Virtuous Cycle, weakens the Marginalization-Normalization structure by normalizing the LSF, and potentially neutralizes the Deterioration structure.

- **Information feedback** (target: decision makers)—Widespread accessibility of results data weakens the institutional and cultural constraints perpetuating the Anchoring, Normalization, and Bandwidth structures and incentivizes the *sustainability mindset* leverage point.

- **Sustainability mindset** (target: decision makers)—A mental model that associates effective development with sustained results in local systems creates enablers that helps the LSF enter the Normalization structure and potentially encourages the Late Majority segment to attempt implementation.

- **Local-systems mindset** (target: staff and leaders)—A mindset that embraces synthesis along with analysis and nonstate actors along with state actors directly motivates staff and leaders to put LSF principles into practice and perpetuates the LSF as a normal part of development programming.

Together, and in this sequence, these are the main components of a new *dynamic* theory of change for LSF implementation. Each will be discussed in turn.

DUAL-SYSTEM MINDSET

As discussed in the first section of this annex, a dual-system problem arises when a system producing a problem is more adaptable than the system attempting a solution. International development would be more effective if donors recognized that they are themselves complex systems attempting to influence other complex systems. This recognition is the dual-system mindset.

In large agencies accountable to the public, leaders and staff are expected to value respect for the rule of law and therefore compliance with rules. Problems emerge when rules and requirements are imposed without knowledge of their cumulative effect on staff time, as the discussion of the Bandwidth structure demonstrated. Moreover, large agencies are divided into operating units, each with its own sphere of influence. As several interviewees observed, this siloed organizational structure—combined with lists of discrete rules that staff are expected to enforce and comply with—naturally reinforces an analytic mindset (one that divides problems into discrete tasks) and leaves staff with little time or incentive to work across silos when not required. As a result, while bureaucracies are technically systems—their elements do interact—they are managed through discrete elements (operating units and rules).

A dual-system mindset recognizes that interactions between those elements affect aggregate behavior of the Agency. Even if every OU follows all rules and achieves its own objectives, the collective outcome—the development programming the Agency delivers—might still be different from what the Agency's formal policies intend. What looks like success to one OU might inadvertently undermine what a different OU needs to do to contribute to successful programming. To treat USAID as a system is to look across silos to find ways to collectively achieve shared goals and solve problems as they arise, making the agency as a whole more adaptable and effective. This can be led from the top down (e.g., leaders convening multiple

OUs to identify requirements that need to change or help OUs understand each other's needs better) or from the bottom up (e.g., staff collaborating formally or informally to overcome institutional barrier to a shared goal).

The staff and leaders who are both best positioned and most motivated to help launch the process of solving USAID's dual-system problem are its systems thinkers, practitioners, and LSF champions, because they already have the systemic mindset needed to see how interactions between silos affect collective success. At the moment, however, these individuals are not acting collectively beyond involvement in communities of practice, so their ability to influence dual-system reform at USAID is self-constrained. If, however, these champions and potential champions were to start thinking of USAID from a dual-system mindset, their behavior would naturally shift, because, as practitioners, they already have knowledge about how systems work and experience advising how to make systems work better. They also have the most direct stake in LSF implementation, and in interviews and workshops many of them expressed interest in contributing to its success.

Importantly, some of the most helpful behavioral changes that might emerge from a dual-system mindset would not require any or much additional work, only changes to how practitioners do their existing work, communicate results, or interact with each other. This PIA has already identified the leverage points within the USAID system that are capable of affecting the systemic constraints identified earlier. As the next subsections show, three leverage points are directly relevant to how systems thinkers do their jobs: *information flow* (e.g., finding ways to make complexity easier to understand and incorporate into programming), *perceived value* (e.g., demonstrating how local engagement and systems approaches can contribute to more effective programming in the short and long term), and *influence flow* (e.g., deepening and expanding the network of systems thinkers strategically through introductions, mentorship, and even self-monitoring via network analysis). Adopting a dual-system mindset would give USAID's systems thinkers a framework through which to encourage broader implementation of the LSF and in turn solve USAID's dual-system problem.

INFORMATION FLOW

The LSF identified seven sets of activities constituting an implementation plan or theory of change.[71] All seven are necessary but not sufficient components of the dynamic theory of change that emerged from this PIA. Most components of the implementation plan relate to the *information flow* leverage point.

As discussed in the prerequisite analysis, early adopters of the LSF are, by definition, already motivated to implement the LSF, but they need better practical information—with clear examples—about *how* to do it, given existing constraints. This includes how to integrate various local engagement and systems approaches into the work they are expected to carry out and how they carry it out, such as risk management, monitoring and evaluation (e.g., models and indicators for sustainable results), adaptive management, and CLA, as well as examples of implementation successes and information about existing Agency resources, support, and requirements.

Information flow was identified as a leverage point because:

- The system maps showed that actionable information improves familiarity and motivation to implement, and the archetype analysis showed that together those factors can put energy into the

[71] LSF, "The Way Forward," pp. 14–15.

Virtuous Cycle and make the LSF more competitive in the Marginalization-Normalization reinforcing structure.

