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Federal Department of Foreign Affairs FDFA
**Swiss Agency for Development
and Cooperation SDC**

E+E | Economy and Education

System Change

Roles and Responsibilities for SDC cooperation office staff,
to define, target, achieve and assess system change in programs

Version 27th September 2024.

Draft version – Work in progress – Final version forthcoming in December 2024

Hans Posthumus (HPC) for the E+E section





Why this slide deck?

1 Achieving and assessing system change is important

Most development programs aim to change systems:

- to improve system performance and / or
- to make systems more inclusive and / or
- to make systems more resilient.

2 Achieving and assessing system change is challenging

- The influence of development programs is often modest
- Programs have been hesitant to assess and report system changes given debates on what defines a system change
- Programs have often limited financial and human resources to assess and report system changes

3 A more pragmatic approach to system change is emerging

There are several publications and program initiatives to apply a more pragmatic approach to assess system change in market systems development programs.

This pragmatic approach can be applied to any development program that aims to achieve system changes that reach scale, are sustainable and make the system more resilient.

4 The role of SDC managers that steer programs is crucial

This slide deck focusses on their roles and responsibilities when steering programs to target, achieve, assess and report system changes



Embedding this slide deck

The audience

Primarily targeting the people in the Swiss Cooperation Offices and at SDC headquarters who are directly responsible for development programs. Program staff of implementing agencies may benefit as well because this slide deck helps to shape mutual expectations and understanding.

[Guiding programs to assess system change](#) * inspired us to develop this slide deck for the SDC. It's building upon experience gained within Market Systems Development but is applicable to all types of development programs within E+E and is in line with the SDC policies and practices within the E+E domain.

* [Guiding programs to assess system change](#), Nabanita Sen Bekkers, August 2024, A learning product developed from the Advanced Training Workshop in Results Measurement for Private Sector Development, October 2023

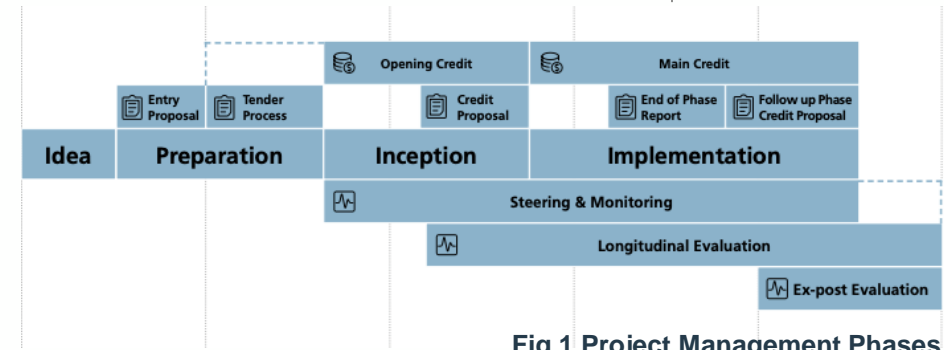


Fig.1 Project Management Phases

The structure

After summarising system change key aspects, this slide deck elaborates on what needs to be done and how SDC program managers can steer programs during each of the phases of the Program Management Cycle. This illustration (fig.1) is taken from the [Internal guide - Managing MSD projects](#) and will be used to guide the reader through the document.

The suggested guidelines reflect an ideal case scenario. We understand why this is not always feasible. We trust that this guideline supports SDC project managers to go the extra mile, building upon what they already do.



Embedding this slide deck

The guidance that already exists

Publications on [the pragmatic approach](#) to systems change that target (mainly) program implementers staff, most of them published on the BEAM and DCED websites (2021 onwards)

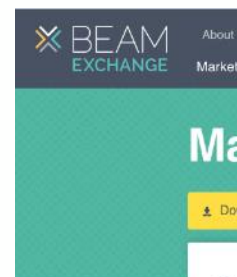
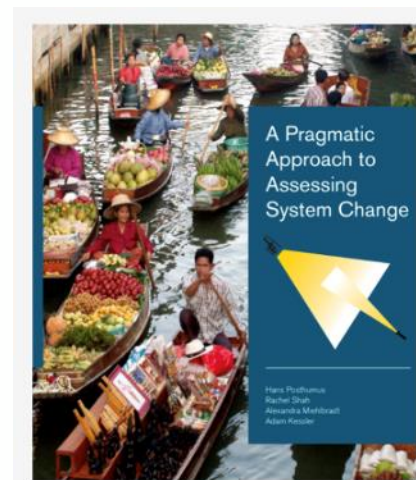
The [SDC internal guidance paper on managing MSD projects \(2019\)](#) that highlights good practices for MSD programs.

The [SDC Good practices paper for SDC program managers to monitor and measure results in Private Sector Development \(2018\)](#)

Several publications on Monitoring and Measuring Results, mostly on the [DCED](#) and [BEAM Exchange](#) websites.



Where relevant, hyperlinks are provided that refer to existing guidance.



Toolkit for implementing the Standard

This page introduces practical tools to use when implementing the DCED Standard. They build on a worked example of an Intervention Guide or Monitoring Plan, which can be downloaded here in xlsx format. For a blank Intervention Guide, click here (also in xlsx format).

- 1. What is the DCED Standard? (8 min)
- 2. What is an Intervention Guide? (6 min)



Fast, critical to market systems approaches.

Market systems consist of multiple actors with their own view and your programme will operate in complex, dynamic situations.

