



**SERIES REFLEXION AND LEARNING
ORIENTATIONS TO PROMOTE THE MARKET SYSTEM
DEVELOPMENT (M4P/MSD) APPROACH**





Content

- Regional Workshop on M4P/MSD 2014
- Progress in Latin America and the Caribbean
- Orientations
- Conclusion





XVII Latin American Seminar of ASOCAM 2014 (1)

“Exchange of learning in the application of the market system development approach (M4P/MSD)”





XVII Latin American Seminar of ASOCAM 2014 (2)

Main Objective:

Generate useful orientations/guidelines for the application of the market system development approach, based on lessons learnt from practical experiences in Latin America and the Caribbean, to contribute to higher sustainability and impact of the development activities.

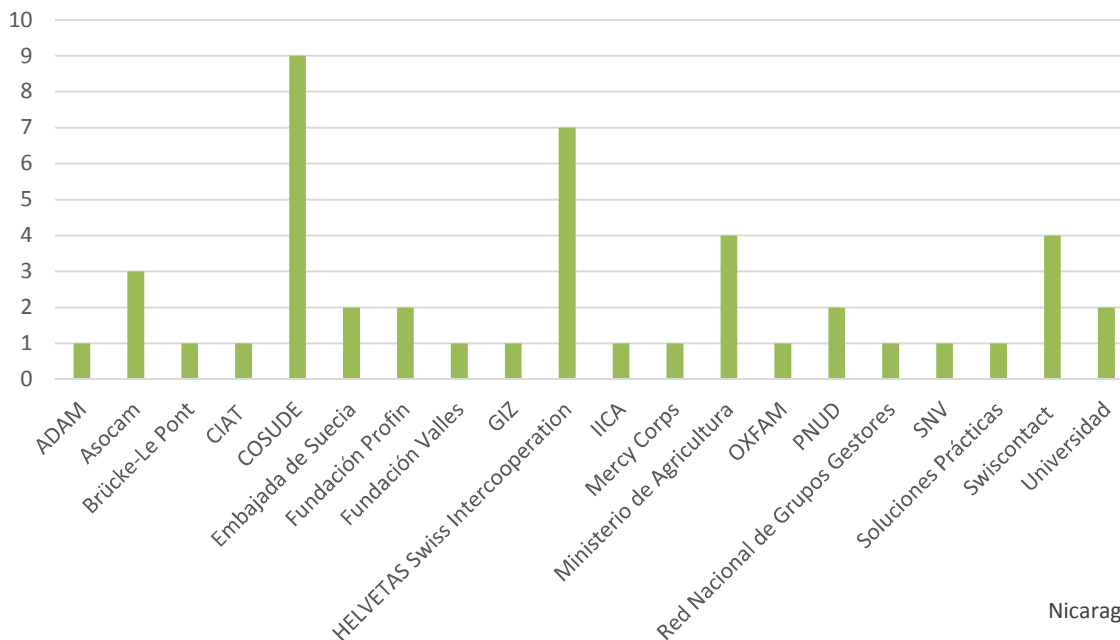
Expected results

- Learning, difficulties and success factors have been identified
- Useful tools for the different stages have been identified
- Guidelines for the implementation of the approach haven been identified.
- A space for exchange of learning between practitioner has been generated and relevant topics as well as useful mechanism for exchange and collaboration have been defined.