- The prerequisite analysis showed that the provision of the right information to the right people can set the conditions for other prerequisites to be met (e.g., information about what success in system change looks like can help stakeholders distinguish long-term success from short-term failure, which can help leaders recognize responsible risk-taking).

- In interviews and the survey, a number of staff said they had tried incorporating LSF principles into their work or wanted to try but did not know how to do so effectively. This suggests that a small but not insignificant minority of staff are potential *early adopters* who would be ready to implement once they have actionable information. Information flow is the "low-hanging fruit" that can set the conditions for further action on subsequent leverage points.

PERCEIVED VALUE

Perceptions of the value of LSF-aligned approaches—local engagement and systems practice targeted to sustainability—are among the most important reasons LSF implementation has flagged. The system maps based on the interviews and workshops showed that the motivation to implement is a function of both familiarity with LSF-aligned approaches and a positive perception of its value. Importantly, a negative perception was demotivating enough to stall future implementation for most staff.

Two key prerequisites would improve perceptions of the LSF's value:

- Refashioning local engagement and systems approaches so they are less time-consuming, less confusing, and more practical to incorporate into existing processes; and

- Reframing communication surrounding LSF-aligned approaches to associate them directly with concepts and results that staff and leaders value, such as their potential for improving *short*-term results (in additional to sustained results) or helping staff manage competing requirements.

The LSF implementation plan's first three action items—"spread systems thinking," "embed systems thinking and local systems into the Program Cycle," and "add to the ways we can support local systems"—all have elements that can act on this leverage point simply by making the LSF easier to implement. Practitioners, for example, could share knowledge (or brainstorm) about systems tools and approaches that are easier to understand and apply than those currently in use, about local-engagement practices that are less time-consuming, and even about best practices in the visual and verbal communication of complexity in general. Tools for managing complexity could potentially help staff manage the large number of time-consuming requirements they face.

Improving perceptions of the LSF as a practical approach is a leverage point because it strengthens the *motivation* variable of the Virtuous Cycle, neutralizes the Backlash structure, and encourages the early-majority segment to follow the lead of early adopters. Its success is necessary (but not sufficient) to drive all subsequent leverage points.

INFLUENCE FLOW

The technical term for this leverage point might be "network effects" or "gain from positive feedback" but the general idea is captured in the Virtuous Cycle system structure: if more staff and leaders see value in LSF-aligned approaches, more programming will reflect LSF principles, more people will be exposed to LSF-aligned approaches, and—if the results are positive—more people will see value in LSF-aligned approaches, motivating more people to implement.

This Virtuous Cycle can be influenced by increasing the number of staff and leaders who already are champions of the approach, by exposing staff and leaders to actionable information about LSF implementation and examples of success, or by improving perceptions of its added value.

The first action item of the LSF implementation's plan intersects with this and the previous leverage points, as it advocates the "dissemination of tools, techniques and good practices from those individuals, offices, and Missions that are more expert to those that are less so. We will promote communities of practice, peer-to-peer learning and consultation, how-to notes, and other means for building up and building out good practice."

This is a leverage point for several reasons. The archetype analysis has at its center a Virtuous Cycle in which more people will implement as they see more people implementing. The prerequisite analysis found that a dual-system mindset might encourage systems thinkers to work collectively to expand the network of champions and systems thinkers strategically so leaders in a position to prioritize sustainability and system strengthening might become surrounded by more and more early adopters—and perhaps become champions themselves. The diffusion framework suggested that the early majority segment would take their cues from early adopters and that the late majority would not act until a critical mass of Early Majority staff was already implementing. Finally, this leverage point both drives and is driven by the *perceived value* leverage point and can potentially drive the *sustainability mindset* leverage point if a critical mass of staff surrounding decision makers can argue for or demonstrate its value.

INFORMATION FEEDBACK

This leverage point is driven not by information about how to implement but by *information about the actual sustainability of results* that USAID helps to produce in local systems. If information about the sustainability of results were easily available, it would likely show that most USAID programming achieves short-term results requiring additional resources from U.S. taxpayers to sustain them year after year. The emphasis on the J2SR is intended to address this problem, and this PIA found evidence that programming has increasingly focused on sustainability and local ownership. The information needed, however, goes beyond a signal from leadership that this is a priority.

If *sustainability data* (e.g., from ex post facto evaluations) or *evidence-driven forecasts* (e.g., from modeling and simulation) was systematically collected and easily accessible to USAID personnel, Congress, the Administration, and the public, it would show clearly *how sustained* the outcomes of USAID's activities and projects have been or are projected to be. The resulting public and political pressure would create substantial incentives for decision makers—in and outside of USAID—to reform rules, budgets, and processes that currently act as constraints to the prioritization of sustainability.

This leverage point is consistent with the last action item in the LSF implementation plan, "initiate a series of ex-post evaluations," but can potentially go far beyond that with some creativity, outside groups, experiments with simulation-driven forecasting, and other ideas.

