Inclusive Systems Approach: measuring systemic change

Inclusive System Approach Working Group

Tirana, 30/03/2023

Igor Mishevski

igor@impactfoundation.mk

Executive summary

Helvetas in the region has acquired considerable experience in applying the inclusive systems approach in a diverse group of projects. The meeting held on the 30th of March in Tirana, "Inclusive Systems Approach: measuring systemic change", was called to collate this experience and share it within the region amongst Helvetas projects in youth and governance domain.

"The Inclusive Systems Approach means that we strive for an impact that is socially, economically and politically sustainable and that lasts and spreads beyond our support."

The main idea being discussed is the opportunities and risks associated with the Inclusive Systems Approach (ISA) in the development market and how Helvetas can improve its understanding and implementation of ISA to maximise its impact and effectiveness.

Based on the discussion, the suggested actions or next steps include unifying ISA methodology and MRM procedures in the region, systemic mainstreaming of ISA in every project, increasing donor acceptance of ISA project results, better collaboration and sharing of knowledge between projects, better use of media and brand capitalisation, wider debate on ISA in more sectors and at the university level, onboarding and tracking of new staff on ISA, managing transitions and people, coordination of ISA-related activities through a community of practice, and communication and persuasion of other donors and the government to adopt ISA.

This is important because ISA has the potential to transform economies and create long-term impact in the regions and sectors where Helvetas operates. Implementing these actions or next steps can lead to a better understanding and implementation of ISA, ultimately leading to more effective and impactful projects. It can also enhance Helvetas' reputation and stand in the development market, leading to more opportunities and partnerships.

Helvetas' new regional strategy aims to achieve lasting and large-scale change through an inclusive systems approach by leveraging knowledge and information across countries. To achieve this, the organisation plans to professionalise and standardise its management processes, including digitising MRM and personnel documents and developing evidence-based knowledge management systems. Helvetas will combine knowledge management with good HR and people management systems to retain knowledge and people.

The organisation is also working on a KMLC strategy to clarify expectations from communities of practice. Additionally, Helvetas will align its communication for development and positioning with its overall goals of strengthening good governance, voice, inclusion, and cohesion and creating new perspectives for skills, jobs, and income.

The future direction of inclusive systems approach, trends and influence: what does this mean for Helvetas?

This report aims to provide a comprehensive overview of the meeting held on March 30th in Tirana, titled "Inclusive Systems Approach: measuring systemic change," organized by Helvetas. The purpose of the meeting was to gather and share the extensive experience that Helvetas has acquired in applying the inclusive systems approach across a diverse range of projects in the youth and governance domain. With a focus on measuring systemic change, the meeting aimed to explore the opportunities and risks associated with the Inclusive Systems Approach (ISA) in the development market. The report delves into the discussions, presentations, and lessons learned from various projects, including Reconomy, BashkiteForta, EYE, RISI, and the Advocacy Working Group, providing insights on improvements made to results measurement systems and plans for future enhancements. The ultimate goal is to enhance Helvetas' understanding and implementation of the Inclusive Systems Approach to maximize its impact and effectiveness in sustainable social, economic, and political development.

Opportunities for Helvetas to apply systemic approaches beyond economic development projects

Inclusive Systems Approach: There is a common understanding of the [Inclusive Systems Approacht](), which can potentially transform the sectors or countries where Helvetas operates in the market. This approach has a long-term impact on economies, and Helvetas is well-known for its reputation in market system development and inclusive system approach. While market systems development suits market-based economic development programs, the inclusive system approach is more relevant for governance projects. Partners in the inclusive systems approach appreciate how Helvetas engages with them and with every stakeholder.

Mobilising and Sharing Knowledge: There is a significant opportunity for Helvetas to actively mobilize and share its knowledge with partners and stakeholders, which can greatly enhance the organization's reputation and standing. Helvetas is well positioned to leverage its existing knowledge and experience to make substantial contributions in the following areas:

- **Business development opportunities:** Inclusive Systems Approach can be a unique selling point for Helvetas. Awareness about the complexity of systems, inter-relations, and ability to navigate can help this business development opportunity. Partnership vs. directive approach and the reputation of Helvetas working through partnerships can help enter into sectors that remained untouched by the Inclusive Systems Approach.
- **Large Scale Impact:** The Inclusive Systems Approach has a multiplier effect attractive to donors. For example, it goes beyond just training individuals and shows the systemic approach to training in the sector, resulting in more people being trained over time.

