

# **Local learning networks for market systems development**

An analysis of their evolution and functioning

## **Report**

Margie Brand

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The BEAM Exchange  
c/o PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT  
United Kingdom  
[contact@beamexchange.org](mailto:contact@beamexchange.org)  
[www.beamexchange.org](http://www.beamexchange.org)

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## Executive summary

Local country-based learning networks can play a significant role in supporting the networking and ongoing learning of local market development practitioners, according to local stakeholders. This study considers the context of local learning networks that support practitioners involved in market development in order to ascertain how these can most effectively be scaled and supported. The study centers on the most mature of these networks: the Market Development Forum (MDF) in Bangladesh, the Market Development Forum in Nepal (MDFN), and the Business Development Services Donor Coordination Group (BDCG) in Kenya.

**Key characteristics:** The study compares key characteristics of these networks. When considering formation strategies, both MDF (Bangladesh) and MDFN (Nepal) were donor-mandated and included in the logframes of country projects. BDCG started at the initiative of a development project. The missions and goals are very similar for all three networks, focusing on improving practice and coordination of market development practices. Only MDF (Bangladesh) is formally registered whereas MDFN (Nepal) and BDCG (Kenya) prefer to remain under the umbrella of host organisations. All three networks have an executive board and a secretariat of between one and three part-time staff. MDF (Bangladesh) and BDCG (Kenya) have additional working groups / thematic sub-groups, with MDFN (Nepal) considering instituting these.

The most significant difference between networks are the member profiles. MDF (Bangladesh) and BDCG (Kenya) apply limited scrutiny over which organisations are accepted as members. MDF (Bangladesh) accepts membership fees from almost any member who applies. BDCG (Kenya) is represented by a loose affiliation of members that demonstrate a level of participation in network activities. Their members are loosely associated with market development, often through enterprise development or private sector development strategies. In contrast, organisations applying for membership to MDFN (Nepal) have to make a case that they apply market systems development practices before being accepted as members. Network fees vary from MDF's (Bangladesh) tiered fees for international versus local organisations, to MDFN (Nepal) and BDCG (Kenya) that have no membership fee. The trend is for membership to comprise principally of development organisations, only allowing donors, government, and the private sector to attend select events as non-members (although MDF (Bangladesh) has recently opened membership to the private sector).

Very little information was available on the networks' budgets. However, we can see that **financial sustainability does appear possible**. BDCG (Kenya) has reached financial sustainability through the earned revenue from their annual conference that generates enough to cover the annual cost of its secretariat and network activities. Members continue to provide time and effort as in-kind support. MDF (Bangladesh) and MDFN (Nepal) receive significant in-kind support from donors through host projects, which cover office space and, in the case of MDFN (Nepal), staff time. MDF (Bangladesh) draws on membership fees to cover the cost of a programme manager.

**Network activities:** All the networks studied tend to use typical methods of **sharing information**, such as conferences, presentations, and in-person small group discussions, rather than more innovative methods such as online training and social media strategies. All three networks run events that present local case studies by members and dialoguing on market development approaches. BDCG (Kenya) is recognised specifically for its large annual conferences, attracting hundreds of development practitioners in the region. MDFN (Nepal) focuses on addressing socio-economic topics for smaller audiences that are particularly relevant to the local context and influencing local market systems development. Within the activities that are offered, there is limited stratification of offerings to management, advanced practitioners,

and entry-level staff. As BDCG (Kenya) does through their annual training offering to members, there appears to be more opportunity for MDF (Bangladesh) and MDFN (Nepal) to leverage resources and services offered by external training providers in order to provide greater access to quality capacity building for members. All three networks have in some way played successful roles in **lobbying** for improved market development practices and support of these approaches by donors and government, although advocacy and lobbying activities are not a key focus of the networks. This has proven to be even more significant in a post-disaster environment when there is a tendency to revert to direct delivery rather than market-led recovery. MDFN (Nepal) was able to push successfully for an early transition from relief to sustainable market recovery after the 2015 Nepal earthquake. Similarly, during the country's economic blockade in 2015, the network was able to help donors estimate the effect of the blockade on various markets, which in turn helped draw attention to the economic damage it was causing.