SUSTAINABILITY MINDSET

Interviews and surveys clearly showed that USAID staff and leaders value sustainable development in principle but are not always able to achieve it in practice due to a wide range of systemic constraints. Short-term results are easier to achieve, and in the absence of incentives for long-term results, short-term mindset ends up being the default mental model for programming, that is, a way of thinking that orients programming toward short-term results. A sustainability mindset, by contrast, considers effective development as requiring programming oriented toward sustained results by default. The LSF itself argues for exactly this kind of mental and programmatic orientation.

An Agency-wide shift to a sustainability mindset—especially among decision makers—would have a powerful effect on the day-to-day decisions, rules, and staff incentives that affect aid delivery. Some of the

most difficult constraints to LSF implementation have to do with concerns about the consequences of untested approaches. If decision makers (within and outside of USAID) who are in a position to impose those consequences were more focused on sustainability of results—and discovered that more familiar approaches were not achieving them—they would adjust rules and incentives accordingly, and staff and leaders would naturally shift their approach to programming.

This leverage point can be driven by either the *influence flow* or *information feedback* leverage points (or both) and can be influenced more quickly by appointing more leaders with such a mindset. It counts as a leverage point because the prerequisite analysis found that decision makers who are sustainability champions drive reforms leading to flexible funding, longer rotations in Missions, measuring system change for sustainable results, and ultimately prioritizing sustainability and systems strengthening.

LOCAL-SYSTEM MINDSET

If staff and leaders were to adopt a mindset that embraces systems thinking (synthesis along with analysis) and local engagement, they would be directly motivated to put LSF principles into practice, and LSF implementation would become a normal part of development programming. The analytic mindset that characterizes USAID culture today would still have a place, because analytic and linear approaches are appropriate for complicated (rather than complex) problems. A local-systems mindset, however, can encompass such complicated problems as well as the complex problems that are more common in international development. The success of this leverage point would be a natural outcome of the success of all prior leverage points, but it also can be somewhat accelerated by hiring more systems thinkers and local-engagement champions into staff and leadership positions.

NETWORK MAPPING

The sequence of leverage points introduced above is ordered as a bottom-up process in which the success of the more easily accessible leverage points sets the conditions for the increasingly transformational ones to be acted upon later. Some of these leverage points could also be implemented or encouraged in a top-down manner by decision makers (e.g., if Congress authorized and appropriated funding for a requirement to collect and report sustainability data, or the Administrator prioritized hiring systems thinkers in leadership positions throughout the Agency). In fact, the top-down and bottom-up approaches can be mutually reinforcing. Top-down policy decisions that effectively remove certain constraints and signal the prioritization of sustainability and complexity can quickly create incentives and launch a cascade of changing mindsets. Bottom-up efforts to spread systems thinking can not only set the conditions for its further spread through normal network effects but also—as the "medium track" approach described above suggests—can be targeted toward influencing specific leaders who are positioned to make those top-down policy decisions.

If network effects are central to the success of some of the leverage points, the networks of people who are positioned to act on them would need to be understood better. The PIA team mapped the loose network of systems thinkers in USAID to see how it was affected by the launch of the LSF, how it has affected LSF implementation, and how it might affect implementation in the future (see Annex 5). The team found that the number of people being introduced to some aspect of systems thinking and sustainability per year peaked the year the LSF was released and has been slowing ever since. Moreover, the network was at its most dynamic and resilient during the period between 2014 and 2016, when more introductions were being made per systems thinker, more bridges were being built between silos, and the network was more resilient against those bridge-builders leaving USAID than in the periods before or since. Finally, the distribution of systems thinkers across USAID has always been far from uniform, concentrated mainly in the functional bureaus, but the flow of influence between them has always crossed

organizational silos. In other words, the loose network of systems thinkers at USAID today is well positioned to shape how influence surrounding LSF principles can flow across the Agency.

ANNEX 6. DEEP DIVES

OVERVIEW

To gain a detailed understanding of LSF implementation across the Agency, the team conducted five 'deep dive' studies that collected targeted data in different locations and technical areas to capture local perspectives on efforts toward LSF implementation and integration into the Agency's work. The team selected two missions that have made attempts at LSF implementation: USAID/Mexico and USAID/Uganda. The other three deep dives included technical areas in Washington that have aimed to integrate technical areas in Washington 1) MS comprised of practitioners based in both the RFS and E3 Bureaus; 2)OHS within GH Bureau; and 3) the Office of LS in E3. Note that due to an Agency reorganization that took place post-data collection, some MS and all LS practitioners are both now located in the newly established Bureau for Development, Democracy, and Innovation (DDI).[72] The deep dives included thorough desk reviews, FGDs, and KIIs.

Desk Review. For each deep dive, the team reviewed corresponding CDCS, PADs, solicitations, activity documents and reports, MEL plans and data, and presentations to see the degree to which attention to sustainability and systems thinking has been integrated into strategy, mission planning, and direct programming.

FGDs and Interviews. Due to limitations resulting from the COVID-19 pandemic, the initially planned field visits for data collection were cancelled and the team adapted to working remotely with telephone and skype calls. The team conducted video interviews and group discussions with mission program and technical office staff, AOR/Contracting Officer's Representative (COR), and others who developed or had authority over project and activity design, implementation, and overall strategic approach, including leadership.

