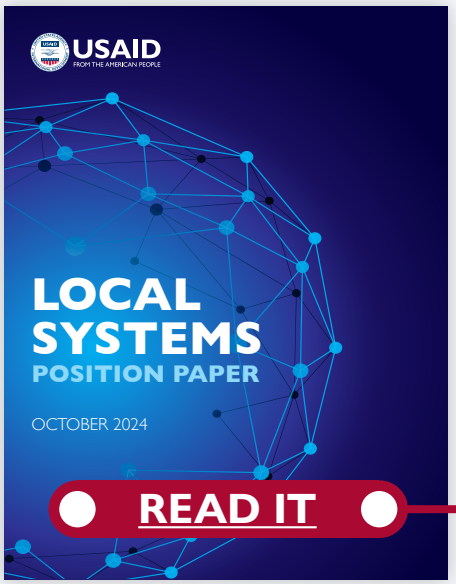
LOCAL SYSTEMS
POSITION PAPER
SUMMARY OF FEEDBACK

USAID
FROM THE AMERICAN PEOPLE

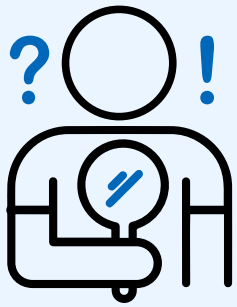
The **Local Systems Position Paper** reflects months of internal and external engagement, including:

- Internal consultations with more than 100 USAID staff between November 2023 and March 2024.
- External consultations with 16 systems thinking experts in April 2024.
- Twenty-nine responses to an April 2024 WorkwithUSAID.gov blog, provided in multiple languages, asking for input on the forthcoming paper.
- A conversation with approximately 40 social entrepreneurs, mostly from the Global South, in a closed event during Catalyzing Change Week in May 2024.
- A concurrent internal and external comment period, held from July 29-August 9, 2024.



This document summarizes the key areas of feedback received from those stakeholders and should not be interpreted as representing the views, positions, or official policies, expressed or implied, of the U.S. Government. Nevertheless, we see enormous value in providing full transparency around the discussion that took place as we work together to explore new ways of working and reinforce our ongoing efforts to adopt systems practice as an Agency.

INTERNAL CONSULTATIONS



More than 120 USAID staff participated in consultations for the Local Systems Position Paper, representing 12 different Washington Operating Units and 21 Missions across all five USAID regions. The internal consultations focused primarily on why systems thinking is important for USAID and the barriers to using systems thinking at USAID. Staff perspectives on the importance of systems thinking included the following reflections:

- Systems thinking offers us a way to think more **holistically** across sector silos and align our programs with reality, which is the key to delivering sustainable development outcomes.
- Systems thinking helps us better understand and engage **diverse** stakeholders and perspectives; diversity and inclusion are key components of effective systems practice.
- Systems practice is about creating or **facilitating** the conditions for change. There is *always* a local system, and we need to show up in ways that help those local systems unlock locally led change themselves.
- Systems thinking takes more **time** but pays dividends during implementation.
- To achieve the kind of change and results we seek, we need to use highly context-specific approaches that prioritize **relationship building**.

These comments directly informed the six approaches in the paper (especially embracing emergence, facilitating diverse relationships, and being patient).

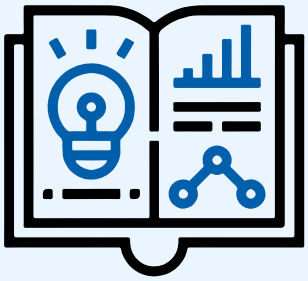
Many USAID staff consistently cited similar barriers to using systems thinking: lack of time to consult local actors adequately and do systems analyses, pressure to demonstrate quick and measurable results, budget earmarks (which can reinforce sector siloes and limit USAID's ability to respond to locally identified priorities or shifts in context), the perception that systems thinking is too abstract or academic, and the predominantly problem-centered (as opposed to people- or relationship-centered) approach to development work. These are summarized in the second section of the Local Systems Position Paper ("Despite Progress, Challenges Persist").

EXTERNAL CONSULTATIONS

The targeted external consultations surfaced a few key themes: the importance of addressing power dynamics, the monitoring and evaluation (M&E)-related barriers to systems practice, and the need to avoid "analysis paralysis" and emphasize the practical and hands-on learning that can come from engaging with systems. Regarding M&E, external stakeholders discussed how standard or required indicators, targets, and a focus on attribution are inadequate for understanding complex systems, which require more qualitative data and an emphasis on learning (rather than only results). Funders often have unrealistic expectations about how quickly we can observe or measure systemic impact. Some felt that to incentivize and motivate more systems practice, we will need to change what we measure—emphasizing more process indicators and results or outcomes that are reflections of social cohesion, network building, or the quality of relationships. Many external consultations reiterated the value of systems practice for understanding challenges or contexts in more holistic and nuanced ways, including a better understanding of the underlying causes of the problems we aim to address. They specifically highlighted the importance of the Local Systems Framework and the definitions, principles, and commitments it introduced; because it remains an important reference document, it will continue to be available even though the position paper has replaced it as USAID's official position on the topic.