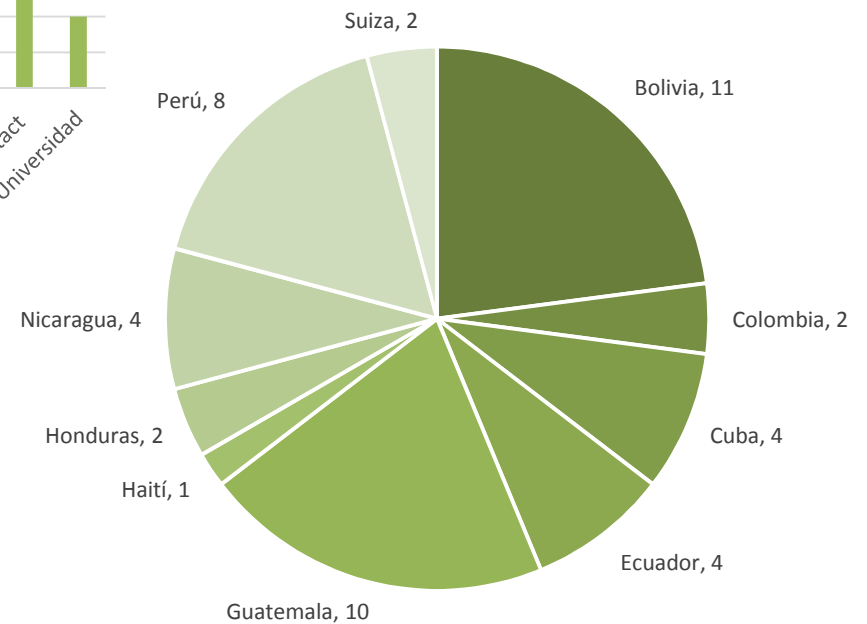


XVII Latin American Seminar of ASOCAM 2014 (3)

Participants per institution



Persons per Country



Number of experiences that participated: 19
 Number of experiences analyzed: 10



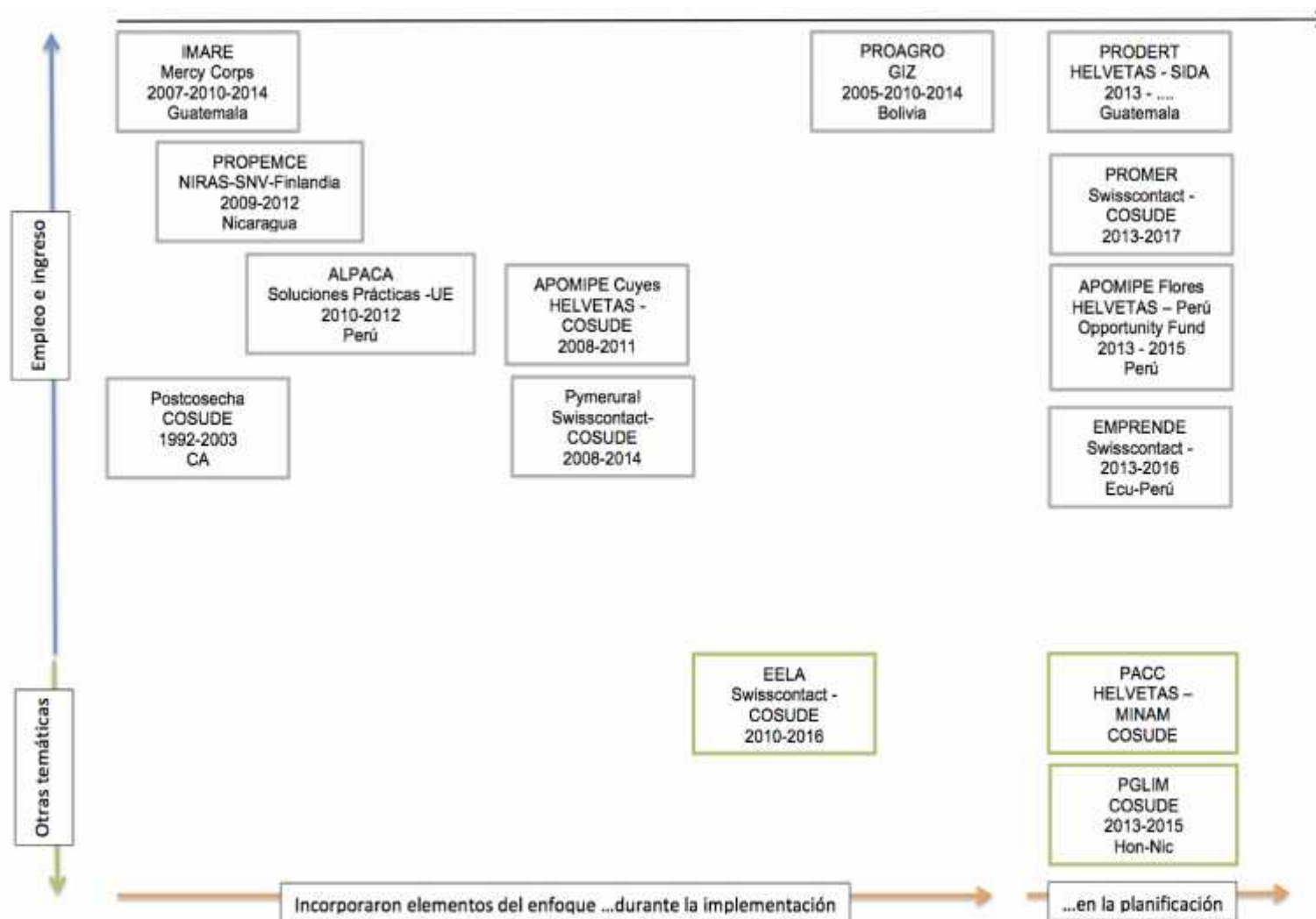
Progress in the Region (1)