TECHNICAL DEEP DIVES

Each of the technical deep dives found a slightly different approach to systems practice or the tools and methods it uses to achieve each end. Across all of the deep dives, there is LSF alignment. Sectors like health systems and approaches like MS have a stronger and more established evidence base for systems practice, and have dedicated more resources, including for staff capacity, monitoring and evaluation (measuring impact of systems change), and learning (building the evidence base). The Office of LS's mission is to support and work through local systems, including through LW. LW legislation has helped the office to overcome the institutional constraints of risk aversion, bandwidth, and staff capacity in those Missions. Champions are still key because even in established sectors, champions led the evolution from a previous approach to one that adopted a systems lens. In all deep dive OUs, success has stemmed from dedicating resources via staff time (new positions or integrated into existing), flexible funding for implementation

[72] This data was gathered in March-July 2020, while USAID was undergoing a structural reorganization that was partly completed. The names of Bureaus used in the report are those applicable during data collection and are a mixture of original USAID structures (E3) and new structures (RFS).

even without earmarks, and performance incentives for contributing to sustainability and local ownership/systems.

Market Systems (MS) approached are used by practitioners in agriculture and food security, economic growth, private sector engagement, digital finance, and financial inclusion among others across RFS, E3 (now DDI), LAB, and Missions globally. These practitioners use a MS approach and insights from systems thinking to address challenges in areas like food insecurity and agricultural productivity to support increased yields, income, jobs, domestic sales and exports, and nutritional status. A MS approach focuses on building the capacity and resilience of local MS , leveraging the incentives and resources of market actors, especially the private sector, ensuring the beneficial inclusion of the very poor, and stimulating change and innovation that continues to grow beyond the life of the project.[73] The practitioners often work cross-sectorally. This approach operates within and alongside the FTF initiative, as well as within or through other Agency programs like the Trade and Investment Hubs.

Through training and technical support in strategy, design, implementation, and MEL, the MS "team" or network[74] supports DC Bureaus and 80 Field Mission counterparts to drive sustainable market-based outcomes. Prior to prioritizing a market system approach, the sector operated primarily through the value chain operational framework, which used systems ideas, but focused narrowly on a single commodity and tended to neglect the wider context in which the VC operates. The VC conceptual framework evolved to an inclusive market system approach that builds on the VC approach while addressing that gap to improve outcomes for a more inclusive and interrelated set of actors and components within a country or regional system. As its Framework for Inclusive Market Development[75] defines it, a market system comprises—through incorporating resources, roles, relationships, rules, and results—public- and private-sector actors who collaborate, coordinate, and compete for the production, distribution, and consumption of goods. This approach to development aims to address the root systemic causes for the failure of markets to meet the needs of more vulnerable populations through interventions developed based on careful synthesis of needs. The evolution from a more linear value-chain approach to one that engages the market as a system aligns with the foundational principles of the LSF.

Contributing to its success, MS has an established guidance document or framework outlining its vision and approach and dedicated staff in DC and the Field with funding for its implementation in programming. One of the primary implementing mechanisms to support an inclusive MS approach at USAID was the LEO project 2013-2016, which was a global support mechanism designed to improve USAID programming by enabling the development of inclusive MS. In 2014, a literature review was conducted through this project evaluating systems and systemic change, and it directly referenced the LSF.[76] To further support this shift in approach, LEO developed a framework that defined MS and provided general guidelines for interventions. In 2020, RFS launched a new global support mechanism, MS & Partnerships, to further champion this approach. More recently, the FTF Enabling Environment for Food Security Project, developed a practical analytical framework to identify and examine the underlying system variables that may present barriers or opportunities to private sector engagement efforts,[77] further supporting systems

[73] https://www.marketlinks.org/sites/marketlinks.org/files/resource/files/Market_Systems_Framework.pdf
[74] The MS "team" is not an official structure but is a network of practitioners in multiple bureaus
[75] https://www.marketlinks.org/sites/marketlinks.org/files/resource/files/Market_Systems_Framework.pdf
[76] Evaluating Systems and Systemic Change for Inclusive Market Development https://www.marketlinks.org/resources/evaluating-systems-and-systemic-change-inclusive-market-development
[77] https://www.marketlinks.org/sites/marketlinks.org/files/resources/eefs_analytical_framework_for_iems_final.pdf

practice in the sector. Centrally funded technical assistance and TDYs from BFS, the Lab, PPL, and E3 have enabled the adoption of the MS approach across Missions through training and capacity building in MS and measuring systems change. As an example, USAID/Honduras hired an MS Advisor who provides technical support in systems practice and thinking to the mission and one of its flagship activities, Transforming MS through its MEL Platform Contract, M&E Support for Collaborative Learning and Adapting (MESCLA), implemented by Dexis. [78]

The Office of Health Systems (OHS) was created as a formal office in 2012 and is situated inside the GH Bureau with approximately 31 staff across three technical teams covering Equity, Quality, Resource Optimization, and one cross-cutting team covering MERL, Communications/KM, Digital Health. The office as a whole supports several other HSS technical areas. The office focuses on providing technical assistance to help countries identify and take ownership for investments in their health systems through partnership with key actors in government, civil society, communities, and the private sector.[79] The Office's work centers on strengthening critical health system functions across countries through building technical, financial, and management capacity. Its mandate focuses on systems strengthening rather than on providing health services directly to beneficiaries. The office's work is guided by USAID's Vision for Health System Strengthening.