During the Catalyst 2030 event, participants discussed the importance of less project-based work and more long-term, core funding for advancing transformational systems change. They reiterated the importance of community-centered approaches (tapping into existing assets, skills, resources, and knowledge), building trust, and investing the time and resources necessary to cultivate collaboration. There was also a rich discussion about more dynamic approaches to accountability that are fit-for-purpose and focused on results that matter to local communities and building long-term relationships.

RESPONSES TO WORKWITHUSAID.GOV



The WorkwithUSAID.gov blog asked readers to reflect on why systems practice is important for their work; the most important practices or operational changes USAID could promote in the position paper; and the core tenets, principles, or mindsets that should underpin effective systems practice for international development and humanitarian assistance.

USAID received more than 100 pages of comments in response to the blog from 40 individuals representing 24 organizations or entities. The majority of those entities (approximately 80 percent) are U.S.-based. All responses were submitted in English. The following two tables summarize the key themes along with additional information about how t feedback was already incorporated into the position paper or will be incorporated into accompanying guidance and tools.

Why Systems Practice is Important

YOUR FEEDBACK	OUR RESPONSE
The predominant theme reinforced in the comments was the importance of systems practice for **sustainability**. Most submissions emphasized that sustainable development requires working within and strengthening existing local systems rather than creating parallel structures. Systems practice also helps align donor initiatives with local priorities, thereby improving the relevance and effectiveness of aid and ensuring that interventions support, rather than undermine local governance and decision-making processes.	We have reinforced the absolutely essential connection between systems practice and sustainability throughout the position paper: it is in the Introduction where we summarize why systems practice is important for USAID; it is the key result or outcome in the illustration of our vision; and it is reiterated throughout the six approaches. Our hope is also that focusing on sustainability will help motivate development and humanitarian professionals to overcome challenges and persevere when progress feels slow.
Systems practice supports more **holistic and integrated approaches** that consider the interconnectedness of different sectors and actors. This results in more comprehensive solutions that address underlying causes of challenges rather than only "symptoms."	The position paper highlights this important facet of systems practice in the definition of "local system." Further, by emphasizing that we need to understand systems "in all their complexity," we reinforce the interconnectedness of sectors and actors.
Systems practice facilitates **inclusive development** by engaging a wide range of stakeholders and seeking to understand their roles and relationships, including power dynamics between various actors in the system.	The position paper refers to the importance of diversity and inclusion throughout, with key references to inclusive development analysis; facilitating diverse relationships based on trust, dignity, and care; and recognizing our power and how power affects relationships in the system.
Finally, respondents also noted that systems practice promotes **collective action** by leveraging the strengths of multiple stakeholders—including local communities, government agencies, private sector partners, and NGOs—to achieve shared development goals.	The position paper specifically references the importance of collective action and how we can leverage those resources and toolkits "to help strengthen and diversify relationships of all kinds, driving sustained change through those connections."

There was strong overlap between the responses to the next two questions—the most important practices or operational changes to promote and the core mindsets that should underpin systems practice.

Most Important Practices and Mindsets to Promote

YOUR FEEDBACK	OUR RESPONSE
Develop **detailed guidance** that translates systems principles into actionable steps for project design, implementation, and evaluation.	Though beyond the scope of the position paper itself, USAID will develop additional guidance for USAID staff on how to use systems practice and share as many of those resources as possible publicly. "Designing Activities Grounded in Local and/or Indigenous Knowledge and Local Systems" is also one of the ten "good practices" included in USAID's new Locally Led Programs indicator, which includes detailed definitions and guidance for determining whether an activity is grounded in local or Indigenous knowledge and local systems.
Enhance **M&E practices** by integrating more systems- and complexity-aware approaches, focusing on contribution rather than attribution, and balancing immediate outcomes and long-term systemic changes.	The position paper's emphasis on "prioritizing learning from the system" reflects the importance of this feedback. There are many M&E and collaborating, learning, and adapting (CLA) resources available to help us measure systems-level changes, sustainability, and complexity, and USAID will continue to promote these resources, improve them, and foster knowledge sharing to enhance the uptake of these approaches.
Strengthen local capacities to sustain and expand development and humanitarian initiatives independently. Encourage more co-creation and co-ownership of implementation and outcomes.	The Local Systems Position Paper is a critical complement to the Agency's Local Capacity Strengthening (LCS) Policy and other localization resources. The Agency is committed to increasing local leadership over the design, implementation, monitoring, and evaluation of all of our activities, and systems practice is key for how we enhance and encourage that local leadership. "Starting with the local system" (the first principle of the LCS Policy) ensures that our decisions to invest in capacity strengthening are demand-driven and sustainable.
Foster a culture of **adaptive management** that allows for flexibility and iterative learning. Projects should be able to adjust based on real-time feedback and changing local contexts. Encourage experimentation with new ways of working within local systems, and learn from these experiments to scale successful practices.	There are references to the importance of adaptive management throughout the paper, but this is especially reinforced in "Embrace emergence, ambiguity, and uncertainty." Though the Agency has long promoted adaptive management (namely through our CLA framework), there are still barriers to adopting more adaptive practices. USAID will continue to address these barriers so that our staff and implementing partners have more opportunities to respond to the real-time feedback and contextual changes they observe.