- More and more projects/programmes that apply the systemic approach (> 25 projects/programmes)
- Some of them are in the initial stage and have only experiences in the diagnosis and the design of the strategy. There are not yet finalized and evaluated demonstrative projects.
- 14 projects have been pre-identified for the Seminar, but there are more projects, that began to apply the approach or incorporate elements of it.





Progress in the Region (2)





Avances en la región AMLAC (3)

Characteristics of the 14 pre-identified experience:

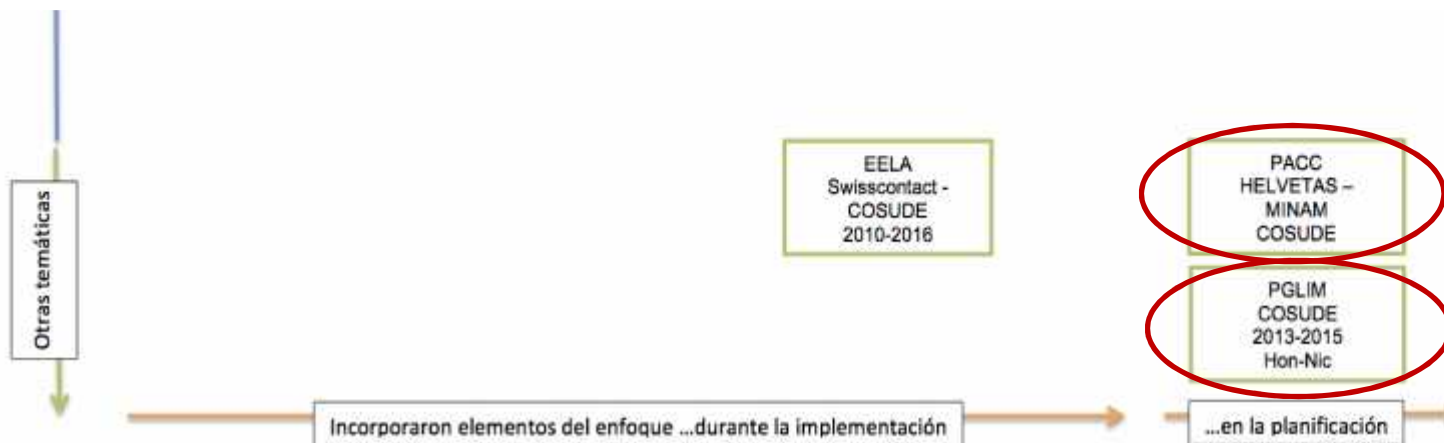
- **6** are in Central America (Nicaragua, Honduras and Guatemala) and **8** in South America (Peru, Bolivia and Ecuador).
- **11** projects are located in the thematic area of employment and income, **2** in the area of natural resources and climate change and **1** in governance.
- **7** projects have/had a duration between two and four years and only **4** projects between six and eleven years (average 4.9 years).
- **2** finalized experiences have applied throughout the whole project cycle the M4P/MSD approach (PROPEMCE in Nicaragua and ALPACA in Peru).
- **14** projects and programmes have experience in the design of projects and intervention strategy using the M4P/MSD approach. In addition to this, there are experiences, lessons learnt and tools, mainly in the stage of diagnosis.