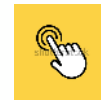
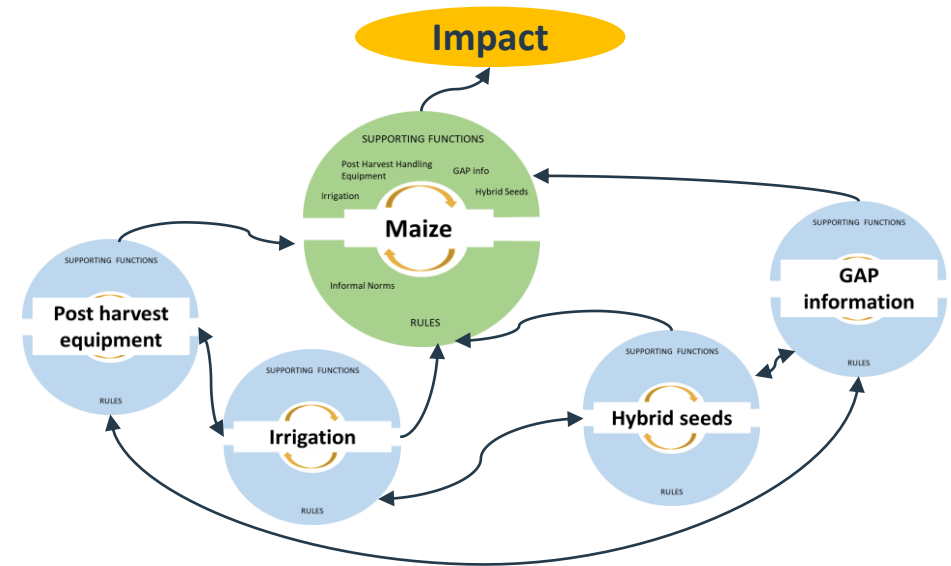




Defining system change

Systems are interconnected networks of institutions, policies, resources and actors, expressed in its functioning.

Systems are surrounded and influenced by their environment. Systems are often composed of several sub systems that influence each other and the main system.



[Slide 8-10 of the slide deck on the pragmatic approach to system change](#)

Fig.2 Example of a system and sub systems (PRISMA)

System change is a change in the underlying causes of the systems' performance, often within one or more sub systems



that leads to a better-functioning, more inclusive and more resilient **system**



that leads to **benefits for the target group**, at scale and sustainable, such as income and employment.



Addressing system change

1 Start with defining the system and its boundaries.

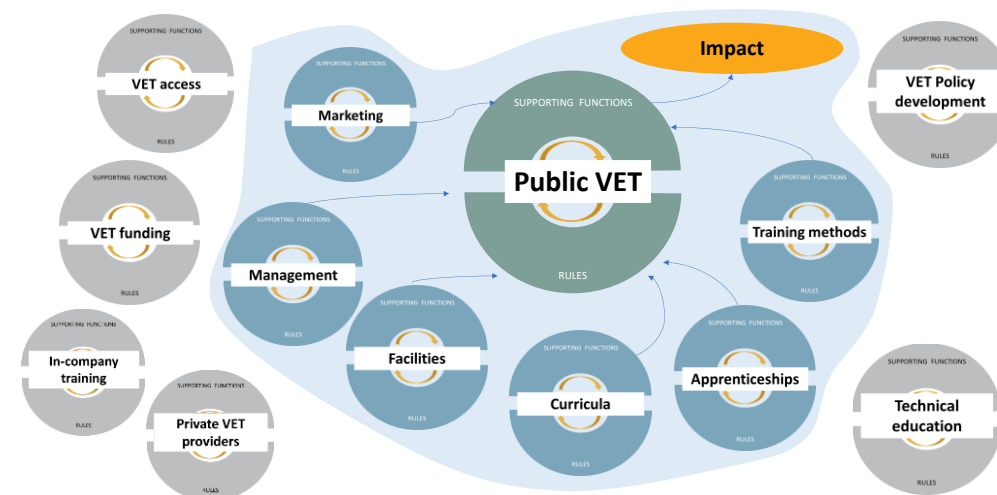
Simply describing the system in terms of sub systems and geography helps to be realistic in how far programs (given their resources) can influence changes in the system.

2 Make system change a concrete objective for the program

Stating that longer term system changes are at least equally important than reporting short term and more direct impact, such as the number of beneficiaries and benefits.

3 Apply a helicopter lens to assess systems from day one

Systems will change, irrespective of program interventions. The initial system diagnosis should be repeated annually: a 'light version' that informs what, how and why systems are changing.



[Annex B page 72 of the 'how to put it into practice' paper on system change](#)

Fig.3 Example of a defined system and boundary (S4J)

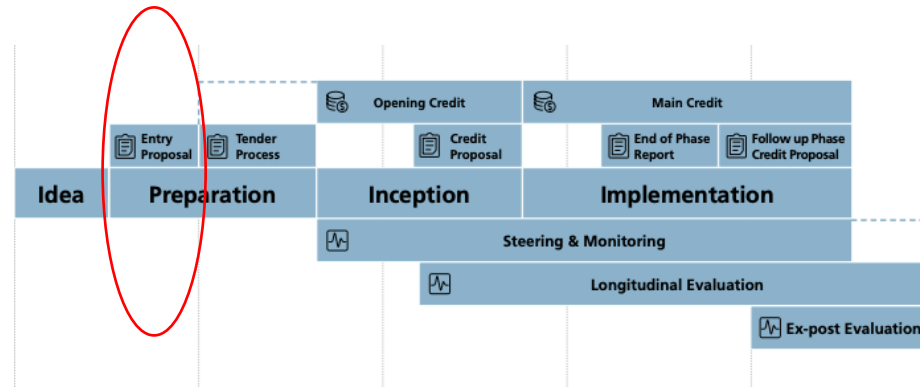
4 Put system change on the (design and review) agenda

Be involved in developing system change strategies, developing a pragmatic monitoring system and be involved in reviewing system strategies.

Being involved should be contextualised: it can vary from an initial “setting parameters meeting” to “actively participating during in-depth review meetings”.