There appears to be very limited focus on **learning about the local cultural and social norms**, and perceptions and interactions that ground effective market development practice. None of the networks studied facilitate opportunities for filtering and honing conceptual thinking and learning around specific market systems development approaches to make these useful to local staff and outside audiences in the region and beyond – which occurs more as a limited, ad hoc initiative between members.

Practitioners highlight the need for **coordination** as an important function for local networks since coordination at the donor level is generally perceived as very weak, resulting in the networks being the best way of avoiding duplication and facilitating collaboration. All three of the networks studied state that one of their roles is the coordination of activities between members across the region, whereas in reality extremely little coordination is taking place. None of the networks have indicators on the level of coordination between organisations, or report on this specifically. This creates challenges owing to a lack of accountability or incentive to focus on inter-project coordination.

Although many of the member organisations within networks **work across multiple sub-systems** that impact markets and the beneficiaries in them (including health, education, political, and social systems) there is very little learning, coordination and complementarity in the work across these sub-systems. Indeed, there appears to be little recognition by any of the networks studied that real systemic change moves across these multiple sub-systems. MDFN (Nepal) aims to become a body of knowledge and evidence to influence approaches. Its indicators of success would likely include that programmes such as agricultural, forestry, and health would all be speaking about market systems development, would refer to the network as a body of knowledge and evidence, and would request input from the network into request for proposals relating to sub-systems.

Practitioners interviewed feel very strongly that there is less incentive to participate in a network when participation is not part of a practitioner's project reporting metrics. It appears useful when a network is housed under a technically-sound development project, as in the case of MDFN (Nepal), because participation is part of the project's logframe and staff are, thus, incentivised to bring high-level intellectual thinking into the network, which, in turn, stimulates participation by other organisations.

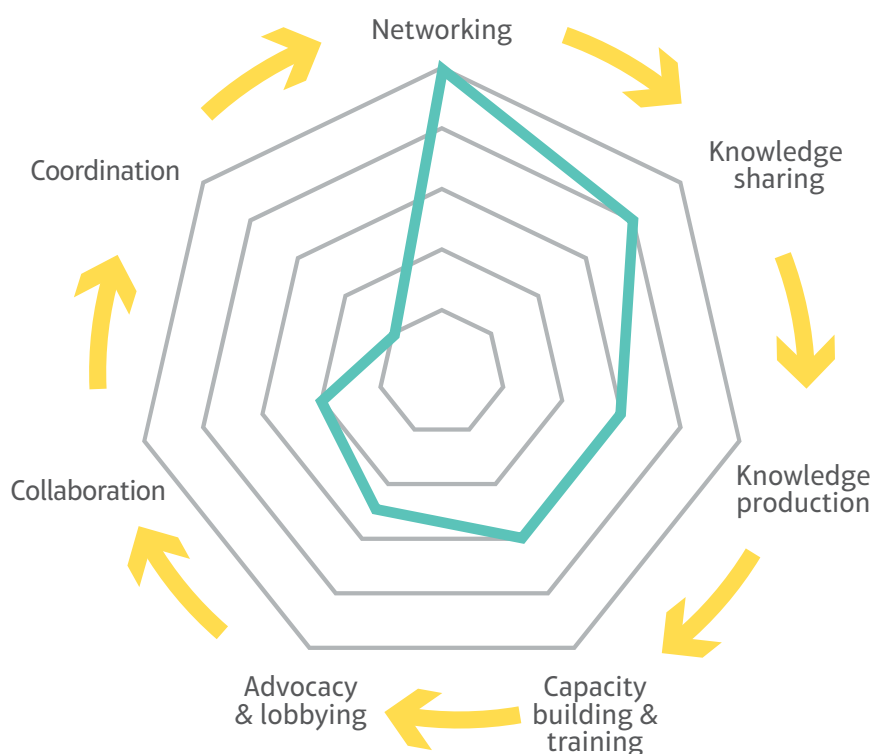
**Network evolution:** There are a variety of functions, as shown above, that networks can undertake. Some are done nearly always, some a little, and some barely at all. This could be seen to represent that only certain functions are of real value, however the networks studied don't seem to make very strategic decisions about which functions they do or do not want to focus on, and seem to lack the capacity or insight to move to some more difficult functions. It therefore appears that there is some type of evolution in these functions as networks mature.