Avances en la región AMLAC (4)



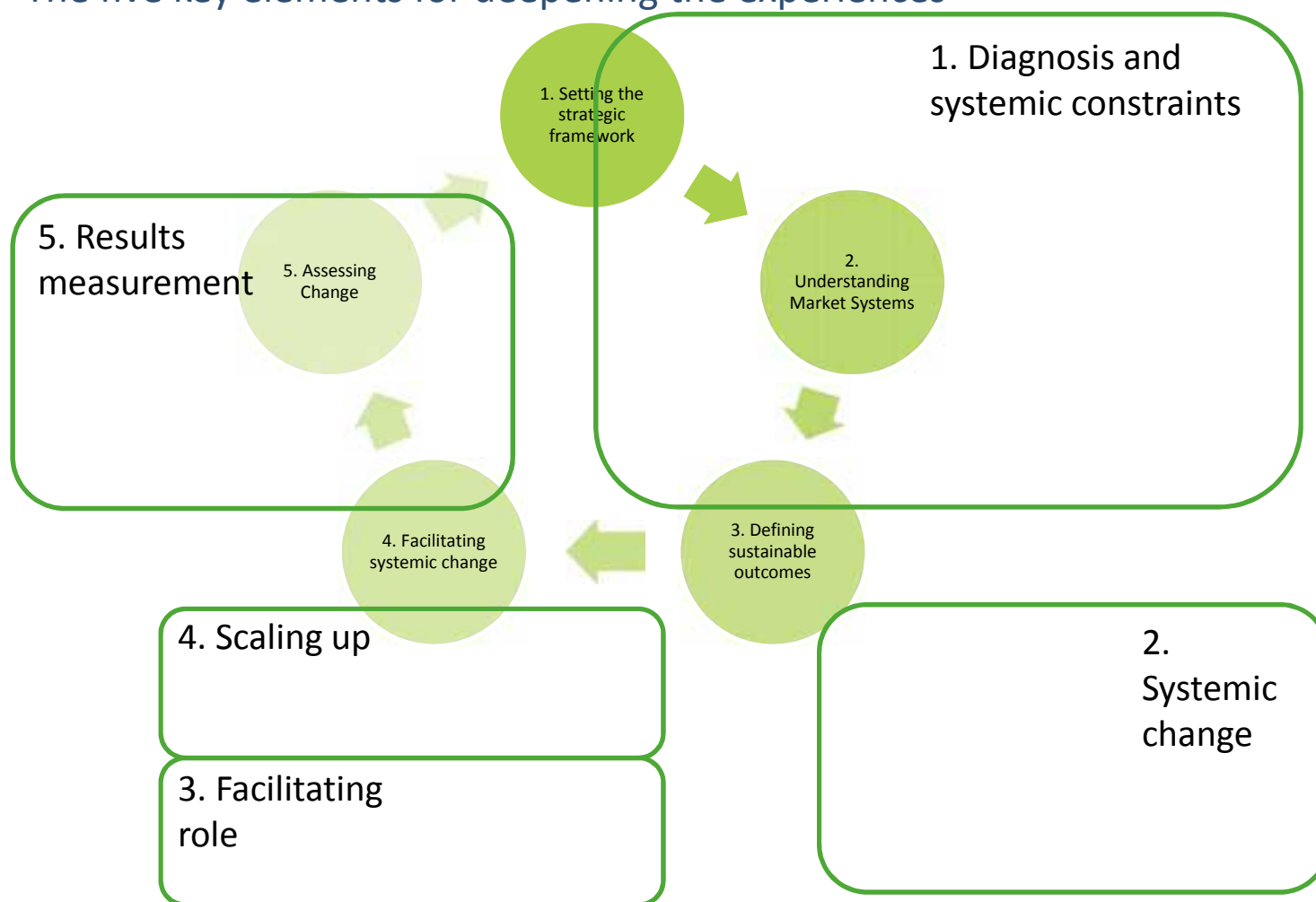
9 experiences and one field visit case selected and presented





Orientations (1)

The five key elements for deepening the experiences





Orientations – Diagnosis and systemic constraints (1)

Key questions for the discussion and analysis of the presentations:

- Have you done a thorough analysis of the context with its problems and in an adequate time frame?
- Does the project have a clear understanding of the target group and the market system actors?
- What criteria were used for the sector selection?
- Has the diagnosis identified the underlying causes analysing the interconnected systems?





Orientations – Diagnosis and systemic constraints (2)

Issues and Conclusion:

- The quality of the diagnosis is a major shortcoming.
- The relation between underlying causes and actions are often not sufficiently shown.
- The participation of stakeholders is important to identify the most restrictive limitations and formulate realistic visions of systemic change.
- Gender and cross-cultural issues need to be considered explicitly in the analysis and diagnosis to establish concrete actions.
- The presence of other projects implemented by development cooperation or government must be considered.
- The identification and prioritization of different systemic constraints remains a challenge.
- Tendency to focus on production and identify systemic constraints associated with the first link in the value chain.