Entry proposal



1 Main systems and boundaries

In addition to defining objectives, target groups, project area and project set-up as listed in the MSD guide, describe the main systems that the programs should be targeting using relevance, opportunity and feasibility aspects to make your selection transparent

2 Program results chain



[Page 22 of the internal guide for MSD programs](#)

Develop a program strategy, using a results chain format, that explains how the program will operate to achieve impact for its target group, balancing impact focus and implementation flexibility. It complements the program log-frame that summarises (quantitative) targets

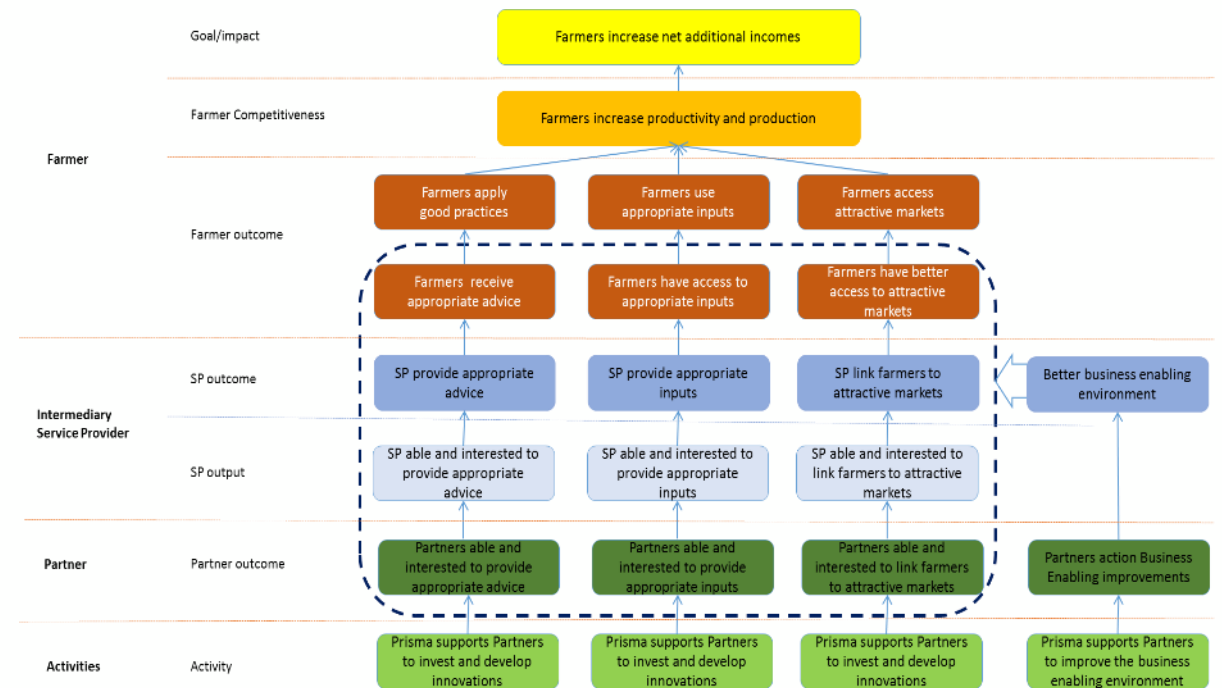
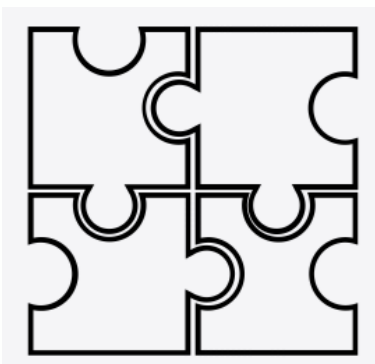
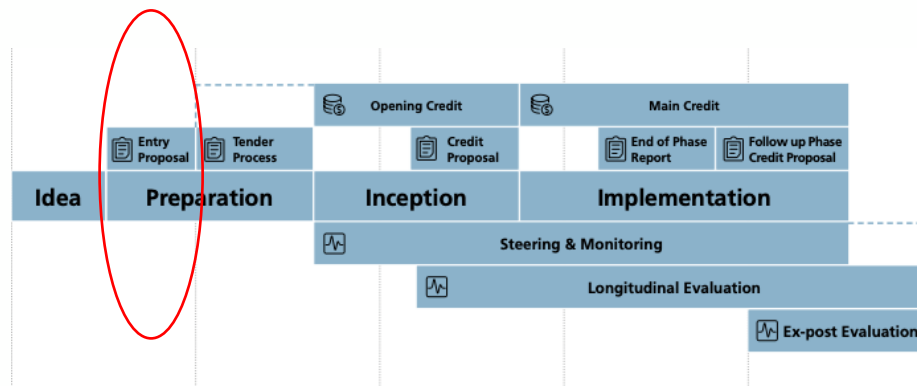


Fig.4 Example Program Results Chain (PRISMA)



Entry proposal



3 Country strategy and portfolio

Explain how the chosen program approach and the selected systems fit with the country strategy and how the program reinforces the portfolio of programs.



[Page 19 of the internal guide for MSD programs](#)

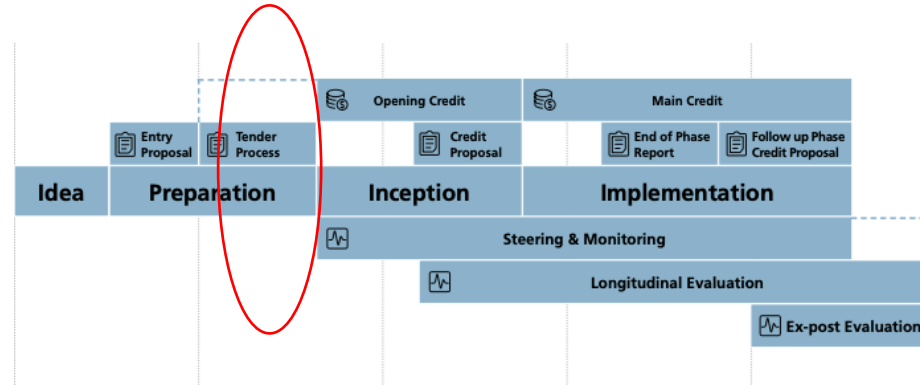
4 Remain in charge especially when outsourcing tasks

Ensure that analyses are based on facts (balancing primary and secondary research) and that recommendations are linked to research findings.