All three of the networks studied perform well in the important functions of networking

stakeholders and information-sharing between members. They still, however, have significant potential to be much more effective at supporting stakeholders in improving market systems development approaches by connecting them to capacity building opportunities, and facilitating coordination and collaboration.

From this study, the networks appear to perform an increasingly complex set of functions as they mature. The networks start with a focus on networking and knowledge sharing, and evolve into additional functions of active knowledge generation and linking members to capacity building and training opportunities. Networks evolve further when advocacy and lobbying activities become more prevalent. A later stage of evolution, which is less common, involves active collaboration between stakeholders. This involves testing and tightening of concepts as they apply locally, or generating knowledge on cultural norms, perceptions, and social issues driving market behaviours. Least prevalent within networks, is the coordination function between organisations' activities within market systems and even across sub-systems (such as health and education systems).

**Figure 1. The average prevalence and evolution of the functions that the three networks appear to undertake.**



**Impact:** All three of the networks studied have very basic monitoring and evaluation systems with indicators that largely include simply counting the number of members, the number of participants at events, or whether networks are financially self-sustaining. There are no monitoring and evaluation systems in place to track the network's role in ultimately influencing and impacting improved practice on local market systems practices overall.

Although there is little hard evidence on the impact of networks, practitioners report that existing networks have been very effective in networking stakeholders and sharing information at local levels among practitioners who would otherwise likely not be exposed to these approaches. This alone makes it worthwhile to support existing local networks.

## Recommendations:

The following recommendations are made in support of networks moving further up the evolution scale and helping them to measure what they do.

- **Encourage evolution of network functions** to include greater focus on facilitating connections to more advanced capacity building opportunities, a more sophisticated coordination and collaboration role, and facilitating opportunities for practitioners to feed into the testing and local adaptation of market development concepts.
- **Embed local network participation into projects' results frameworks**, allowing for more intentional time for discussion around learning and improvements.
- **Develop metrics for networks to assess and track their impact and value** through a participative, collaborative process.
- **Reduce the culture of self-promotion by members** and encourage honest and open dialogue.

As many parts of the world do not have market development networks, the following recommendations involve the creation of new networks:

- **Advocate for setting up new market development networks** in areas without any, recognising sufficient interest by local practitioners for networking opportunities. From the study it seems that a good model is to lobby for the inclusion of network formation within the scope of a market development project.
- **Allow independent local network models to emerge**, in recognition that networks are largely driven and shaped by individual personalities and no one-size-fits-all models appear to exist.

The following recommendations relate to supporting the broader market system in which networks operate.

- **Align technical approaches between practitioners and donors more**, recognising that many approaches are at different stages of evolution in their maturation process. This creates challenges at the local level, as there is often conflict between technical approaches being taken, technical guidance being provided, and coordination of programme activities.
- **Facilitate cross-learning between local networks**, as networks are currently working in relative isolation from each other, through informal dialogues or more formal events.
- **Connect local networks with global and regional capacity building opportunities** in order to more effectively reach local organisations and projects through the local networks in their countries.
- **Encourage technical contributions from members of local networks into global technical deliberations**, such as when testing theoretical concepts in practice, helping to refine these, and exploring regional adaptations and understanding. This has the potential to create a very robust conversation between global technical thought-leaders and practitioners immersed in practical realities on the ground.
- **Set up local donor networks** to support greater collaboration and synergy of approaches between donors. This also allows for a more structured way in which practitioners and donors can interact across networks.