Orientations – Diagnosis and systemic constraints (3)

Orientation 1:

Do system research and analysis in a participatory manner, continuously and in-depth, considering gender issues explicitly.

Orientation 2:

Consider the business opportunities as well as the capacities and incentives of the different value chain actors for the selection of systemic constraints and the definition of intervention.



Orientations – Systemic Change (1)

Key questions for the discussion and analysis of the presentations:

- What is the vision for the operation of the interconnected/sub system?
- What is the business model (market trigger / market uptake)?
- Is the intended vision for the interconnected system viable, regarding the project condition (time, budget, scale)?
- How likely is it that the vision for the interconnected system will produce the expected benefits for the target group?
- Is it a sustainable business model?
- On what aspects (smart subsidies, empowerment, economic benefits, assured markets) sustainability is based?
- How are resistances to the intended change taken into consideration?
- What is foreseen to confront these resistances?
- What are the roles of the involved actors?
- What incentives and capacities do these actors have?



Orientations – Systemic Change (2)

Issues and Conclusion:

- The visualization of the “donut” is not enough to understand the system. Deeper knowledge is required.
- Limited knowledge of the interconnected systems restrict the definition of adequate systemic changes.
- Short-term projects seek often too ambitious changes
- Incentives and capacities of actors are not sufficiently considered, and less visible actors forgotten.
- Adequate and balanced selection of different types of actors with potential for scaling-up.



Orientations – Systemic Change (3)

Issues and Conclusion:

- Public Sector: Important for the regulatory framework and the public agenda → Understanding incentives and strengthening collaboration and communication processes.
- Private Sector: Important for the speed in promoting changes, the technological solutions, the finance and the potential for scaling-up.
- Academy: Important for research → Inclusion in market system development processes
- Producer Associations: have potential for advocacy and in reaching a significant scale of producers.
- Multi-stakeholder spaces: Generation of synergies and complementarity → Leadership must be with local actors, what may impede strengthening the capacities of these actors.



Orientations – Systemic Change (4)

Orientation 3:

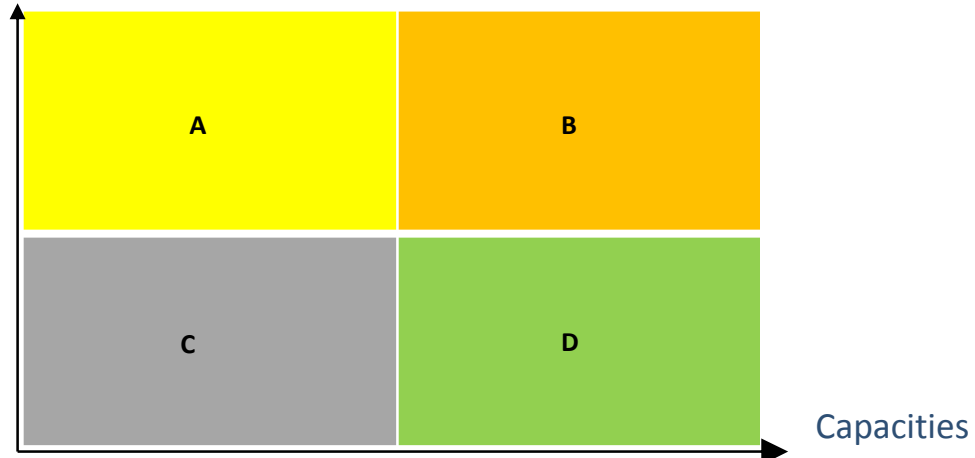
Define systemic change objectives that adequately dimension the changes to be promoted.

Orientation 4:

Identify permanent and relevant actors and strengthen their capacities.