Tender process



1 Main systems and boundaries

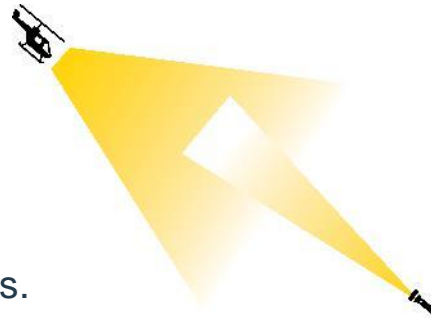
Ensure that implementers present a good understanding of the selected systems and allow them to propose adjustments to the selection with convincing arguments based on research evidence

2 Implementation capabilities

Ensure that implementers present a good understanding of how the programs will target, achieve and review system changes.



[Page 33 of the internal guide for MSD programs](#)



3 Monitoring systems

Ensure that implementers present a good understanding how system changes should be assessed and reported, including necessary human and financial resources

4 Focus on system change when assessing tenders

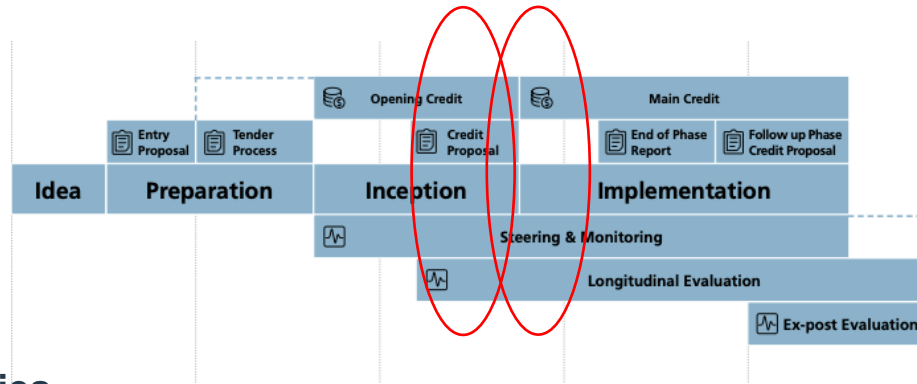
Although all aspects of program management are equally important, implementers' willingness and ability to address system change is just a bit more important than other aspects.



[Page 13 of the good monitoring practices for SDC managers](#)



Inception Phase



1 System analyses and system strategies

It's important to sketch how the overall program strategy will be applied to the systems that the program aims to change. This will result in one system strategy for each defined system.

Whether developing system strategies is done during the credit proposal phase or during the early stages of the implementation phase, depends very much on the type of program, the length of the inception period and the level of diagnostics already done.

The key principle is to ensure that program implementers develop strategies as soon as possible, but only if and when it's feasible and it will lead to a realistic strategies that are based upon a good understanding of the system.

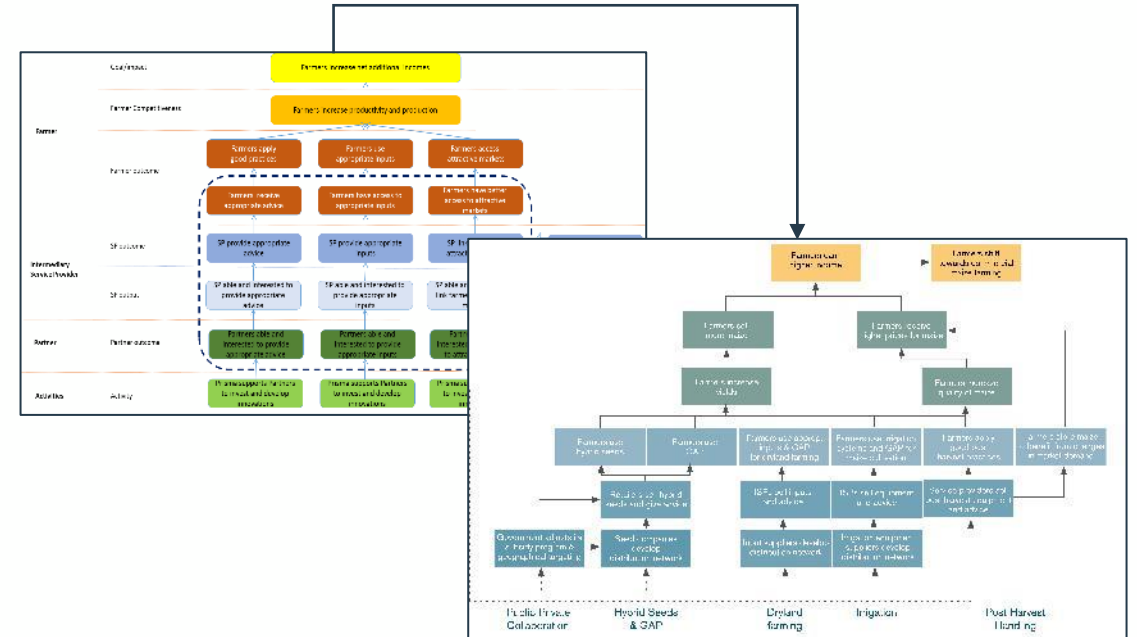
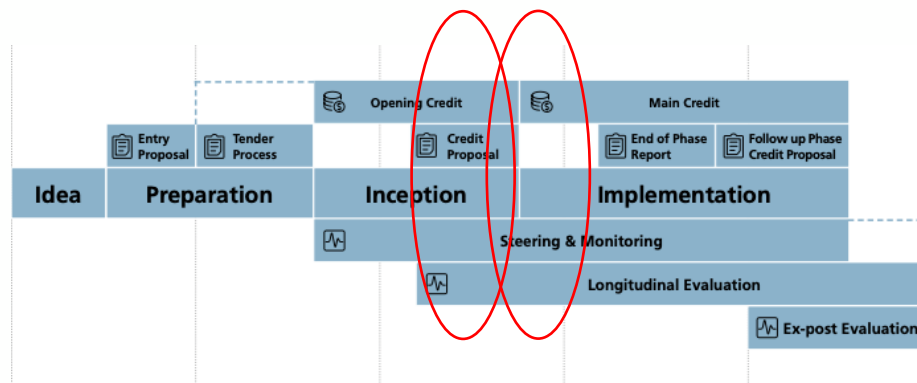


Fig.5 Example of the program results chain for PRISMA and its system strategy for the Maize system

Inception Phase



2 System analyses and system strategies

Ensure that implementers conduct an appropriate functional system diagnostic of the main system(s) and its sub-systems that provides sufficient insight into systems' performance. The diagnostic should lead to further defining system boundaries (geographic and sub systems). The strategy will be visualised in a system results chain that explains how the program will influence systems ensuring that impact will be created.