Most Important Practices and Mindsets to Promote *(cont.)*

YOUR FEEDBACK	OUR RESPONSE
Leverage USAID's **convening power** to bring together diverse stakeholders, including government, private sector, civil society, and local communities, to address complex development challenges collaboratively.	USAID recognizes that it can play an important convening role in some contexts and will continue to do so, relying on feedback from local stakeholders to shape those convenings in ways that allow them to exercise leadership over their design and outcomes. This convener role is especially important when we think about systems practice and facilitating systems change.
Design and implement cross-sectoral programs that address interconnected issues more **holistically**.	Similar to adaptive management, holistic or integrated design is easier said than done. Often, budget earmarks or sector guidance restrict how funds can be used and which results those funds should advance. While there are many examples of integrated programming at the agency, it is not the norm. Some ways to overcome this include leveraging the interconnectedness of development challenges to demonstrate how the use of sector-specific funds can address cross-sectoral issues and exploring how to leverage unrestricted funding better.
Understand that systems change takes **time and commitment**.	This is reinforced by the sixth approach: "Be patient." It is also a reminder that systems practice is, first and foremost, a mindset and that we need to pay as much attention to the "how" as we do to the "what."

FEEDBACK ON THE INITIAL DRAFT

The concurrent internal and external comment period elicited 42 internal comments and public comments from 25 individuals representing 21 organizations. Of the 24 organizations who responded to the WorkwithUSAID.gov blog, nine (38 percent) also provided feedback on the initial draft. The external comments were reviewed first and provided the foundation and benchmark for the review of the internal comments.

External reviewers were asked to provide feedback on sections that were strong or essential for the paper, sections in need of clarification, and major gaps or weaknesses in the position paper. External reviewers expressed appreciation for the frank discussion of the barriers; the emphasis on humility, dignity, trust, and relationship building; the fact that systemic change takes time; and the recognition of USAID's role in these systems and how our power might affect local systems. External reviewers also felt that it was helpful to distinguish systems "thinking" from systems "practice" and reiterate this applies to humanitarian and development assistance. On the other hand, external reviewers also offered many concrete suggestions for improving the paper. Among them: making the relationship between systems practice and sustainability clearer, clarifying whether the vision is an internal or external vision (i.e., is this the vision for USAID's own work and behavior change process, or is this the vision for how systems practice will affect sustainability of local systems?), de-centering USAID as much as possible and distinguishing when an action or recommendation refers to work that is USAID-specific or more broadly applicable to any actor in a local system, and discussing risk in more detail. Overall, most of the reviewers wanted to see more detail, nuance, and plainer language. While some of the additional nuance and detail will need to be provided in supplemental resources, many of the specific language edits from external reviewers were incorporated.

Internal reviewers also flagged some of the apparent disconnect between the barriers, the vision, and the theory of change in the initial draft. The internal commenters also requested a more thoughtful, explicit, and consistent discussion of inclusive development throughout the paper. Based on internal comments, the former "Measure what matters" approach was reframed as "Prioritize learning from the system," and other language was nuanced to not *discredit* the development outcomes we measure but rather make it clear that the process (the "how") is *also* important. Similar to some external reviewers, USAID reviewers requested more examples, case studies, and links to specific tools and resources (with more concrete information on how to implement or operationalize the approaches). While that level of detail was not feasible given the page limit restrictions for position papers, USAID will provide more detailed resources, tools, and examples throughout the rollout and implementation of the position paper.

CONCLUSION

Updating the Local Systems Framework provided USAID with an opportunity to take stock of the successes and challenges of implementing the Local Systems Framework over the last ten years and refresh how we think about and approach systems practice as an Agency. The Local Systems Position Paper is a product of the invaluable inputs and feedback received from a wide range of internal and external stakeholders throughout 2024, and we look forward to continuing to engage these stakeholders throughout the implementation of this position paper.

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 Cristofoletti, USAID.