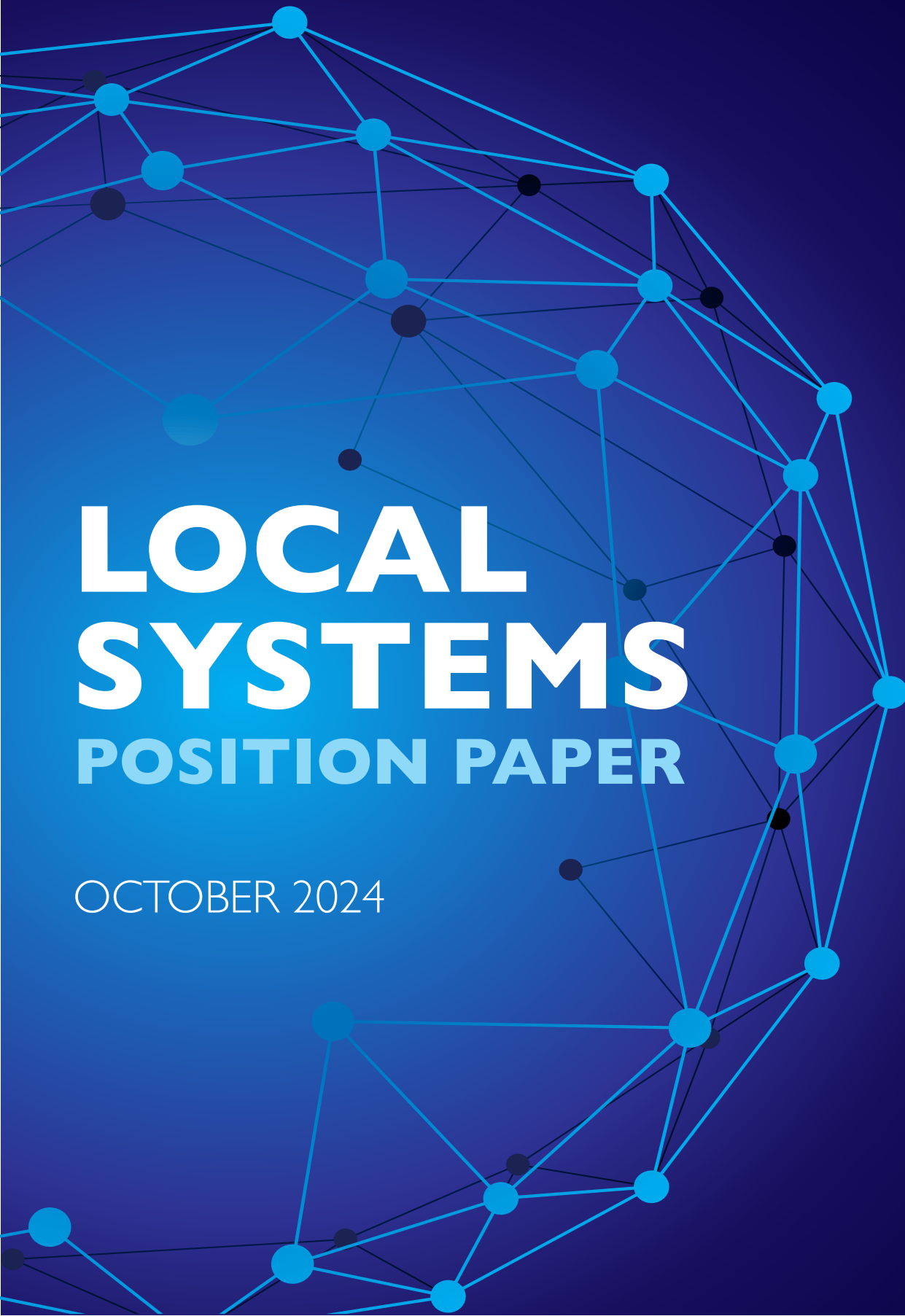




USAID
FROM THE AMERICAN PEOPLE

LOCAL SYSTEMS POSITION PAPER

OCTOBER 2024





ACKNOWLEDGEMENTS

The Local Systems Position Paper is the product of the collective efforts of hundreds of systems champions – both within USAID and from the broader international development and humanitarian assistance community. USAID is deeply grateful to each and every person who contributed their valuable time and perspectives to the consultation and drafting process. This includes but certainly is not limited to: Rachel Leeds, who led the process and was the primary drafter; Aiden McKinnon, a Virtual Student Federal Service intern who created an [annotated systems practice literature review](#) to help inform the paper; 100+ USAID staff who participated in internal consultations; 16 systems change experts who participated in external consultations; 40 individuals who shared comments in response to the Local Systems Position Paper blog on [WorkWithUSAID.gov](#); 25 external stakeholders who provided feedback on our first draft of the paper; the team at Catalyst 2030, who made our Catalyzing Change Week event possible; and the many, many other individuals who provided moral support and encouragement to the drafting team throughout this journey – thank you, thank you, thank you! You made the process even more lovely than the product!

The Local Systems Position Paper builds on decades of work led by the 400+ members of USAID’s Local Systems Community of Practice. Since 2014, the Local Systems Framework has been our compass, and it will continue to be a foundational and critically important part of the Agency’s systems practice. Thank you to everyone who made the Local Systems Framework a success, and especially to Tjip Walker, whose legacy endures!

INTRODUCTION

The Local Systems Position Paper describes the key approaches USAID will use to translate systems thinking into systems practice. It focuses on ways USAID can better understand and engage local systems to support them in producing more sustainable results. **Systems thinking** is a mindset and set of tools that we use to understand how systems behave and produce certain results or outcomes. **Systems practice** is the application of systems thinking to better understand challenges and strengthen the capacity of local systems to unlock locally led, sustained progress. The shift from systems thinking to systems practice is driven by a desire to integrate systems practice throughout the Program Cycle and increase our capacity to actively and adaptively manage programming in ways that recognize