Approve the design of the system analyses to ensure that resources and methods are appropriate; good enough to inform strategy formulation and balanced with efficient resource utilisation.

Be involved and approve the strategy formulation: ensuring it is based on the analyses, feasible, ambitious yet realistic and includes an indication of interventions (not activities) per intervention area (often sub systems)

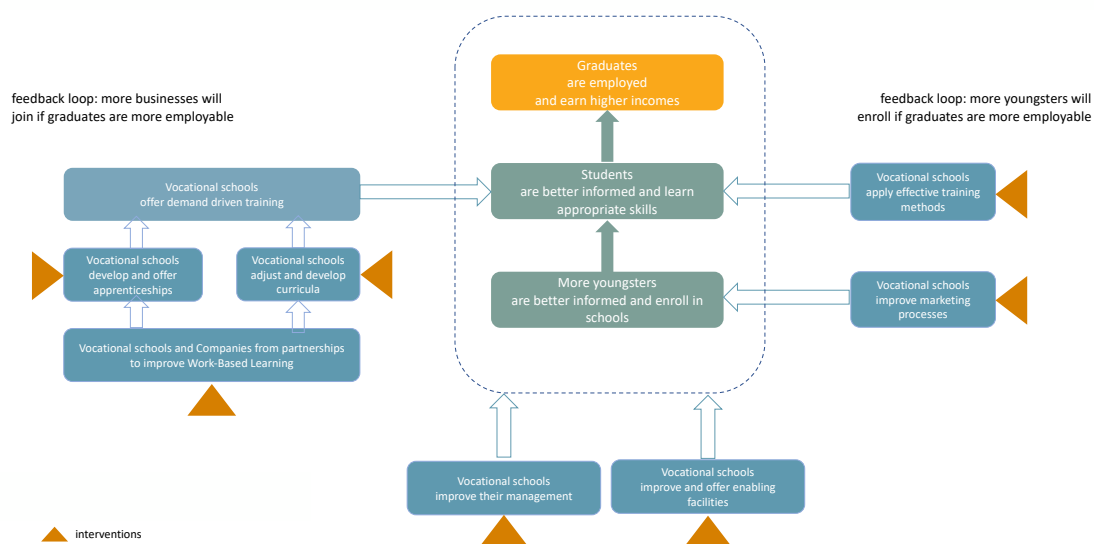


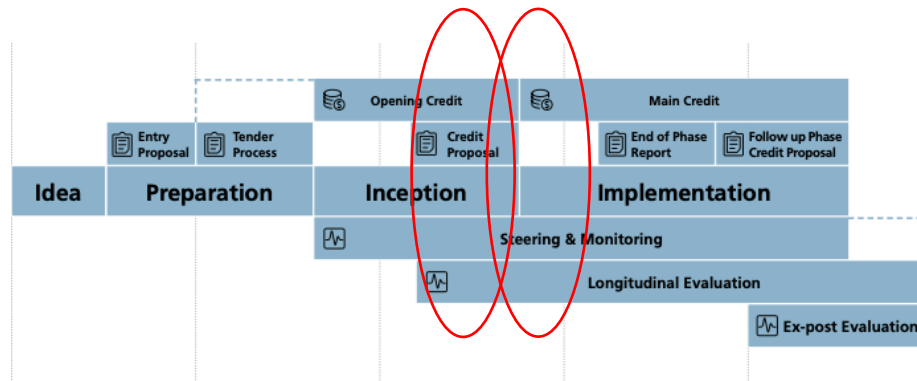
Fig.6 Example System Results Chain (S4J)



[Annex B page 73 of the 'how to put it into practice' paper on system change](#)



Inception Phase



3 System strategy table

The research will cover identifying and assessing key indicators that enable the program to conduct annual assessments during the implementation period.

The strategy will be further outlined in the strategy table that describes the present and desired status of the key indicators and explains what the program will do: which type of interventions, in which sequence, and how this will lead to changes in the system.



[Slide 14-16 of the slide deck on the pragmatic approach to system change](#)

For: Maize Main System (on Madura Island)			
Plan from 2015 to 2024			
The programme will first focus on increasing the supply of hybrid seeds and embedded information on good agricultural practices (GAP) from private and public actors for smallholder female and male farmers. There is sufficient demand from local markets and local collectors to absorb an initial increase in supply. The resulting increase in yields and supply, and seed companies targeting Madura Island, is expected to interest off-takers. PRISMA will facilitate off-takers to invest in sourcing from Madura Island and working with collectors to improve good post-harvest handling (GPH) among farmers. PRISMA will work with off-takers, seed companies and financial institutions to develop appropriate loan products for smallholder maize farmers. Financial services will support farmers to invest in hybrid seeds and reach new markets. Increased opportunities to sell, greater acceptance of hybrid seeds, and improved access to appropriate financing are expected to encourage more farmers to cultivate maize commercially. This cycle is expected to drive productivity and income increases for female and male farmers. The programme will encourage companies to target both female and male farmers in their marketing and interactions to boost their sales or sourcing. As more companies recognise and target female farmers, this approach is expected to gradually become the norm.			
Key Questions			
1. How much hybrid maize is being produced in Madura ?			
2. Is maize productivity increasing? If so, how?			
3. How much maize is being sold to mainland off-takers? Why is that changing or not? At what prices compared to local maize sales? Why are prices for hybrid maize changing or not?			
4. Are female and male farmers successfully shifting from only subsistence to also commercial farming? Why or why not?			
5. Are private companies targeting female and male farmers in Madura as customers and suppliers? Why or why not?			
Indicators	Starting System States (2015)	Current States as of 2021	Desired System States (2024)
Volume of hybrid maize produced in Madura	175,000 tonnes hybrid	2018: 240,000 tonnes 2019: 260,000 tonnes 2020: 230,000 tonnes 2021: not available	650,000 tonnes
Average maize productivity in the last year (compare local and hybrid if possible)	2.5 tonnes/ha Separate figures on local and hybrid not available	2018: 2.8 tonnes/ha 2019: 2.9 tonnes/ha 2020: 3.4 tonnes/ha 2021: not available Increased use of hybrid seeds is a key factor in increased productivity.	5 tonnes/ha