> *"I also think the opportunity is the multiplier effect that this approach makes. It is more attractive to donors. A project that trains people just trains those people. But the systemic approach to the training sector shows that more people are trained over time" - Norbert Piljs*

- **System Intelligence and Better Decisions:** Interventions that are based on a systems approach are better designed. The opportunity presented by ISA is to develop better and

impactful interventions. Improving understanding through system intelligence will lead to better decisions.

"System intelligence and better decisions. We need to actually get intelligence from the system, from other actors that are playing in this field in the developing markets in development. We need to improve our understanding through system intelligence. That will lead to better decisions." - Stephan Joss

Risks for Helvetas

- Donor expectations often require quick results in the first few years of a project. We need to ensure that our projects align with these expectations while still prioritising long-term impact. Difficulty showing quick results; government changes or interference may pose challenges.

- Maintaining a balanced focus on inclusive systems approach and system intelligence is crucial for Helvetas. It is important to avoid getting overwhelmed by numerous opportunities and ensure that our main goal remains in sight

- Competition from other organizations in the same space poses a risk for Helvetas as it may create challenges in maintaining a balance between maximizing impact and avoiding interference with the work of others.

- One size does not fit all. We must adapt the ISA terminology to different contexts, sectors, and donors to avoid contradictions and resistance from stakeholders or partners.

- It can be difficult to sell ISA to market actors who may not see the benefits or align with the approach especially when other projects are intervening with more direct, short-term and less systemic approaches. Non-ISA donors may distort the market, making it harder for us to achieve our objectives.

- Effective human resources management is a critical risk in the context of market system development (MSD) as it involves managing diverse stakeholders and partners, which can present significant challenges.

- Organizations may struggle to align and incentivize changes in the private sector and government, which is crucial for achieving long-term impact. Failure to do so could result in undermining the overall systems approach and potentially hinder the effectiveness of projects that are not aligned with systemic change.

- Finally, the dynamic and developing region and EU integration – bringing more EU funds on the table can also pose risks for the development sector, but the multiplication effect of ISA makes it more attractive to donors.

Actions

Several actions Helvetas can take to promote further the Inclusive Systems Approach (ISA) and its methodology in the region.

- One of the primary actions is, based on ISA methodology, to unify the Monitoring and Result Measurement (MRM) procedures across all projects. All projects should follow established good practice on ISA and MRM. This will help to systematically mainstream the ISA in every project, increasing the donor acceptance of results from ISA projects.

- Another action is encouraging projects to collaborate and help each other in quick and practical research. Helvetas can do this by making better use of the media and brand capitalisation to visualise and share the knowledge gained from each project. The organisation can also use the Knowledge and Learning Management (KLM) tool to facilitate project coordination.

- To further promote ISA, it is important to prime (knowledge capitalisation) beyond the common publication standard and widen the debate on ISA to more sectors, including university-level engagement. Additionally, Helvetas should communicate better to donors such as SDC and Sida, what it means by ISA. This would lead to a greater understanding of Helvetas' USP

- It is also important to onboard new staff with ISA foundational knowledge and to manage transitions, people, and projects by leaning on the knowledge and expertise of the experienced staff. Helvetas can facilitate this through an ISA Community of Practice, which coordinates ISA-related activities in the region.

- In order to make well-informed decisions, Helvetas recognizes the importance of obtaining intelligence from the system and other actors involved in the development market. By actively seeking and acquiring relevant information, Helvetas can gain valuable insights and knowledge about the dynamics and trends within the sector. This intelligence gathering enables the organization to stay updated, adapt its strategies, and effectively navigate the evolving landscape of developing markets. By leveraging this knowledge,

Lessons and improvements in measuring the systemic change in inclusive systems approach: a regional experience

Lessons learned

The presentations of Reconomy, BashkiteForta, EYE, RISI, and the Advocacy Working Group provided valuable lessons in results measurement and management, showcasing the improvements they have implemented and their plans for further enhancing their measurement systems. Through a collective discussion, the group identified key similarities, differences, and noteworthy practices in their projects' monitoring, evaluation, and learning (MEL) approaches.

While all projects shared a common foundation of a logical framework and a commitment to driving systemic change, they diverged in their methods of measuring and assessing such change. Some projects leveraged evidence-based communication as a means of reporting and scaling up, while others utilized it to drive transformative shifts in systems.

Furthermore, variations were observed in the adoption of DCED standards, the incorporation of cost-benefit analysis, and the selection of data collection methods, including qualitative and quantitative approaches. These variations provided valuable insights into the flexibility and adaptability required in tailoring MEL strategies to the specific contexts and objectives of each project.