USAID defines a “system” as the interconnected set of actors, elements, relationships, rules, and resources that jointly produce and sustain a particular outcome. When these factors jointly produce an outcome, they are “local” to it. Local systems exist at all scales, from national-level government services, to a community forest and its use, to household financial decisions. Systems are also interconnected, and often transcend traditional development or humanitarian sectors or funding streams.

complexity and help make our programs more effective and sustainable. These approaches will be utilized alongside and within the context of USAID’s policies and guidance, including technical guidance for specific sectors, as well as evidence and lessons learned from partners around the world.

Systems thinking is a long-standing discipline that can serve as a powerful tool for understanding and working with local systems. It has been a consistent component of USAID’s decades-long commitment to locally led development and humanitarian assistance. USAID uses systems thinking to better understand the complex and interrelated challenges we confront – from climate change to migration to governance – and the perspectives of diverse stakeholders on these issues. When we understand challenges as complex systems – where outcomes emerge from

the interactions and relationships between actors and elements in that system – we can leverage and help strengthen the local capacities and relationships that will ultimately drive sustainable progress.

Recognizing this, in 2014, USAID released the [Local Systems Framework](#), outlining ten principles to help USAID staff, partners, and local stakeholders place local systems at the center of all of our efforts to promote sustainability. Since then, development and humanitarian actors have embraced systems thinking as a concept and reiterated its importance in other policies, strategies, and tools, across sectors and regions. When USAID released its [Localization Vision and Approach](#) in 2022, it included local systems practice as a core component of adapting policies and program practices. Building on the success of the Local Systems Framework, this position paper reiterates USAID’s commitment to systems practice and presents six approaches that will help USAID strengthen and further embed systems practice in all of our work.

DESPITE PROGRESS, CHALLENGES PERSIST

A [Policy Implementation Assessment \(PIA\) of the Local Systems Framework](#) found that most USAID staff were aware of the policy and the concept of systems thinking. However, the assessment also found that implementation of the policy was generally champion-driven rather than institutionalized or normalized within the Agency. The assessment also found a misalignment between the belief in the importance of systems thinking for achieving sustainability and a bureaucratic structure that leads to risk-aversion and a focus on short-term results. Some Agency staff also reported a perception that systems approaches are too time-consuming or difficult to understand and apply.