[See template annex of the Operationalising system change assessment paper](#)

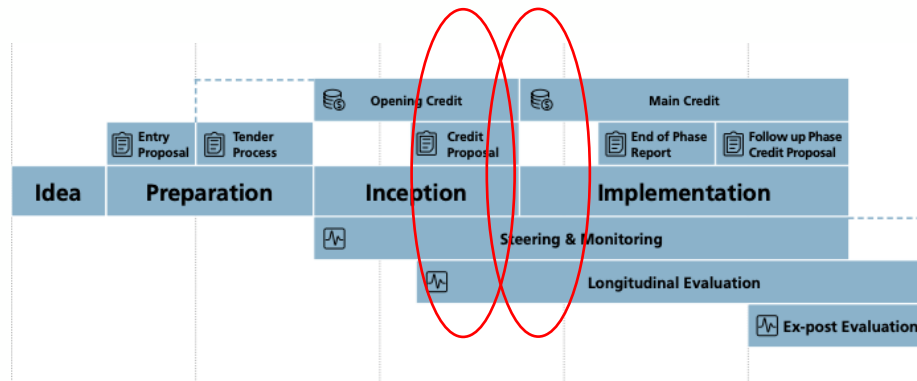
Fig.7 Example Strategy Table

Approve the strategy table: are the key indicators appropriate; are both quantitative and qualitative indicators included, are there not too many indicators, and can they be easily measured?

Be involved when developing the strategy table: are the gaps between starting and desired status ambitious yet realistic? Is it likely that the program achieves these system changes? Are external factors sufficiently considered?



Inception Phase



4 Monitoring and reporting system

To assess system changes the program should apply both the intervention lens and the helicopter lens as the basis for their monitoring system.



[Slide 20-23 of the slide deck on the pragmatic approach to system change](#)

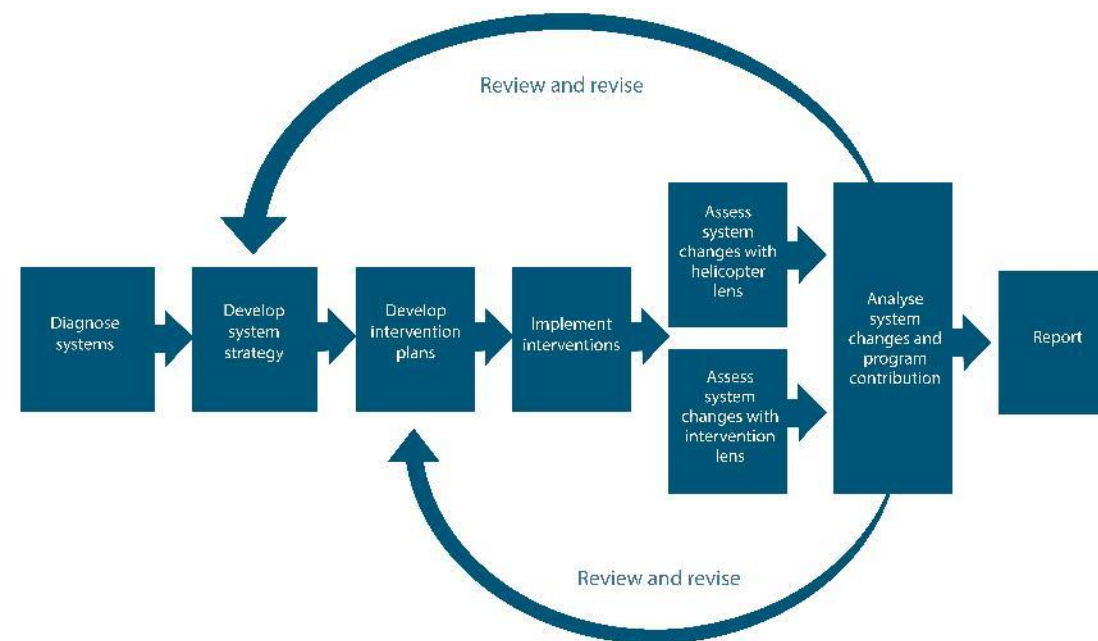
The helicopter lens should enable the program to assess changes in the system (irrespective of the program).

The intervention monitoring should enable assessing system changes resulting from interventions/partnerships.

Adaptive management is only feasible with a suitable monitoring system: ensure its developed now, not later.