By sharing their experiences, the group facilitated a collective learning environment, enabling the identification of best practices and fostering ongoing improvement in results measurement across their projects and beyond.One good practice identified was the outcome harvesting methodology, which helps to capture the qualitative impact that is difficult to capture through quantitative methods (see Image 1). The group also appreciated how some projects built evidence for qualitative information, such as storing statements of stakeholders who witnessed or attributed the change to the project.
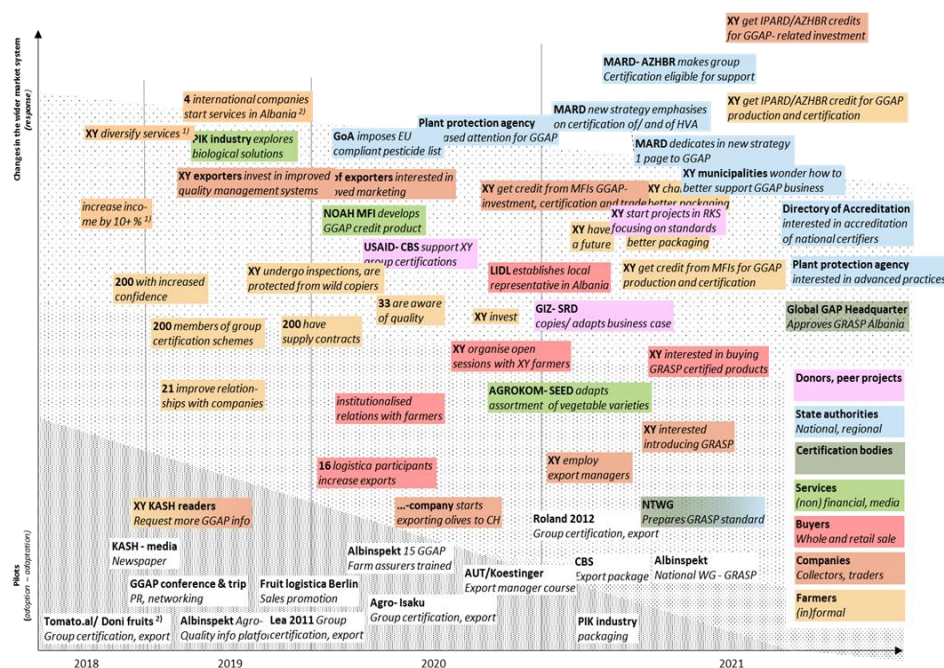

Image 1. Capturing systemic change - RISI Project, Helvetas Albania

Improvements

The combination of IT solutions focused on result measurement and finance and administration was also noted as a good practice. The IT solutions alone are not sufficient without sound methodologies. On the other hand, methodologies should use digital tools to be more effective and efficient in achieving and measuring more results.

Regarding similarities, the group noted that all projects have an MRM person or MRM team, and all face challenges in measuring systemic change. They also noted similar challenges in interpreting impact results and different approaches to measuring data in MRM. Tools used by different projects varied, with some using a team of experts to measure data and others relying on one focal point.

Some good practices identified by the group included using MRM for learning and steering the project in the future, focusing on the main parts and avoiding wasting time and resources, and connecting MRM results to the communications team for dissemination. The group also suggested that standardisation of data collection and interpretation could be helpful in the future.

During the discussion, the group placed significant emphasis on the importance of MRM and standardized terminology, recognizing it as a vital aspect of project management. However, they particularly highlighted and commended Helvetas for its outstanding improvement in implementing innovative and user-friendly digital solutions in certain projects.

One notable example is the Reconomy digital solution, which has proven to be exceptional. The group suggested further enhancing this improvement by providing explanatory notes for log frame indicators, aiming to ensure a common understanding among project stakeholders. This emphasis on digital solutions showcases Helvetas' commitment to leveraging technology for improved MRM practices and underscores its dedication to staying at the forefront of innovative project management approaches..

Inclusive systems approach in the Helvetas regional strategy: getting prepared for success

The regional strategy of Helvetas in Eastern Europe aligns with their global vision of prosperous, inclusive, and sustainable societies. With a team of 170 staff members across eight countries, the organization aims to elevate its operations by professionalizing and standardizing systems, processes, and rules.