The existence of a USAID office dedicated to HSS is inherently aligned with LSF principles. Since its inception, the office has collaborated with the LS team to embed principles of systems practice. The current structure of the office dates to late 2017 and was designed to break down technical silos that had developed from being organized according to individual health-system functions.[80] The organization now has staff with functional expertise spread across the four teams leading to better cross-fertilization and interdisciplinary programming of health systems. The outcome-based approach to structuring the office is an instance of applying systems practice to USAID's operations and in line with the evidence base for impact of systems practice in health system strengthening[81].

MERL for HSS is also a well-resourced and well-established sub-sector. OHS has produced extensive guidance[82] and resources[83] to strengthen MEL capacity for planning, implementing, and evaluating HSS projects and to guide research investments. To build staff capacity in systems practice through training, OHS developed a Global course on HSS which incorporates systems thinking principles and approaches throughout, and is offered to DC-based staff and Missions.

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[78] https://www.acdivoca.org/projects/transforming-market-systems/
[79] https://www.usaid.gov/global-health/health-systems-innovation/health-systems-strengthening
[80] Building blocks in a health system refer to technical foci including: health service delivery, health system leadership and governance, health system financing, health information systems, health workforce, and access to essential medicines.
https://www.usaid.gov/sites/default/files/documents/1864/LMG_Evidence_Compendium_Introduction_and_Pharm_chapters-508.pdf
[81] Impact of Health systems Strengthening on Health https://www.hfgproject.org/wp-content/uploads/2016/03/Impact-of-Health-Systems-Strengthening-on-Health-7-24-1.pdf
[82] HSS MEL Guide https://www.measureevaluation.org/resources/publications/tr-17-167c and Compendium of Indicators https://www.measureevaluation.org/resources/publications/tr-17-167b
[83] HSS Literature Review https://www.measureevaluation.org/resources/publications/tr-17-167a

Mission staff interviewed as part of the deep dive noted that a lack of dedicated funding to health systems was a challenge. Typically, funding for cross-cutting HSS activities is made up of small percentages of available health funding within the operating unit, but this is not standardized across missions and is sometimes dependent on central level approval especially for PEPFAR and PMI.

Office of Local Sustainability (LS): LS is a team of 26 housed inside E3, now DDI, that focuses on leading the Agency in locally led development through a client-centered approach that equips missions with the knowledge, skills, tools, and resources to: leverage local capacities and resources; engage with local systems in ways that build upon and strengthen local leadership, capacity, and self-reliance; and be inclusive of marginalized populations. The office was created in 2010 to focus on the Agency's priority to support locally led and country-sustained development through the Development Grants Program, the Cooperative Development Program, and other Congressionally directed programs. LS activities are innovative and experimental, co-created, and have very flexible funding. It currently manages a suite of programs through which it provides funding to Missions and local organizations including LW, the Cooperative Development Program, the Small Project Assistance Program (with the Peace Corps), Co-Created Research Initiatives, E3/LS Unsolicited Solutions for Locally Led Development, Locally Led Development Annual Program Statement, and Broad Agency Announcement for Locally Led Development Innovation. LS emphasizes working with and through local systems to achieve sustained outcomes. Its portfolio emphasizes co-creation and systems approaches led by local actors. Due to the nature of its mandate and portfolio, LS has primarily provided demand-driven assistance to Missions implementing its program and their partners. However, the office also has a broader mandate to share learning across the Agency on operationalizing locally led development.

Through LW, Missions can implement locally led, local systems-centered activities to address challenges to development under the premise that, "Local actors become self-reliant when they lead their own development." The office currently works with 32 Missions, added over five rounds of competition in which Missions apply for participation in the program. LW provides Missions with five-year discretionary funds that can be used in any sector and do not need to align with a CDCS, unlike traditional funding. With LW funding, USAID Missions can: develop and test flexible solutions to overcome operational challenges to advancing locally owned development within USAID; explore and use systems approaches to achieve sustainable outcomes with local actors; launch new programming that focuses on and tests approaches to local leadership; and adapt existing programming to enable greater local ownership of the development process and improved results. LW activities have used systems tools (such as system mapping, 5Rs, network analysis, etc.) individually at various stages of program design, and also more holistically. For example, the whole-system-in-the-room approach was used for broader program development in the DR for the DR-Haiti Transboundary Water Security System program and in Burma for the Kachin Drug Epidemic: A Systems Approach to Advancing Locally Led Development program. Both programs empower local actors to address their own challenges through locally sourced solutions.