Furthermore, the consultations for this position paper revealed that although there are examples of successful systems practice across the Agency, challenges persist. Most international development and humanitarian assistance is based on top-down, technocratic approaches that accommodate funders' priorities, timeframes, and results frameworks. Awards tend to last for one, two, or five years (at times due to limitations imposed by federal regulations) despite the fact that sustainable change typically requires much longer-term investment and relationship-building. In addition, the majority of USAID funding is earmarked for specific sectors or activities, despite the integrated and multidisciplinary nature of development challenges. International assistance, as it has been designed and delivered, can overshadow – or even undermine – existing local systems. Intervening without first seeking to understand local systems risks limiting impact or even harming the actors within the system.

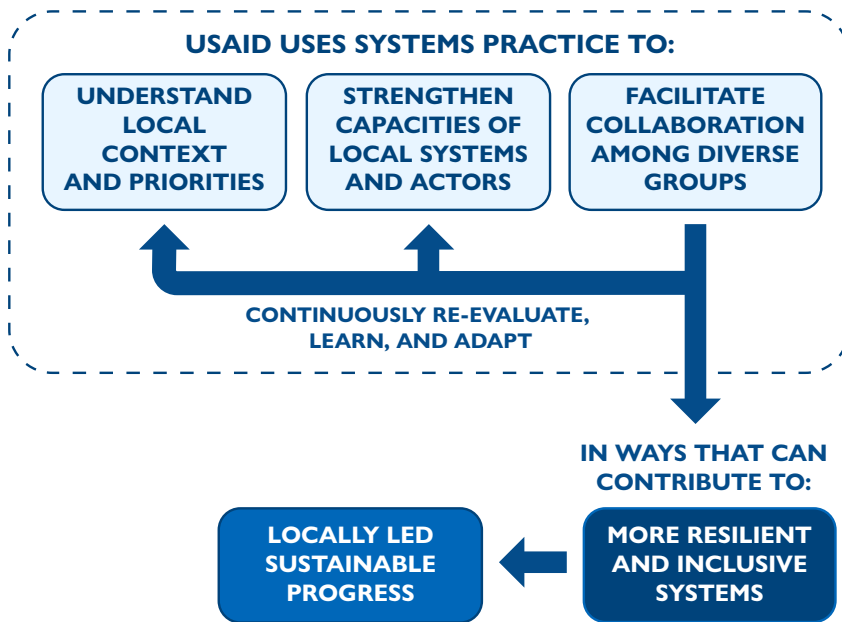
Many of these challenges also hinder USAID from working in more locally led ways. In the last decade, the Agency has made significant progress in advancing its commitment to locally led, inclusive development and humanitarian assistance, but these challenges are not simple or easy to resolve, nor are they solely within USAID's purview. Indeed, adopting systems practice in a bureaucracy like USAID is in itself a complex, systemic task.

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USAID places local systems at the center of all of our efforts to promote sustainability.

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VISION



Our vision is that a more intentional, relational, and learning-oriented use of systems practice in USAID's programs will help foster more resilient and inclusive systems and positively contribute to the broader, locally led systems change that ultimately drive sustainable progress.



Photo: In Nepal, Community Health Worker Jharana Kumari Tharu councils a group of women, including expectant mothers and those who have recently delivered, on good health practices supported by USAID and partner JSI. Photo by Thomas Cristofolletti, USAID.

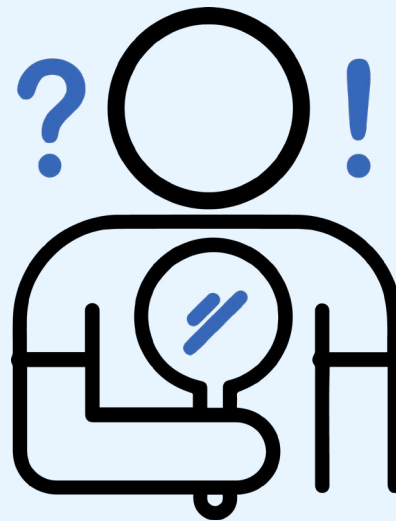
APPROACHES FOR NURTURING A SYSTEMS PRACTICE

Nurturing a systems practice requires routine individual and collective self-reflection and effort. The following approaches can help guide USAID's efforts to better understand and engage systems.

UNDERSTAND THE SYSTEM

Seek to understand systems, in all their complexity – Everything exists within a system, and all systems have evolved to serve their current functions or produce their current outcomes. Embracing complexity and the diverse perspectives of and interactions between individual actors in a system as a whole allows us to engage new sources of knowledge, resilience, and potential that can unlock more sustainable impact.