> *"What matters here is the way how we bring changes. Here we are talking about the inclusive systems approach. In all of the different sectors we're working in, we want to improve performance by bringing in systemic change. So finding a systems approach that's why we are here. That is our USP. It distinguishes us from others. It makes us different. That means we focus on achieving lasting and large-scale change. We always think about sustainability in terms of institutional sustainability and scale. We don't want to just benefit direct partners we work with, but we want to have some scaling up, and crowding in effect. We really want to get things going beyond the immediate partners we work with." - Matthias Herr*

The key focus is on implementing an inclusive systems approach to drive lasting and large-scale change. This approach sets Helvetas apart from others and emphasizes achieving sustainability through institutional sustainability and scale. The goal is not only to benefit direct partners but also to promote scaling up and a broader impact beyond immediate collaborations.

In the new regional strategy, knowledge management and acting as a knowledge broker are prioritized. By connecting countries' knowledge, information, experiences, and innovation, Helvetas aims to leverage the regional perspective to address the significant challenges in the region.

To move forward, Helvetas needs to bring its growing organization together and professionalize various aspects in the region. This involves aligning understanding, standardizing systems, processes, and rules, as well as embracing digitization and standardization across different sectors. The thematic areas of focus will be strengthening good governance, voice, inclusion, and cohesion, as well as creating new opportunities for skills, jobs, and income.

To support these efforts, Helvetas plans to standardize and digitize management processes, including MRM and personnel documents. They will also develop evidence-based knowledge management systems and combine them with effective HR and people management practices to retain knowledge and talent across the projects. Moreover, Helvetas is working on a KMLC strategy or concept note to clarify expectations and standardize the functioning of communities of practice. Helvetas is getting prepared for success through capitalising on the following lessons learned:

- The Reconomy project (Annex I), an MSD regional and green economic development program by Helvetas, exemplifies how the organization is preparing for success. Operating with implementing partners and direct interventions, it employs a complex MRM system with multiple parties contributing data and information. To improve management and results measurement, the project has transitioned from Excel files to cloud-hosted solutions, ensuring data security and user access. They have introduced an "IT solution" based on Office 365, encompassing a data collection tool and an intranet portal for external user access. In the program's Main Phase, additional requirements necessitate further upgrades to the MRM system. To ensure compliance with the DCED Standard, a mock audit will be conducted to identify areas for improvement. The audit findings will inform enhancements to system management and result measurement. Through the Reconomy MRM approach, Helvetas

demonstrates its commitment to enhancing data and information management, aligning with the organization's goal of professionalizing and standardizing systems.

- Another key success lesson learned from the EYE project (Annex I) is the importance of adhering to the DCED results measurement standard and conducting external audits. The project's MRM system has been assessed through a pre-audit covering crucial aspects such as attribution, theory of change, unintended effects, and counterfactual. All staff involved in managing partnerships take responsibility for measurement, supported by dedicated personnel.

- The Risi project (Annex I),, a 10-year MSD initiative, recognizes the importance of capturing systemic change and utilizes outcome harvesting as an additional method for measuring results and generating insights. This approach complements the existing MRM system and allows for the identification and understanding of activities that may fall outside the project's direct scope but contribute to the logical result and uptake by other actors. By employing outcome harvesting, the project gains valuable insights into the broader impact and systemic changes occurring as a result of its interventions, ensuring a more comprehensive understanding of the project's effectiveness and outcomes.

- In governmental projects such as the case study of Bashki të Forta (Annex I), the focus is placed on systems rather than markets, making Market Systems Development (MSD) an applicable approach. The measurement system employed in the project is based on a Logframe and SDC template, encompassing objectives, outcomes, and outputs with corresponding indicators and sub-indicators. While it is not explicitly mentioned whether the system adheres to external standards like the DCED, social and gender mainstreaming is incorporated, and the logframe aligns with long-term country strategies. This demonstrates the importance of considering the broader system and context in governmental initiatives.

Additionally, Helvetas aims to align its communication for development and positioning with its overall goals. By adopting a professional and standardized management approach and emphasizing the inclusive systems approach, Helvetas seeks to make a lasting impact on Eastern Europe.

