

> New Directions in the Application of a Systemic Approach

Dr. Ben Taylor

The Springfield Centre

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> Overview

- **Development problems vs systemic focus**
- **Systemic approaches to date**
- **Where systems daren't**
- **The Special Issue**

Common features

- Significance of the problem
- Failure of the solution
- Hidden realities
- Predetermined focus
- The feasibility of an alternative
- Common challenges

Unique contributions

- Education – framework for assessing potential impact of intervention
- Health – systems of treatment and transmission: considerations for intervention
- Finance – a shift in the theory of change

Systems change in Practice

- DEEPEN Nigeria
- GOAL Uganda's work in water

Questions?

➤ What are the world's biggest development challenges?

- **Poverty?** 71% extreme poverty
- **Climate change** 64% environment or pollution
- **Education** 63% rising cost of food & energy
- **Health** 59% spread of human diseases
- **Water** 59% terrorism
- **Sanitation** 58% climate change
- **Vulnerability** 59% human rights abuses
- **Gender inequality** 58% state of the global economy
- **Food security** 57% war or armed conflict
- **Unemployment** 48% violation of workers' rights
- **War and insecurity**
- **Energy**

World Economic Forum/BBC World Service Poll

> What systems do you work in?



- Nutrition?
- Food security?
- Health?
- Education?
- WASH?
- Energy?
- Climate change?
- Emergency response?

Sustainable large scale change to benefit the disadvantaged as a universal goal

> Rationale and Origins

2.5bn people in poverty & increasing inequality

\$4.5tn in aid since 1960

Highest ever levels of aid - \$0.96/poor person/week

Greatest changes in poverty have occurred in isolation from aid

Financial services in South Africa

Professional services

Tourism

Large number of agricultural programmes

Employment programmes in manufacturing

Over £1Bn in programming under systemic change banner to date



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> The Sacred Ground

Some sectors have remained the preserve of traditional direct development...despite similar challenges

- **The realities**
 - Figures on access, usage, and benefit across sectors
- **The politics**
 - Focus on **who *should* not who can or who wants to.**
 - The dogma
- **The *necessity***
 - Hard choices

> The Journal of Enterprise Development and Microfinance

Special issue edited by the Springfield Centre

- Explores theory and practice in these emerging areas for systemic approaches to development
 1. Fixes, Failures, and Facilitation: Diagnosing problems and opportunities in health intervention
 2. Market systems development in education? An experimental case from Nigeria
 3. Turning tides: A systemic approach to intervention in Uganda's water sector
 4. Making financial markets work healthily for the poor

> Common features – significance of problem

Education

- Primary school children 5 times more likely to be out of school
- Nine times greater drop-out rate
- Ten times higher grade repetition
- 39% of adult population illiterate in developing countries
- 20% of teachers with no training

Health

- Child mortality 11 times higher in low income countries
- Deaths from communicable diseases 10 times higher
- Deaths from non-communicable diseases 15 times higher



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> Common features – significance of problem

Water

- 1.7Bn cases of diarrhoeal disease annually
- 2.2m deaths annually from water-related diseases
- 10% of world's population do not have access to clean safe drinking water

Finance

- Importance of access to use to benefit
- Benefits from holding accounts have not been as significant as thought

> Common features – failure of the solution

Education

- **Almost 10% of total ODA – hundreds of billions over last 20 years**
- **But aid to education only accounts for 4% of developing country spend on education annually**
- **More of the same won't work**

Health

- **Over \$50Bn in ODA for health over the last decade**
- **Significant improvements but almost all require on-going support**

> Common features – failure of the solution

Water

- Significant funding has gone to water sector over the last 50 years – IFC alone has lent >\$75Bn since 1995 for water infrastructure
- Predominant form of delivery remains direct funding of infrastructure
- Over one third of hand pumps in Africa completely non-functional

Finance

- Huge increases in access and, in some cases, use have not been accompanied by equivalent increases in 'health indicators'

> Common features – hidden realities

Water

- Number of people obtaining water from private sources has tripled despite a decrease in funding in the last decade
- BUT significant failures from private sector emphasis – 250k connections from \$75Bn infrastructure funding

Education

- In Lagos, only 2% not enrolled. Some studies show over half of children go to private schools.