MISSION DEEP DIVES

To better understand what enabled LSF approaches despite the many barriers to integration that exist at USAID, the team conducted deep dives into two Missions, Mexico and Uganda, where systems approaches have been broadly adopted or integrated into their Program Cycle (PC). In both cases, the LSF itself has been a driving force for integrating systems thinking, local systems engagement, and sustainability in USAID's work, and leadership used the LSF while initiating the pivot in emphasis from traditional to systems approaches using CLA and local engagement. In Uganda, the integration began with the integration of MS approaches in the FTF portfolio, in parallel with the increased emphasis on HSS, and DRG's ongoing efforts for cross-cutting integration, all of which were critical influencers, translators, and advocates in this change process. To formalize the approach and cement the progress, systems practice was integrated into

the CDCS development, building upon existing experience, evidence, and enthusiasm with the intention that it would propagate through the PC into implementation. In Mexico, the activities were first revised midstream to reflect a shift in mindset and priorities and in order to formalize the approach, revisions were made to Project Designs and the CDCS later along the PC timeline.

USAID/Mexico is currently one of the most robust examples of Mission-wide systems practice integration at the Agency, but it is still nascent in implementation. USAID/Mexico has a portfolio of approximately $56 million and comprises two technical offices: GRC and Sustainable Development, as well as a Program Office and OAA. Its 2015-2019 CDCS[84], scored as part of the document review, included some level of systems thinking and local engagement but the Mission only seriously centered on a systems approach in October 2016, with the tenure of a new MD strongly predisposed to and experienced in local systems sustainability. The MD's previous role was as the Agency's first Local Solutions Coordinator in the Office of the Agency's Counselor from 2013-2016, where the individual led the Agency in its commitment to supporting country-owned sustained development as well as provided technical feedback on the drafting of the LSF. Starting in 2017, the MD initiated a Mission-wide redesign of activities with an emphasis on local systems-oriented performance incentives. Starting from the top down with a clear priority, the enabling environment for risk adoption in programming through new, innovative, and relatively untested approaches provided the dynamic space necessary for systems practice, learning, and adapting, and for integration of tools like SNA and 100-day challenges, both discussed below.

As part of this process, the Mission redesigned its activity design process and template to strongly emphasize problem analysis and identification specific to the local context, identifying the specific purpose and theory of change through which the activity intends to make progress and the magnitude of that change. In Mexico, two informal points of contact for systems thinking collaborated closely with the AORs of technical areas designing new activities with open and transparent conversations. According to one Mission staff member: "We said from the beginning that the goal was to build knowledge as we go." Mission leadership made it clear to staff and IPs that "we're not sure if what we are telling you is exactly right, but we can help you get to the right answer by having the conversations with Washington, having materials to read, and then developing new designs and implementing them." This open space for learning (and potentially failing) helped reduce resistance to adoption. An environment where staff are incentivized and empowered to innovate, learn, and pivot gracefully in a positive way is highly supportive of approaches embodied in the LSF. Additionally, staff capacity was intentionally built through training by LINC Local Systems Practice (LSP) (funded by LW)[85] and the Local Capacity Development Activity (2013-2017)[86] which provided a foundation for the integration and adoption of systems practice. Performance criteria were also revised to integrate criteria pertaining to the achievement of sustained results and prioritization of local ownership. According to interviews, "at USAID/Mexico, everything we do is through the Local Systems approach, from co-creation to programs to evaluations."

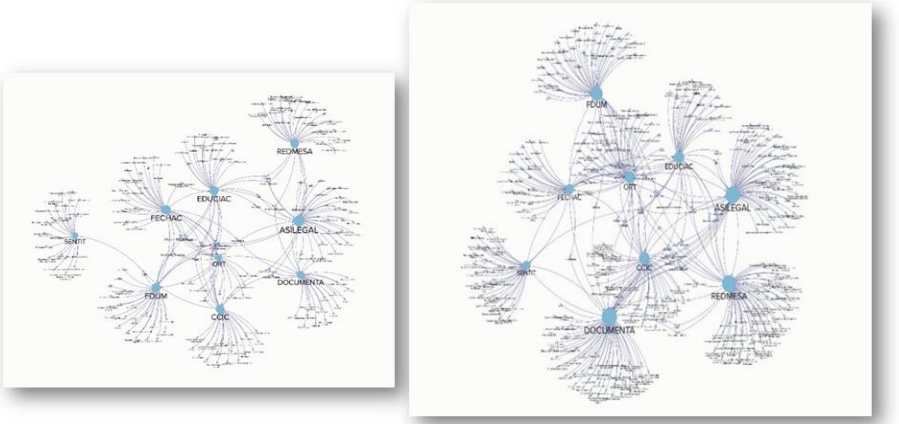
Civil Society Activity (CSA): One of the three key activities at the USAID/Mexico mission with an embedded local systems approach is the CSA: a five-year cross-cutting activity working to build the capacity of local civil society organizations and intermediary support organizations. CSA modified its

[84] https://2012-2017.usaid.gov/sites/default/files/documents/1869/Mexico%20CDCS%202014%202018.pdf

[85] https://linclocal.org/portfolios/lsp/
[86] https://linclocal.org/portfolios/lcda/

original capacity development model to include an emphasis on mapping and then strengthening networks of local actors cross-sectorally. CSA works with local partners, including Appleseed Mexico and intermediary support organizations, to impact sustainability of the local system and capacity of its actors.