For USAID, this means developing a better understanding of the systems we interact with and our roles in them. It also means recognizing how our power influences different contexts, and mitigating any potential harm caused by our involvement. USAID and our implementing partners use a range of fit-for-purpose and flexible tools – including the [5Rs Framework](#), [political economy analysis](#), [inclusive development analysis](#), [violence and conflict assessment](#), systems mapping, and partner landscape assessments – that can help us understand and support local systems in more sustainable and inclusive ways. These analyses need to be complemented by action through which we can help clarify unknowns, generate learning, make informed decisions about potential tradeoffs, and accelerate locally led change within the system. We must also remain cognizant of external influences and other parts of the system that are beyond our sphere of control or influence, and how those might be affecting outcomes of interest. Systems practice is especially critical for more intentionally coordinating our humanitarian, development, and peace (HDP) efforts in a given area or country, including with other donors and partners, for [greater coherence](#) and impact.



Key

inquire

Inquire with humility and curiosity –

We can never fully understand a system; systems are always changing, and our perspectives will always be biased and limited. Humility and curiosity are two sides of the same coin – in order to be truly curious and open-minded, we must first admit that there is much we do not know or understand. We should be humble about our own knowledge and expertise, and genuinely curious about and respectful of the knowledge and expertise of others within the system.



For USAID, this means asking thoughtful questions, listening carefully, questioning our own power, and stepping away from the role of “expert” in favor of other roles such as facilitator, convener, advisor, or collaborator. Part of this process of inquiry will involve discerning the most appropriate ways for us to engage with the system, considering local actors’ interests and our own resources, comparative advantages, and constraints. It also involves communicating those constraints clearly and transparently, and being willing to adjust our role or step back based on what we hear and learn from local actors and other stakeholders. USAID will work to promote shared understanding of biases and make conscious efforts to diminish their influence by listening and respecting others’ perspectives. We will also seek to understand and embrace diverse and alternative visions for development and change in the communities we serve.



Photo: USAID/Honduras Transforming Market Systems Activity Organization



Photo: Meraz Rahman, Helen Keller International Bangladesh, BANI Project, USAID/Bangladesh



Photo: Serrah Galos, Village Enterprise, USAID Development Innovations Ventures (DIV)

embrace

Embrace emergence, ambiguity, and uncertainty

– Emergence is a key trait of complex systems. Because emergence is unpredictable, when dealing with complex systems, we must be comfortable with ambiguity and uncertainty. Development and humanitarian outcomes are beyond the control of any single individual or organization. By embracing humility and curiosity, we can come to accept this and recognize progress and success even when we may not be solely responsible for it. Even where data point towards a specific intervention being cost effective, it remains necessary to examine the local context to determine if the intervention is appropriate and cost effective within that setting.



For USAID, this means prioritizing learning processes that will help us better understand and reflect on complex systems. We will leverage our [collaborating, learning, and adapting](#) (CLA) toolkit to “learn by doing,” regularly pausing to reflect on our experiences and how our understanding of the system evolves as we listen to and interact with actors in the system. Navigating ambiguity and uncertainty together can strengthen trust and social cohesion, leading to more mutual and asset-based approaches for managing uncertainty and risk. USAID’s [Risk Appetite Statement](#) helps us holistically assess opportunities and threats and identify levers of change that can sustainably foster resilience. Finally, we must build our staff’s capacity to anticipate and plan for change, manage adaptively, and leverage innovative and flexible funding mechanisms, including locally led funds, that can help us more nimbly pivot and adapt to emergent conditions throughout implementation.

facilitate

Facilitate diverse relationships based on trust, dignity, and care

– In any given system, USAID is just one actor among many. USAID prioritizes inclusive, equitable, and relational systems practice because it is only through relationships that we can successfully create and navigate meaningful change. This involves developing deeper, more trusting relationships with a broader range of stakeholders, including intentionally and proactively engaging historically marginalized groups. These efforts must be guided by a commitment to do no harm and the principle of “nothing about us without us.” For example, USAID’s [Policy on Promoting the Rights of Indigenous Peoples](#) helps staff more effectively and appropriately engage with Indigenous Peoples by better understanding and respecting Indigenous knowledge systems and governance structures; in many cases [Free, Prior, and Informed Consent](#) must be achieved.