Identification of actors

Motivation

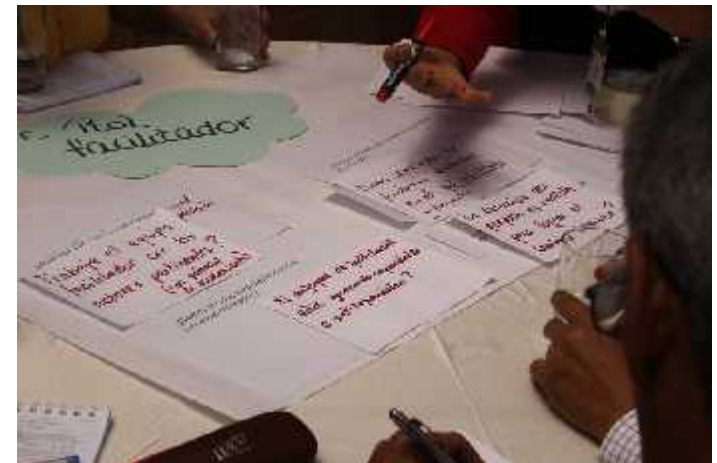




Orientations – Facilitating Role (1)

Key questions for the discussion and analysis of the presentations:

- What do the actors and what makes the facilitating project?
- Is the facilitating role consistent with the design (considering gender and cross-cultural issues)?
- Does the facilitation team work together with the relevant actors (with potential for upscaling)?
- What are the characteristics of the facilitation team?
- Is the facilitation approach generating capacities or replacing them?
- Does the project use incentives to strengthen the role of the permanent actors?
- Do the facilitation strategy and offer meet the demand of the actors?
- Is the Project duration realistic to achieve the systemic changes and is there an exit strategy?
- Who will assume the facilitating role after the project?





Orientations – Facilitating Role (2)

Issues and Conclusion:

- Actors and partners expect a conventional project.
- Clarify and communicate at the beginning the roles of the project and the actors
- Emphasize the importance of not replacing functions of permanent actors with regard to sustainability.
- The facilitating role requires high strategic, analytical, catalytic and mentoring capacities and therefore teamwork.
- Strengthening these capacities from the beginning.
- The facilitating role implies the entire process and requires coherence between diagnosis and the facilitation strategy.
- A diagnostic-reflection-action-reflection dynamic is required during the process.



Orientations – Facilitating Role (3)

Orientation 5:

The facilitating role requires specialized skills, teamwork, clear definition of the roles and implies the entire process.

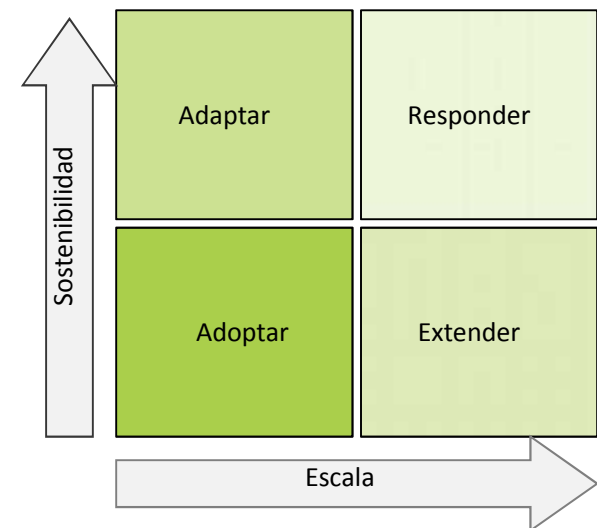




Orientations – Scaling up (1)

Key questions for the discussion and analysis of the presentations, with the support of the matrix (adopt, adapt, extend, respond)

- Is it already possible to see an increase in actors and functions? How is it measured? What are the projections of increase?
- Which actors are interested in replicating the business model and/or engaging in stimulating markets (how to identify the relevant actors for scaling-up)?
- What might be the incentives and capacities of these actors for replication?
- How does the project intervention have considered changes in the regulatory framework favouring scaling up?
- Does the project have a communication strategy that facilitates scaling up?





Orientations – Scaling up (2)

Issues and Conclusion:

- Projects and programs start thinking about upscaling when their implementation comes to an end.
- The logic for scaling-up and the potential for crowding in should be clear from the design stage.
- Reflection and regular updating are necessary, because upscaling and crowding-in do often not occur automatically but need to be boosted.
- The visions of upscaling and sustainability should be formulated in a strategy, which contains five key elements that should be considered:
 - Knowledge Management;
 - Advocacy and lobbying;
 - Future vision and exist strategy;
 - Partnerships between development cooperation and multilateral agencies;
 - Working in cross-sectorial service markets.



Orientations – Scaling up (2)

Orientation 6:

Have a scaling up strategy from the beginning.