# 1. Background

## 1.1 Need for the study

Local learning networks can potentially play a significant role in supporting the capacity building and ongoing learning of local market development practitioners. At present, local capacity building consists of project staff being directed to expensive global trainings or each project reinventing their own capacity building tools. Through this study, BEAM Exchange is exploring lessons learned on how to support these and other local networks as a strategy to support improvements in local market systems development. The study, therefore, focuses on three mature networks, together with discussions on several other more nascent networks.

## 1.2 Objective of the study

The objective of this study is to consider the context of local learning networks that support practitioners involved in market systems development in order to ascertain how these can most effectively be scaled and supported. The study considers whether such networks are effective, the underlying issues as to why more are not being formed or growing successfully in various locations, what the context is that supports or limits their development, and how they can be best supported. The study explores the market system in which these networks exist, and what the barriers and incentives are to their formation and growth.

The study considers good practices and pitfalls in establishing local learning networks and ways that networks can be leveraged as tools to improve market systems development practice and develop as forums for honest learning and exchange. As a secondary focus, the study explores latent networks to determine barriers to set-up and scaling. Owing to networks having been found to be effective local learning mechanisms, the study could act as an advocacy tool for BEAM Exchange and other stakeholders in supporting the development of such local market systems development networks.

## 1.3 Intended audience

The intended audience for this study are stakeholders connected to nascent and established local learning networks around the world and decision-makers at donor and country practitioner-levels that are considering the support and development of local learning networks.

## 1.4 Methodology used

The consultant drew on in-depth interviews with three to six members from each network studied and the secretariat or board managing the networks. The consultant also drew on in-depth interviews with practitioners who are involved in market development but who had selected not to be a part of the network in their country. In addition, the consultant interviewed people involved in global networks that have in some way connected with or worked with the local networks in this study. The consultant also drew on strategic planning documents, reports, learning resources and publications produced by the networks. (See Annex 4 for list of stakeholders involved in the study.)



## 2. Networks overview

Several learning networks related to market systems development have emerged in different parts of the world over the past decade. The three most mature of these networks were selected as a focus of this study: the Market Development Forum (MDF) in Bangladesh, the Market Development Forum Nepal (MDFN), and Business Development Services Donor Coordination Group (BDCG) in Kenya. BEAM Exchange welcomes feedback and input from stakeholders of any of these networks or other networks not addressed in this study.

### 2.1 Market Development Forum (MDF) Bangladesh

Market Development Forum (MDF) Bangladesh, based in Dhaka, is a network of market development-practitioner organisations working on strengthening the private sector in Bangladesh. The network's goal is to create greater collaboration and coordination among organisations and projects that apply different market development approaches.

### 2.2 Market Development Forum Nepal (MDFN)

Market Development Forum Nepal (MDFN), based in Kathmandu, has been formed to enable like-minded development practitioners to share knowledge and experience, and to learn about new ideas for pro-poor market development. The forum is a learning platform that is informed by evidence-based and hands-on experience.

### 2.3 Business Development Services Donor Coordination Group (BDCG) Kenya

The objective of the Business Development Services Donor Coordination Group (BDCG), based in Nairobi, Kenya, is to enhance the capacity of value chain stakeholders managing and coordinating market development programmes in the region and at the same time, enhance the pool of experts knowledgeable in value chain analysis and promotion. The network comprises practitioners and donors that are managing large multi-year projects in Kenya.

Figure 2. Location of the three networks



### 3. Comparison of key characteristics

The following section provides a comparison of key characteristics of networks in this study.

#### 3.1 Mission and goals

Networks have a common focus on ensuring coordination and avoiding duplication among organisations involved in market development activities in the respective countries.

**MDF (Bangladesh)**'s vision is to alleviate poverty in Bangladesh in an efficient and united approach by all market development stakeholders in the country. MDF's mission involves information-sharing among its members to identify opportunities for creating synergy and avoiding duplication among interventions. (The vision and mission are being refined).