For USAID, this means elevating our roles as conveners and facilitators, and investing in local actors’ capacities to do the same. We will use our convening power to forge new relationships, being mindful of and sensitive to existing networks and social capital. As facilitators, we will identify and engage leverage points within local systems, recognizing that sustainable progress relies on the system’s ability to generate its own locally valued results. Building relationships and trust takes time and may transcend the timelines of specific awards and activities. USAID’s Foreign Service National staff have a critically important role to play in navigating local power dynamics and maintaining long-term relationships. USAID will also leverage our work on [collective action](#) to help strengthen and diversify relationships of all kinds, driving sustained change through those connections.

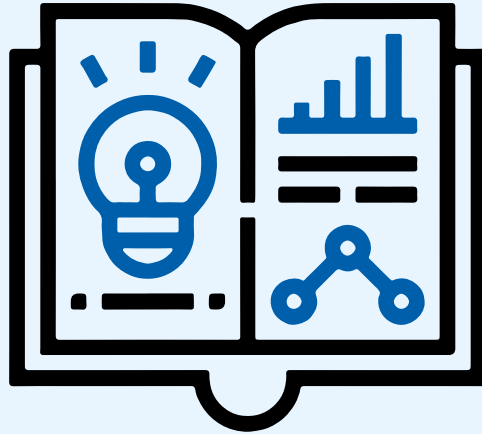
learn

Learn from the system –

Among the most significant barriers to adopting a systems practice, as identified in the consultations for this paper, is the pressure to deliver quick, measurable results and an overemphasis on linear theories of change. USAID staff and our partners often spend significant time and resources collecting and reporting performance data.

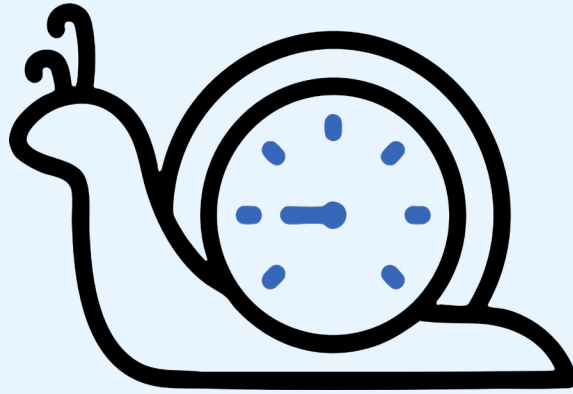
Overemphasis on outputs, targets, and attributable results often comes at the expense of considering and investing in the diverse capacities, relationships, and resource flows that are crucial components of resilient systems. USAID continues to prioritize rigorous causal analysis to ensure effective use of resources. Balancing this analysis by adopting a systems-aware approach to monitoring, evaluation, and learning will require more discernment around what is needed for accountability (and to whom, by whom) and ultimately expanding the kinds of results we value and measure.

For USAID, this involves reducing reporting burdens and focusing on context-specific indicators that help us learn from local systems and improve our programs. USAID remains committed to expanding how we measure systems change and sustainability, including, for example, through the use of context monitoring, ex-post evaluations, impact evaluations, qualitative narrative reporting and knowledge sharing, and making data more actionable and accessible. This includes continuing to advocate externally for broader definitions of success, emphasizing the importance of the sustainability of results. USAID's [Knowledge Management and Organizational Learning Policy](#) will guide these efforts to learn from the vast sources of knowledge available to us, and specifically to adopt a more inclusive approach to knowledge and evidence as a way to strengthen relationships and highlight the importance of local contexts, concerns, and conditions in making our work more effective and equitable.



be patient

Be patient – Systems change is unpredictable, and working on resilient and sustainable change can take time, intention, and resources. Systems are constantly evolving; there is no singular, static end state that signals “success.” The purpose of systems practice is not to make systems do what we want them to do, but rather to help strengthen the ability and capacity of the system to continuously unlock and maintain positive change on its own. Developing this mindset is also about strengthening our own capacity to learn and adapt as the system evolves. The [Local Capacity Strengthening Policy](#) helps USAID pursue these internal and external capacity strengthening efforts alongside local actors in ways that elevate their leadership and contribute to more sustainable, systems-level results.