Orientations – Results Measurement (1)

Key questions for the discussion and analysis of the presentations

- How are the stakeholders involved in the design, implementation and measurement of the monitoring and evaluation system? Is a qualitative measurement foreseen?
- How are systemic changes measured?
- How are scale, scope (coverage) and attribution measured?
- How is the results chain used to learn and improve the project strategy?
- Are monitoring and evaluation adjusted to the systems you are working in?
- How are the impacts on the target group measured?
- What results are displayed in the proposed change, logical framework, indicators and theory of change?
- How are indirect effects measured, where they foreseen?
- How is displacement considered and measured?



Orientations – Results Measurement (2)

Issues and Conclusion:

- Few programmes/projects in Latin America and the Caribbean identified that can already show valuable experiences in results measurement.
- Helps to reflect on the evolution of the working areas and to take decisions and replace those activities that do not work as foreseen and to improve the strategy..
- Requires a regular review with the team (and partners) of the results chain to monitor the implementation, take lessons learnt and make adjustments (e.g. using the colours of traffic light).
- Find a balance between information needed for the implementation and the costs and time needed for the measurement.
- A monitoring and evaluation systems needs to be clear, pragmatic, rigorous and simple.



Orientations – Results Measurement (3)

Issues and Conclusion:

- Include qualitative and quantitative indicators to measure direct and indirect impact and the sustainability of change.
- Indicators should consider gender and crosscultural issues explicitly.
- Indicators for regular monitoring of risks and changes in the context need to be included to react and adjust interventions if necessary.
- Analyse external factors that contribute to a change in order to estimate attribution. The results chain helps to overcome these attribution challenges, since it measures all changes consistently.
- High analytical capacities of the team are required.
- Strengthen capacities of the actors so that they can continue the process of monitoring and results measurement once the project is completed.



Orientations – Results Measurement (4)

Orientation 7:

The results chain is an effective tool for measuring and managing projects.

Orientation 8:

Results measurement requires high analytical capacities of the entire team and partners and a regular measurement.

Orientation 9:

The monitoring and evaluation system should include different indicators (qualitative, quantitative, gender and cultural sensitive) to measure direct and indirect systemic changes and consider external factors to estimate attribution.



Summary

- Need to **improve diagnostics** through **deeper analysis of the context of the main market system and its interconnected markets as well as the relevant actors**.
- The analysis of the market system should provide **detailed information of the main business identified** (size, potential pro-poor growth, etc.).
- To formulate **realistic systemic change objectives**, the duration of the project, the capabilities and incentives of the actors, experiences in the sector and the dimension of the business dimension of the main market have to be considered.
- Strengthening **existing legitimate and representative platforms** (in the territory organized actors) can lead to better results if it is ensured that these platforms are led by local actors from the beginning.
- **Scaling up and crowding-in strategies** demand a thorough knowledge management strategy. For example, projects should include communication strategies based on evidence.



Key Challenges

- **Quality and depth** of analysis/diagnoses, especially information on interconnected systems.
- Identification of **relevant constraints** and the definition of adequate **systemic changes**.
- Identification of and collaboration with **actors** in scattered territories or in territories without presence of actors.
- Achieve the participation/collaboration with the **private sector**.
- **Facilitating role** versus conventional approach.
- Applying M4P/MSD approach in projects of **short duration** (2-3 years).



Conclusion

- **Self-criticism** in terms of the application potential of the M4P/MSD approach in a given sector or territory is required.
- A **participatory** approach at all stages of the M4P/MSD approach is necessary, however its costs and constraints have to be considered.
- Limitation in applying the market system development approach in projects with a **short duration or small funds**.
- It is necessary to **continue the process of knowledge management** and be generous to share tools and experiences that are being implemented.

Available products (in Spanish):

- Series of reflection and learning: Orientations to promote the market systems development approach (M4P/MSD)
- Case study on the post-harvest project in Nicaragua
- Case study on the flower project in Peru and guidelines for the application of the M4P/MSD approach
- Learning notes from the experience of Adaptation on Climate Change Program (PACC)
- Training Manual of the M4P approach
- Report from the Regional Workshop in Peru, October 2014
- Synthesis Note of the Regional Workshop in Peru
- Mapping of M4P Experiences in Latin America and the Caribbean



More information and all the material of the Seminar are available here:

www.esm4p.org.