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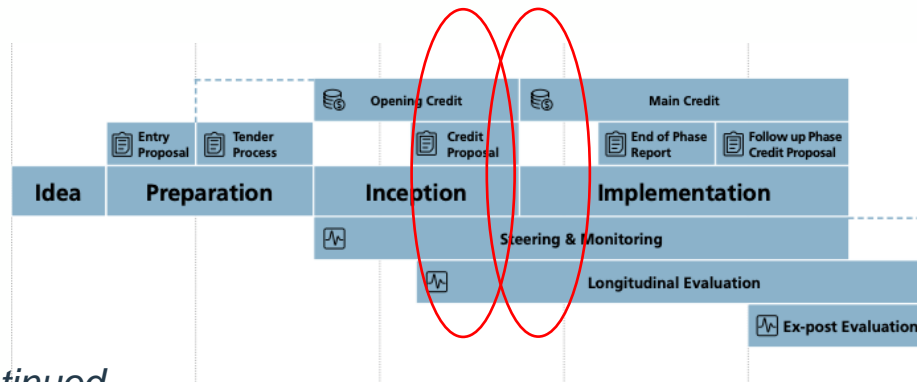


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Fig.8 System Review Cycle



Inception Phase



4 Monitoring and reporting system *continued*

That implies that the program should have a monitoring manual, research expertise, financial resources and a feasible plan to collect, process and use data



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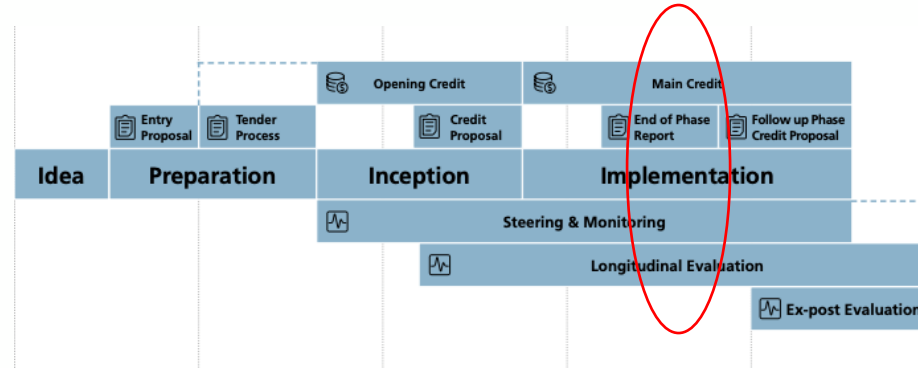
Be involved and approve the manual: is it doable (resources, pragmatic) and does it apply sound research, does it avoid too many resource-intensive surveys, is assessing and reviewing system changes prioritised and integrated? Are resources allocated?

Be involved and approve the reporting format and frequency: key indicators and an aggregation system (that match log frame indicators), dealing with attribution or using contribution analyses, reporting results from individual interventions and reporting system changes (direct and indirect impact).





Implementation Phase



1 Assessing system changes

Ensure that assessing system changes is included in intervention (lens) monitoring.

Ensure that annual system assessments (helicopter lens) are planned and executed on time:

- As much as possible combined with intervention monitoring activities (sources of information are often the same, only the questions and indicators differ)
- Additional research to be as much as possible 'lean' to be 'roughly right rather than to be precisely wrong': multiple sources for a few indicators.

Ensure that data is processed into information (pre-analyses) and shared well in advance of the review sessions

Deal with the fact that annual assessments must match with business cycles or seasons and that this may conflict SDC reporting requirements



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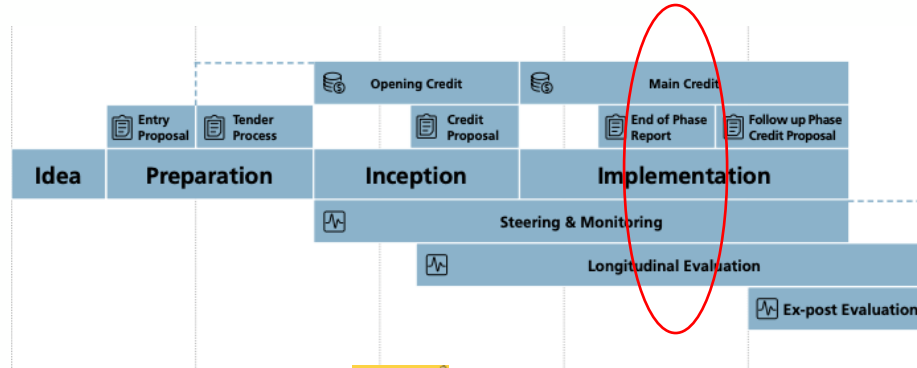
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[Page 2 of the 'conducting sector strategy review' paper](#)



Implementation Phase




2 Reviewing system changes

Be involved in the systems and program reviews:

- Ensure various perspectives, ensure discussions are based on facts, ensure strategic focus, don't impose, don't overrule, don't chair the review session
- Ensure the 5 steps are followed: facts > analyses > conclusions > decisions > learnings.
- Ensure decisions are taken: to continue, to drop or to adjust sub-systems and main system strategies (and subsequently the sets of interventions)

Ensure that intervention reviews are held, be informed but don't participate in the reviews: that is operational and not strategic management.

 [Page 6 of the 'conducting sector strategy review' paper](#)

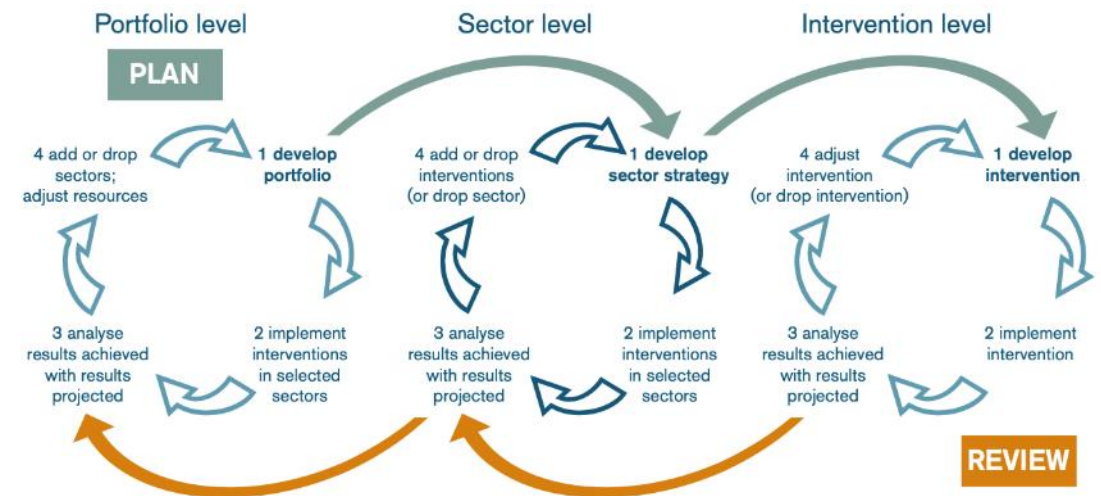
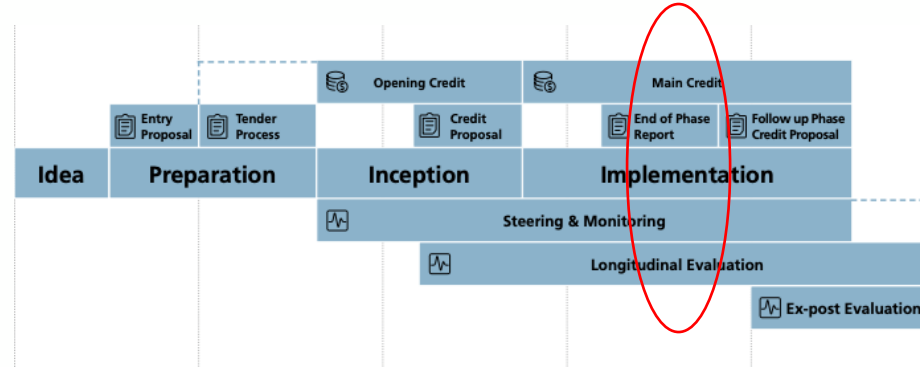