FIGURE 37: USAID/MEXICO CIVIL SOCIETY ACTIVITY'S SOCIAL NETWORK ANALYSIS



The Activity is in its final stage of implementation and has key insights as to what has worked well. Throughout its lifecycle, CSA not only conducted a SNA to monitor changes in the quality and size of the organizational network structure for their partners and sub-grantees but also built the capacity of intermediary support organizations and CSOs to undertake their own network mapping so that the map and its results will be continuously revised and utilized to sustainably monitor changes within the system. This exercise led to intermediary organizations continuing to build their network links, identify other key actors, and focus on their own capacity as a component of the system as the CSA Activity comes to a close.

The Promoting Justice Project (PROJUST)[87] was a USD $68.2 million five-year initiative (2015-2020) funded by USAID/Mexico, part of the GRC Office's portfolio and overseen by the Justice Team. The activity was redesigned midway through 2017 from a more traditional technical assistance focus to integrate systems thinking. To demonstrate the impact that systemic change through coordinated efforts among interconnected actors can have, even in a short period of time, the PROJUST Team brought in partner Rapid Results Institute (RRI) in 2016 and implemented their "100-Day Challenge" methodology. Rapid Result Institute's 100-Day Challenges are structured journeys for frontline teams and leaders that are designed to inspire and enable intense collaboration, continuous innovation, and fast and disciplined execution.

Teams start this journey by setting seemingly unreasonable 100-Day Goals and developing innovative plans to achieve them. To set the stage for the journey, leaders shape and present a challenge to the team, and create a "safe space" for the team to experiment and learn. Sponsors, selected by leaders from their ranks,

[87] PROJUST Final Report https://pdf.usaid.gov/pdf_docs/PA00W5KP.pdf

support the team on their journey and ensure that leaders remain engaged throughout the 100-Day Challenge[88].

Through these challenges, key actors working in the justice sector convene for sometimes the first time ever, around a single community "problem" to collaboratively address the problem as a whole-system-in-a-room. RRI's 100-Day Challenge methodology works to strengthen community engagement, accelerate impact, and catalyze system change.

Over three waves of 100-Day Challenges, working with local criminal justice systems, private sector, and civil society organizations, RRI, with PROJUST, helped to accelerate results in the resolution of key crimes in 16 Mexican cities. They worked with a total of 42 frontline teams, most of which surpassed their goals. Some even managed to drastically increase their productivity (up to 2,255% over baseline).[89] In interviews and their final report, the PROJUST team stressed the importance of a continued emphasis on the systems approach to effective implementation of criminal justice reforms, stating that the approach must continue strengthening roles of individual actors as well as the relationships among actors and should include developing justice system indicators that measure results at the systems level and include data-sharing across institutions. According to their report, "local systems initiatives are an excellent way to pursue this approach, but continuation of PROJUST's inter-institutional working groups around operational and policy issues should also continue.[90]"

The *Juntos para la Prevención de la Violencia* Project (JPV)[91] is a $24.46 million five-year activity (2015-2020) in the GRC Office's Crime and Violence Prevention team portfolio. Its approach was redesigned in 2017 from more traditional methods to center strongly on LSF principles, including: understanding the relevant local system and tapping into local knowledge to create change. The team works in six Local Prevention Systems comprised of all local actors and to achieve this end, conducted local system mapping of each active municipality to identify key players and their interconnectedness, build knowledge regarding the most at-risk youth and current disputes between gangs, then test potential solutions and pivot or adapt as needed. After understanding the local system, they identified systemic gaps to fill and categorized actors across four key roles to identify the "anchor" actors that could take on a critical coordinating role in the system. With limited time and resources for a typical activity, it is not realistic to work intensively with every actor in the system. These insightful and universally applicable lessons learned from the activity were captured by the implementer in a blog post titled "Don't fight the System: Three Ways to implement the LSF,[92]" which outlines the systems approach taken by JPV and presents its broader application for practitioners.

The most significant self-identified outcome at the Mission through all interviews was the shift in mindset of Mission staff and implementers, as well as local actors including beneficiaries and partners. In PROJUST this was due directly to the 100-day challenges approach; in CSA to the network analysis and mapping of all key actors; in JPV due to the local systems mapping of each municipality in which they worked. Unlike

[88]Rapid Results Institute https://www.rapidresults.org/
[89] PROJUST Final MEL report https://pdf.usaid.gov/pdf_docs/PA00W6FP.pdf
[90]PROJUST Final Report https://pdf.usaid.gov/pdf_docs/PA00W5KP.pdf
[91] https://www.chemonics.com/wp-content/uploads/2019/01/ONE-PAGER-JPV-USAID-2018-english.pdf
[92] https://www.chemonics.com/blog/dont-fight-system-3-steps-apply-local-systems-framework/

before, both individual and political roadblocks were integrated into activity design and implementation and the effect on outcomes has been highly visible.