Health

- Malaria, TB and HIV receive 58% of funding but cause 15% of deaths
- People seek their own solutions

Finance

- Despite significant increases in access to and to a lesser extent usage of financial products, benefits among the poor are far lower

> Common themes

Pre-determined focus to date has been on

- **The recipients of funding**
 - Public sector organisations involved in the underperforming system or international organisations external to it
- **The method for delivery**
 - Transfer of funds, hardware, or training
 - Solutions in isolation from problems

the focus of development to date on who should perform a function or enforce a rule rather than what that role should be and how it might perform better is one of the primary reasons for the challenges to sustainability and scale of impact

> Feasibility of an alternative

Education

- **DEEPEN in Nigeria**
 - Market systems analysis led to initial focus on functions
 - Rules and standards; Information for parents; Finance for schools; Pedagogy
 - Different players changing different behaviours to perform different functions – public, private, third sector

Health

- **PSP4H in Kenya and Bednets in Tanzania**
 - Local manufacturer and distribution networks for bednets increasing reliability of supply and improving usage
 - Pharmnet increasing trust in pharmacies as a source of information and quality products

> Challenges – Products>Services>Behaviours

Education

- Bums on seats > quality services > changed behaviours of switching schools

Health

- Buying medicine > paid for medical advice > avoiding infection

Water

- Paying for water > paying for water maintenance > conserving water and reducing NRW

Finance

- Opening account > embedded financial services > altering financial practices for financial health

› Unique Contributions - Education

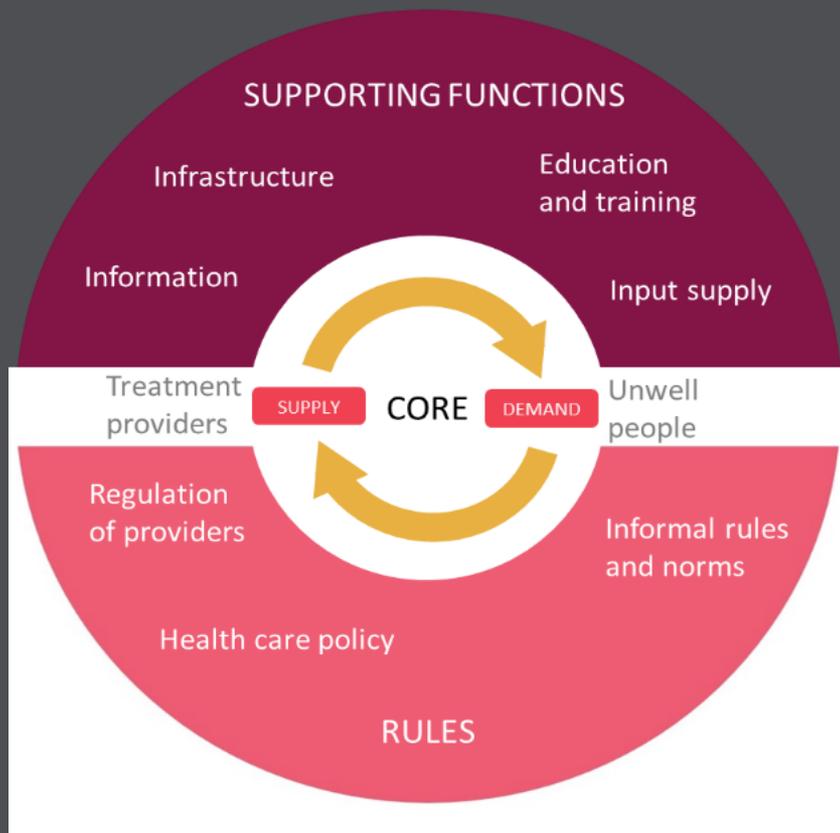
Framework for Assessment of Impact

1. **Scale** – how many people will be impacted by the innovation?
2. **Depth** – how much will they be impacted by?
3. **Profile** – what are the characteristics of those impacted?
4. **Longevity** – how long will the impact last?
5. **Expediency** – how quickly will the impact be realised?