For USAID, this means placing an increased emphasis on long-term sustainability and resilience throughout the Program Cycle. This means focusing on facilitating changes that enable the system to better sense, self-organize, and respond to challenges, in a way which includes, but is not limited to the focus of USAID’s programming. This can be done by designing programming to foster actionable learning across activities, carefully considering the positive and negative side effects or unintended consequences of our work on various individuals or systems, and being more realistic about what changes we can expect to see and when, in a given context. Recognizing that change can be slow does not mean there is nothing to be done in the meantime; rather it is an opportunity to reframe and focus short-term efforts in ways that are most likely to generate the longer-term, sustainable outcomes that local communities desire. All of this requires investing in relationships and prioritizing the quality of the process of learning and working together.



CONCLUSION

Systems practice requires conviction, persistence, and intention. There are many tools and resources available to help apply systems thinking. However, effectively and successfully nurturing a systems practice requires first adopting the kinds of approaches and mindsets explored above. Advancing locally led development involves carefully selecting and tailoring tools to fit the specific priorities and preferences of a local context, and implementing those approaches in dignified and respectful ways. In other words, *how* objectives are achieved matters just as much as *what* those objectives are. **Sustainability is a product of the quality of the process.**

USAID is committed to adopting the approaches outlined in this paper to ensure that systems practice shapes and informs all of our work. This position paper will guide our efforts to address the barriers to adopting systems practice, including by building staff capacity to adopt these new tools and mindsets.

USAID cannot do this alone. We are committed to collaborating with communities, governments, development and humanitarian actors, and a diversity of other stakeholders as we continue to learn and evolve on our journey. This journey will require embracing new ways of thinking and working while still existing within and navigating our current systems and paradigms as they transform. To do this well, we will need to approach each other with humility, inclusion, mutuality, and shared learning. Together, by expanding our use of systems practice, we can foster more sustainable international development and humanitarian assistance.

GLOSSARY

Emergence: The process by which the interactions between elements of a system create new or different features and properties that are not immediately apparent or possible in the individual elements independently.

Equity: The consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, including (but not limited to) Black, Latinx, and Indigenous and Native American persons; Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, queer, and intersex (LGBTQI+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality ([Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#)).

Inclusive Development: An equitable development approach built on the understanding that every individual and community, of all diverse identities and experiences, is instrumental in the transformation of their own societies. Their engagement throughout development and humanitarian processes leads to better outcomes ([Inclusive Development Additional Help Document](#)).

Local system: A local system refers to the interconnected set of actors, elements, relationships, rules, and resources that jointly produce and sustain a particular outcome. When these factors jointly produce an outcome, they are “local” to it. As outcomes may occur at many levels, “local systems” can be national, regional, or community-wide in scope.

Locally led development: The process in which local actors – encompassing individuals, communities, networks, organizations, private entities, and governments – set their own agendas, develop solutions, and bring the capacity, leadership, and resources to make those solutions a reality. USAID recognizes that local leadership and ownership are essential for fostering sustainable results across our development and humanitarian assistance work ([Locally Led Development Factsheet](#)).

Marginalized groups: These may include, but are certainly not limited to, women, youth, children in adversity and their families, older persons, persons with disabilities, LGBTQI+ people, displaced persons, migrants, Indigenous Peoples and communities, non-dominant religious groups, non-dominant racial and ethnic groups, people of castes traditionally considered lower, and persons with unmet mental health needs ([Inclusive Development Additional Help Guidance](#)).

Resilience: The ability to improve well-being despite shocks and stresses. As local systems become more resilient, funders should shift how they support local systems, with more focus on convening and facilitation, and begin to place more emphasis on contribution as opposed to attribution ([USAID Resilience Policy](#)).

Sustainability: The ability of a local system to generate desired outcomes over time. Development and humanitarian assistance contribute to sustainability when they strengthen a system’s ability to generate valued results and its ability to be both resilient and adaptive in the face of changing circumstances.

Systems practice: The intentional and holistic application of systems thinking that USAID uses to better understand challenges and work with local systems to unlock locally led, sustained progress.

Systems thinking: A mindset and set of tools that we use to understand how systems behave. It is based on a conviction that particular actions and outcomes are best understood in terms of interactions between elements in the system.



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