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?
- Climate change
- Education
- Health
- Water
- Sanitation
- Vulnerability
- Gender inequality
- Food security
- Unemployment
- 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
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
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 ongoing 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 or 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
## Determinants of intervention strategy

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<th>Impact of health problem</th>
<th>Treatment</th>
<th>Transmission</th>
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<td>Impact if untreated?</td>
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<td>Acute/chronic?</td>
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<td>Economic impacts?</td>
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<td>Nature of the transmission?</td>
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What does a theory of change in finance look like?

- **Food security? Incomes? Investment?**
  - Financial health – day to day management, resilience, opportunities

**POVERTY REDUCTION**


**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**

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**THEORY OF CHANGE**
Experiences from the Field - DEEPEN
Experiences from the Field – Water in Uganda