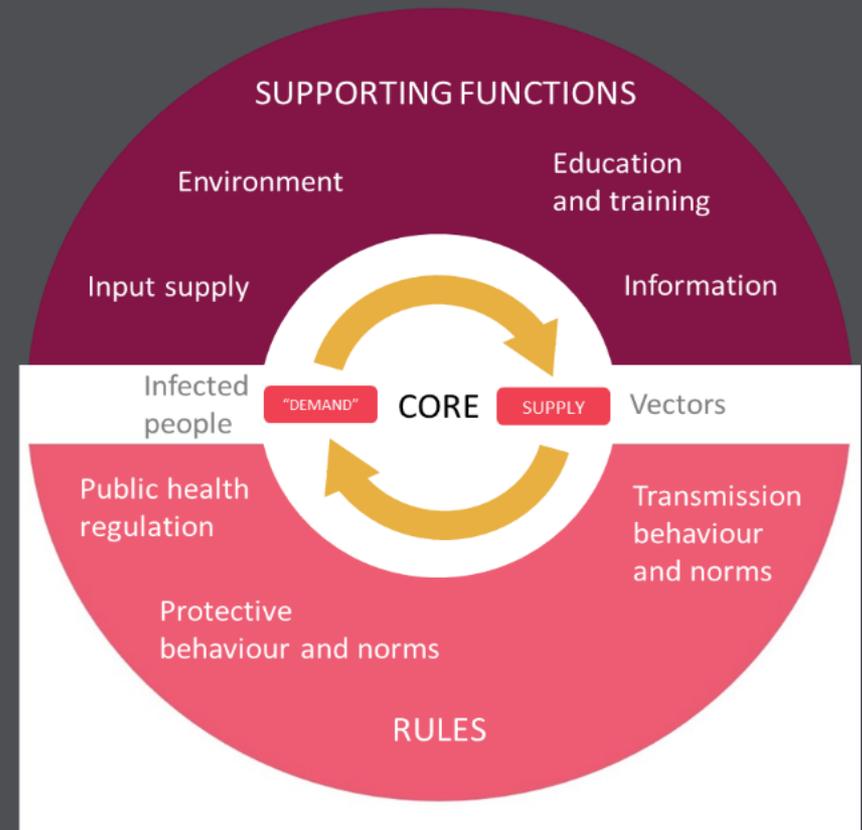
> Unique Contributions - Health

Systems of treatment Vs Systems of transmission

Treatment



Transmission



> Determinants of intervention strategy

	Treatment	Transmission
Impact of health problem	<ul style="list-style-type: none"> • Impact if untreated? • Acute/chronic? • Economic impacts? 	<ul style="list-style-type: none"> • Nature of the transmission? • Is it rapidly spreading or slow? • Can it be eradicated?
Impact of health responses	<ul style="list-style-type: none"> • Effectiveness of treatment? • Impact of treatment on untreated? 	<ul style="list-style-type: none"> • Effectiveness of transmission prevention? • Externalities?
Recurrence	<ul style="list-style-type: none"> • Frequency of repetition? 	<ul style="list-style-type: none"> • Frequency of repetition?
Individual agency	<ul style="list-style-type: none"> • Independent actions required? 	<ul style="list-style-type: none"> • Independent actions required?

> Unique Contributions - Finance

What does a theory of change in finance look like?



Food security? Incomes? Investment?

- Financial health – day to day management, resilience, opportunities

POVERTY REDUCTION

Usage? Transactions? Repayments? Insurance claims?

PRO-POOR GROWTH OR
IMPROVED ACCESS TO
BASIC SERVICES

Increase in number of savings/loans/insurance products held by poor people

MARKET SYSTEM CHANGE

Improved market information/
Improved financial education

INTERVENTION

THEORY OF CHANGE

> Experiences from the Field - DEEPEN

> Experiences from the Field – Water in Uganda

> Q&A



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