**MDFN (Nepal)** enables like-minded development practitioners to share knowledge and experience, and to learn about new ideas for pro-poor market development. MDFN (Nepal) aims to develop as a formal platform for sharing information, identifying opportunities for synergies, providing guidance for developing policies and plans, avoiding duplication of interventions, acquiring best available knowledge for pro-poor sustainable development and disseminating this among member stakeholders.

**BDCG (Kenya)** network's goal is to maximise the effectiveness and impact of donor-led activities in market development and value chain interventions through active coordination and information sharing.

#### 3.2 Network formation and registration

In studying the network formation history, we see that in at least two of the three cases (Nepal and Bangladesh), the networks were mandated by the donors and written into the logframes of a particular project in each country. The start up of each network was then facilitated by a group of development practitioners with incentives to achieve greater coordination and better learning opportunities by working more closely with peers. Beyond the founding members, new members appear to be principally driven by new business development incentives.

The trend is not necessarily to register networks as formal legal entities: both MDFN (Nepal) and BDCG (Kenya) are not formally registered as independent entities, while MDF (Bangladesh) is. When looking at where the organisations are housed, we see two different models: the network contracts a local organisation to manage the network (as with BDCG (Kenya)); or the network is housed within one of the member organisations (as in the case of MDF (Bangladesh) and MDFN (Nepal)).

**BDCG (Kenya)** was established in 2005 at the initiative of United States Agency for International Development (USAID)'s Kenya Business Development Services (BDS) project, and was, consequently, named the Kenya BDS Network. It was later renamed the BDS Donor Coordination Group (BDCG) to establish more credibility and leverage support from the donor community. There has been ongoing discussion to change the name again to eliminate the dated 'BDS' terminology, although some believe that the brand recognition of the BDCG is strong enough to justify maintaining the name. In 2013, approximately ten years after inception, the network agreed to revisit its mandate, structure, and objectives. A 2014 strategic planning process was still in discussion among members in 2016. BDCG (Kenya) is not formally registered as a separate legal entity. Funds are channeled through the organisation acting as the Secretariat. There is a discussion whether to register and manage the network as a separate legal entity.

**MDF (Bangladesh)** was established in 2005, under a mandate from the Department for International Development (DFID) as a joint collaboration between several international development organisations / projects. The formation of a network was included in the logframe of the DFID Katalyst project (implemented by Swisscontact). Initially known as Market Development Group (MDG), it was renamed Market Development Forum (MDF) to avoid confusion with United Nation's 'Millennium Development Goals'. In 2012, the network formalised as an autonomous entity, free from donor agendas, with members building the organisational vision and agenda based on their needs and market demand. The Swiss Agency for Development and Cooperation (SDC) funded a portion of the budget and the rest was covered by member contributions. MDF (Bangladesh) evolved from an informal forum to registering as a formal Section 29 Trust in 2012.

**MDFN (Nepal)** was founded in 2013 under a mandate from DFID in its SAMARTH-Nepal Market Development Programme (NMDP) project. Organisations familiar with MDF (Bangladesh), wanted a similar network in Nepal. Most organisations joined for business development objectives. Since inception, the network has received financial support from the SAMARTH project. SDC's Nepal Agricultural Market Development Programme (NAMDP), implemented by Swisscontact, has shown interest in hosting the network once the SAMARTH Nepal project ends in 2018. MDFN (Nepal) has never had a formal registration as a separate legal entity. Funds have been channeled through the organisation housing it under their project. Opinion was divided on whether a formal non-profit status was needed, but the decision was made to have no formal legal status so as not to complicate management of the entity. Network members want to retain the informal nature while capitalising on the credibility and intellectual capital provided through a technically-respected host project.