The Uganda Mission has an approximately $350 million development assistance portfolio with five technical offices and four support offices. The 2015-2020 CDCS[93], scored in the document review, exemplified a strong emphasis on systems practice, including local systems engagement, local system strengthening, and holistic design that crosses sector silos to achieve multidisciplinary programming for sustained outcomes. The CDCS took a systems approach that centered around the experience of a typical 14-year-old girl in Uganda to consider contextual factors that affect her life directly and focus attention on strengthening the key set of local systems and local actors that would address her development challenges. This grounded the strategy in a comprehensible and relatable context to drive design of activities and projects. DOs and IRs also centered on a cross-sectoral approach to strengthening the local system in which she would grow up. Uganda's CDCS not only emphasized the interrelated challenges of development through the horizontal and vertical integration of DOs and IRs and cross-sectoral collaboration, but also framed its solution to sustainable development through a local systems lens, with local stakeholder participation and buy-in, as well as ongoing feedback loops, course corrections and a dynamic/adaptive approach to implementation through CLA approaches.

The USAID/Uganda Mission illustrates CDCS integration of systems approaches that was the result of a multitude of factors embodying a perfect storm. At the working level, it was the hard-earned result of a cluster of change agents that created the momentum and traction for the approach, each with the innate ability to translate that lens across sectors, into design, and to the strategy level, leveraging USAID/Washington and localized support for the CDCS development process. Their work catalyzed the energy of a Mission that already had a strong reputation for innovation and a high tolerance for risk that incentivized "best-fit approaches" rather than perfection. These concepts and practices were being advanced within - and helped by - a broader Mission system that at the time was actively cultivating innovation (supported by, but not limited to, USAID/Uganda's multi-faceted relationship with the LAB), a reputation within USAID for leadership in creating and advancing in CLA, and an emerging commitment to organizational development and leadership initiatives that sought to surface opportunities for all Mission staff to demonstrate leadership behaviors within or potentially beyond their official job descriptions (in this last case, providing the groundwork for those who might not 'normally' lead or influence a CDCS development process across technical, support and program office roles to take center stage in doing so). At the leadership level, credit goes to a MD who was interested in problem-driven analysis and strategic planning, systems-based approaches (as exemplified by the 14-year-old Ugandan narrative that is front and center in the Uganda CDCS), and an emphasis and resources on evidence, adaptive management, and learning. At the Agency level, there was a 2016 revision to the ADS that embodied systems practice, and a newfound emphasis on innovation via the creation of the LAB. These and other ongoing change efforts, Mission culture and organizational behaviors were key to enabling a systems thinking and practice focus to emerge.

Ultimately, while well-designed strategically, the CDCS was not fully executed as envisioned in projects and activities and much of the initial intended collaboration across offices and sectors to achieve those objectives was not executed as planned. For example, The MS activity was designed with multi-disciplinarity in mind but upon start-up, Education and Health did not participate. According to interviews,

[93] https://www.usaid.gov/sites/default/files/documents/1860/CDCS_FINAL_26092017.tags_.pdf

the offices still tend to focus on individual priorities rather than collaborating. The Mission was successful in conceptualizing PADs as platforms for adaptive development; however, it encountered challenges in executing a systems lens because of the inherent difficulty in incentivizing and enabling cross-sectoral thinking among DO and Project Teams, let alone implementation across established silos. Therefore, while systems practice in individual activities still exists in the Mission and is aligned with LSF principles and sectoral approaches discussed above, it was not implemented as strategically designed through a systems lens. After the initial CDCS period, the leadership who had emphatically prioritized removing silos left, as did key higher level staff leading the charge. This led to this work "taking a backseat" within specific technical offices although it did not completely end collaboration. However, USAID/Uganda is still perceived as an "avant garde" mission in systems thinking. Governance, health systems, MS, OAA, and the Program Office are all still involved in systems thinking approaches and continue to use procurement mechanisms aligned with the flexibility of such an approach. MS and health systems are also connected to the DC-based teams, which helps continue the approach absent the champion leadership.

More specifically, the Uganda health team conducted an analysis of the health systems nationwide, utilizing systems mapping techniques to identify system-wide drivers, highlight leverage points, and provide strategic recommendations on health systems programming to USAID/Uganda. The activity resulted in a map[94] of the Ugandan health system that highlights key actors and institutions, and the relational dynamics and the linkages between them. The report identified and analyzed over twenty systemic leverage points within the system where concerted action might prove useful. The Economic Growth office also includes a Value Chain activity which cited use of the MIRADI tool as a supportive structure to measure systems change, through support from a MS MEL expert from DC. The agricultural MS team also undertook a large-scale mapping exercise of the relationships and behaviors that was then used to develop new monitoring proposals.

To underpin the importance of leadership, in Kenya, as a direct byproduct of leadership rotation from Uganda, systems practice is now a priority with FSNs largely driving local engagement and co-creation with county governments. Reporting requirements now center on results rather than outputs; procurements emphasize BAAs and co-creation in design, as well as short lists of vetted practitioners in IDIQs.

[94] https://pdf.usaid.gov/pdf_docs/PA00MVZB.pdf