Annex I: Case studies of measuring the systemic change in inclusive systems approach

Case study of Bashki të Forta

MRM system	The results measurement system is based on a Logframe and SDC template, with objectives, outcomes, and outputs, each with indicators and sub-indicators. Biannual reporting is done, and RFPs report quarterly with evidence filed in OneDrive. Surveys are outsourced, and data is stored and analysed in Excel. There is a first attempt to set a baseline for economic and financial analysis. Social and gender mainstreaming is included along with indicators, and the logframe is aligned with country strategies for a long-term vision. It is not specified whether the system adheres to external standards like the DCED.
Changes and improvements	Changes and improvements made to the measurement system in the project: 1) use of a mother Excel sheet divided into worksheets based on major outcomes, RFPs' monthly and quarterly reporting templates, relevant targets of indicators as part of Request for Services and Service Provider reporting, and the incorporation of secondary sources like IDM/UNDP for independent assessment of impact and outcomes.
Planned improvements	Use of Kobo Toolbox and Power BI, dashboards, adjusting the M&E system with new SDC instruction on M&E, integrating project M&E into the Performance Management System (PMS) for local government in Albania, and video documentation of qualitative results could all be potential efforts to improve measurement.

Case study of EYE

MRM system	Project's adherence to the DCED results measurement standard and their recent pre-audit by an external consultant, which covers aspects such as attribution, theory of change, unintended effects, and counterfactual. All staff managing partnerships lead on measurement for their work, supported by a full-time staff.
Changes and improvements	Based on experimental and control group analysis: Training centres that benefited from EYE support have cooperations with companies that enable their trainees to work for them (56%) – systemic change; 93% of non-beneficiaries stated that they do not have such cooperation; 72% of training centres stated that they had experienced an increase in the relevance of training provisions due to being part of EYE-facilitated activities. This is followed by an increase in the number of participants in the training;
Planned improvements	SDC will introduce a new centralised reporting database for results in 2023, which will require the project to adapt to these systems. The project will focus more on measuring systemic change, with less emphasis on measuring activities and outputs. The project also aims to improve the connection between measurement, learning, and communication. However, implementing these changes may be challenging due to the organisation's focus on managing activities, expenditures, and procurement. The report found that the EYE MRM system is primarily compliant with DCED standards, with only minimal improvements needed. The project team has consistently tracked and measured progress towards objectives.

Case study of Reconomy

MRM system	Complex MRM system due to program setup and implementation model. RECONOMY works with implementing partners which are working with market actors on the field but also some of the interventions are implemented by RECONOMY staff directly. This requires management of information and data with multiple parties providing input of data and information. Besides that, RECONOMY is MSD regional and green economic development program that follows the DCED Standard for results measurement for its MRM system.
Changes and improvements	In terms of management of the MRM system and results measurement, the RECONOMY project is not significantly different from other Helvetas projects. However, during the previous period, the project team placed greater emphasis on enhancing the management of data and information. To achieve this, the team has transitioned from using Excel files to cloud-hosted solutions, which provide managed user access and ensure data security. The project has introduced an "IT solution," which is a management information system built on the Office 365 platform. This system comprises a data collection tool, built on PowerApps, and an intranet portal that grants access to external users, built on SharePoint.
Planned improvements	The program's Main Phase has a more intricate setup, with additional requirements, prompting the need for further upgrades to the newly developed system by adding more features. To ensure compliance with the DCED Standard, the program will undergo a mock audit of its MRM system. The findings from the audit will be used to further enhance the management of the system and improve the measurement of results.

Case study of RISI

MRM system	The measurement system of the Risi project, a 10-year MSD initiative, is built on adhering to DCED standards. However, after conducting an internal mock audit, the project team has identified areas of improvement. The MRM system, utilised from the beginning of the intervention, includes a manual for all project staff and covers all aspects of the system. Tools such as the Results Chain and Measurement Plan are used for planning and monitoring interventions, while regular partner feedback is collected to measure results. The system also considers baselines, attribution, and projections for measuring wider impact, as well as unintended effects when needed.
Changes and improvements	The organisation has implemented several changes to improve its processes, including modifying the approval process for new partnerships. Previously, the cooperation agreement with a partner was signed and approved before conducting the Results Chain and Measurement Plan, but now the Intervention Plan is completed first, followed by the approval of the cooperation agreement. Additionally, the MRM is involved from the beginning of the approval process. Other areas of improvement include reshaping the Knowledge Management and Learning system to be more efficient and continuously improving the MRM capacities of staff through internal capacity building.
Planned improvements	The implementation of tools aimed at enhancing data collection and reporting is part of Helvetas' plan. The project will continue to develop its Knowledge

	Management and Learning (KML) system and will undertake a "Master Plan" exercise to map out all knowledge products until the end of the project. This approach will enable the project team to determine the specific measurements required and data to be collected, providing a clear understanding of the necessary steps to achieve their goals.