**Table 1. Comparison of formation between networks**

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
Donor-mandated	DFID	DFID	Unclear
Practitioner group formed by	DFID Katalyst CARE-Bangladesh GTZ PROGRESS IFC-SEDF	DFID's Katalyst programme Action for Enterprise 2 local organisations, 1 other	DAI Others
Housed under development project	Initially: DFID Katalyst programme (implementer: Swisscontact)	Since inception: DFID's SAMARTH Nepal Market Development Programme (implementer: ASI)	Initially loosely associated with USAID's Kenya Business Development Services project (implementer: DAI)

### 3.3 Network governance and management

Networks' governing structures are very similar, with executive committees and secretariat / programme managers. However, three different secretariat models are evident: BDCG (Kenya) contracts an organisation to act as the secretariat, that in turn decides which staff they will provide to do so; MDF (Bangladesh) hires a programme manager directly in a full-time secretariat position; and MDFN (Nepal) obtains staff support from the host project to act as the secretariat. It is generally felt that networks should not become "secretariat-led" but rather member-led, with the secretariat simply supporting the members. MDFN (Nepal) has been largely secretariat-led to date as it has a large say in what the network does and the messages it puts out, with members simply rubber-stamping the ideas. This may have been crucial to the network's initial success, but there is recognition that this may have to change.

**MDF (Bangladesh)** has an Executive Committee of seven organisations (five elected by members, two inducted by the committee). Initially, the Chairperson transferred every three months and the Secretariat was part-time. This changed to the Chair remaining for a year, and securing a full-time Executive Director position. The network registered formally in 2012. The Executive Committee is now elected, for a period of four years and the Chair every two years. The network has intentionally limited the size of its secretariat (comprised of one full-time person) to maintain low overhead costs and decrease reliance on donor funds. The Chair traditionally houses, what is now termed, the Programme Coordinator at its organisation's office. Christian Aid is the chair of MDF until end 2016. If more resources were available, there is interest in expanding to two full-time programme coordinators.

**MDFN (Nepal)** has a rotating executive board of nine members and two part-time coordinators, housed within a host development project. With additional resources, there would be interest in expanding to a full-time or at least 75% time staff person.

**BDCG (Kenya)** has for over ten years contracted a local development organisation, Micro Enterprises Support Programme Trust (MESPT), to act as Secretariat. MESPT dedicates a part-time manager (at 1/3 time) to run the network and up to six staff to support the annual conference. The network is considering setting up and registering an independent entity to manage the activities of the BDCG, with employees solely accountable to the BDCG. This could support greater accountability and transparency as the network matures.

The networks differ in terms of the type of sub-committees involved and the entities acting as secretariat.

**BDCG (Kenya)** has a working group, with a rotating committee, focused on the training and learning function of the network. MDF (Bangladesh) operated three thematic working groups: Local Economic Development, Private-Public-Partnership, and Working with Government Institutions. The working groups were member-driven with members designing joint activities if applicable. It is unclear the extent to which they are still active. MDFN (Nepal) is considering the formation of technically-focused sub-committees, e.g. a results measurement committee.

**Table 2. Comparison of management structures between networks.**

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
<b>Management</b>			
Full-time equivalent (FTE)	One full-time staff 100% FTE Individual hired by network	Two part-time staff 100% FTE Provided by host project	One part-time staff 30% FTE (More to support annual conference) Network contracts organisation
Board / Executive committee			
Board members	7 members	9 members	2 members
Working groups / sub-committees			
Working groups technical focus sub-committees	Local economic development	Considering technical sub-committees	Training and learning

### 3.3 Member profile and member management

While all the networks include development practitioners as the majority of their members, they differ in their treatment of donors and the private sector: ranging from permitting full membership to donors and the private sector (BDCG (Kenya)); permitting full membership to private sector but not donors (MDF (Bangladesh)); or not permitting membership to donors and government but inviting their participation in select network activities (MDFN (Nepal)).

When studying the membership selection process, we see that MDFN (Nepal) applies a high level of scrutiny on which organisations can join the network dependent on the extent to which their practices apply a market development approach, while MDF (Bangladesh) and BDCG (Kenya) allow any organisations to self-select into the network. The latter two networks therefore have members who are involved in broad economic development, enterprise development, and private sector development type of activities, rather than specifically market development approaches.