Fig.9 System Review Cycle
(you may read "sector" as the equivalent of our "system" definition)



Implementation Phase

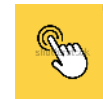


3 Revising system strategies

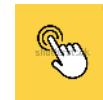
Ensure that review meeting outputs are processed:

- adjusted system table
- adjusted system result chain,
- subsequently intervention portfolio,
- monitoring plans and
- resource allocation

Approve the review document, the progress report and the annual plan



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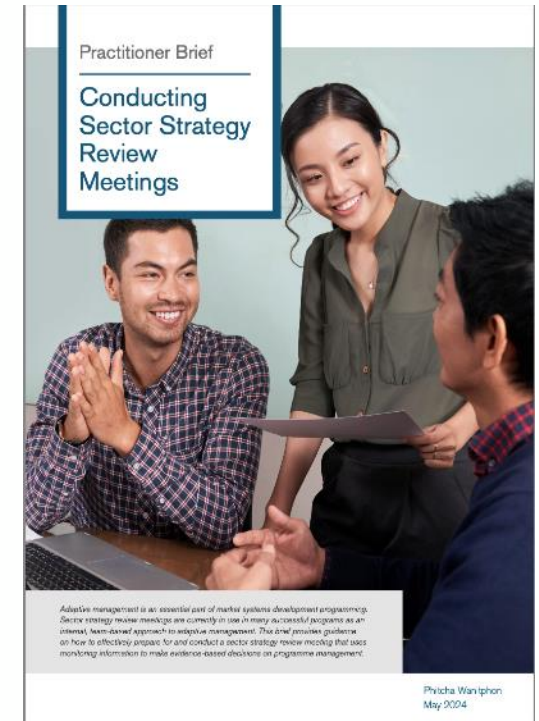
[Page 42 of the internal guide for MSD programs](#)



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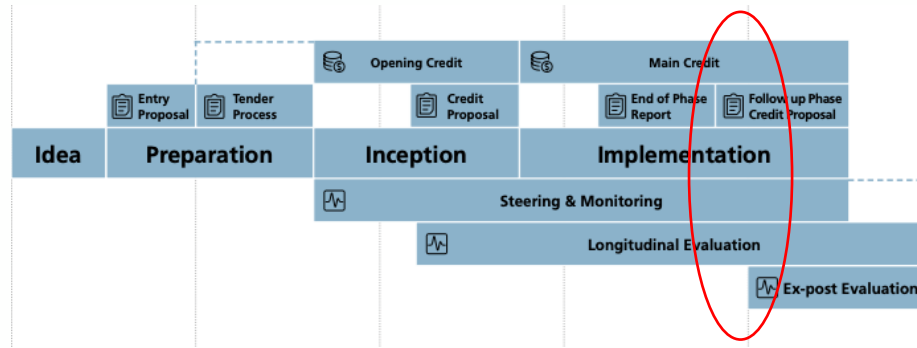


[Page 6 of the 'conducting sector strategy review' paper](#)





Review and Evaluate



Mid-term reviews and Evaluations

Ensure that the Terms of Reference and the tender process focus on system change and that external consultants have a suitable track record assessing system change programs



[Page 48 of the internal guide for MSD programs](#)

Ensure that the reviewers use the program’s monitoring system and monitoring results to assess system changes with respect to the OECD criteria (relevance, coherence, efficiency, effectiveness, impact and sustainability).



[Page 17 of the good monitoring practices for SDC managers](#)

Ensure that a DCED (pre-) audit has taken place before the mid-term review takes place because that will inform them how reliable the program’s monitoring data are.



[Annex 1 of the good monitoring practices for SDC managers](#)





Further reading

Publications on the pragmatic approach to systems change:

[A pragmatic approach to assessing system change - overview paper](#)

[A pragmatic approach to assessing system change - how to put into practice paper](#)

[A pragmatic approach to assessing system change - slide deck](#)

[Operationalising System Change Assessment](#)

[Visualising System Change](#)

[Conducting Sector Strategy Review Meetings](#)

[Donor Brief on Guiding Programmes to Assess System Change.](#)

[The SDC internal guidance paper on managing MSD projects \(2019\) that highlights good practices for MSD programs.](#)

[The SDC Good practices paper for SDC program managers to monitor and measure results in Private Sector Development \(2018\)](#)

[The SDC Working Aid on the use of results indicators in PSD and FSD programmes \(2022\)](#)

[Conducting sector strategy review meetings 2024](#)

Several publications on Monitoring and Measuring Results, mostly on the [SDC shareweb](#), [DCED](#) and [BEAM Exchange](#) websites



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