**MDFN (Nepal)** has 15 members (2016) all of which are development organisations. (Initially large development projects were listed as members, but that has been changed with now only the actual organisations representing membership.) The network believes that the inclusion of donors or government as part of learning discussions hinders the openness of practitioners to share their challenges and failures, creating a barrier to real sharing and learning. (This is despite repeated requests from donors and government to join the network.) Donors and government are invited to participate in select events thereby forming an association with the network, although no formal membership tier has been introduced. Members do not pay membership fees. The network requires organisations to complete a simple membership application. Only entities with a legal registration in-country can apply. Members are not necessarily dismissed for not being active. MDFN (Nepal) appears to exhibit the most rigorous of the member selection processes. The application requests information on the organisation's programmes and activities that involve market development; why the organisation is interested in joining MDFN; the organisational expectations from MDFN; and what organisations can offer the network. Organisations have to demonstrate a commitment to market development type approaches in order to be accepted as members, in contrast to, for example, direct provision of cash transfers.

**MDF (Bangladesh)** has 25 members (2016): 90% of which are international development organisations, and 10% are local NGOs and development consulting firms. Previously, there were two membership levels: full and associate membership – it is unclear why these tiers are no longer in use. Membership originally comprised a mix of organizations and development projects, whereas now only organisations are represented. Membership application is through a simple form and only entities legally registered in-country can apply. Members pay annual membership fees. Members are all active in some type of market development-related initiatives in areas such as agriculture, handicrafts and health. Membership by local development organisations was permitted in recent years. The network believes that only by intentionally influencing local organisations will market development practices truly change within the country. This is seen as an essential way to decrease the market distortion occurring through asset transfer approaches that result in barriers to the success of market facilitation approaches. MDF (Bangladesh) recently permitted private sector membership, with applications for membership expected soon. By 2020, the network aims to have 50 paying members comprising of development service providers, including at least 5 microfinance institutions and 5 private sector associations. There is an ongoing discussion on whether to permit the inclusion of donors as formal members. Both active and inactive members are kept aware of events and activities.

**BDCG (Kenya)** membership comprises of development organisations (approximately 80%) and donors (approximately 15%), as it has since inception. It opened up membership to the private sector (approximately 5%) several years ago. In contrast to the other networks, BDCG Kenya has no formal application form. Rather, organisations self-select whether they would like to be associated with the network, acting more as a “club of like-minded people.” “Associated” to the network implies contributing time and expertise to network events, including the annual conference. Rather than a set number of organisations deemed members, it is estimated that 50-100 entities consider themselves associated with the network. There is no annual membership fee. As of mid-2016, approximately 10-15 international NGOs are actively involved in deciding how the network will move ahead. This includes discussions on what constitutes membership, which types of entities can become members, and whether to start charging membership fees.

**Table 3. Comparison of membership profiles between networks.**

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
International NGOs International development consulting firms	90%	100% (no further detail available)	80% (no further detail available)
Local NGOs Local development consulting firms	10%		
Donors	0% (membership not permitted)	0% (membership not permitted)	15% (revisiting membership criteria)
Private sector	0% (membership permitted but none by mid 2016)	0% (membership not permitted)	5% (although revisiting membership criteria)

International development organisations do not necessarily appear in common across each network (see Annex 2 for a list of members per network). The headquarters of these organisations do not generally appear to advocate or pay for memberships in local networks, but membership seems to be a decentralized process left to the discretion of local offices.

Members often encourage the involvement of lower level staff to attend meetings and events. This is particularly evident in networks where there are less rigorous membership application processes, such as with BDCG (Kenya) and MDF (Bangladesh). Entry-level staff are often sent to network meetings, which need the buy-in or decision-making of senior management. It is, therefore, difficult to maintain a higher-level technical discussion and hard to influence programmes and organisations when the decision-makers and higher management-level are seldom present, as meetings were not specifically targeted to them. There seems to be significant opportunity to stratify network offerings and meetings to practitioners of different experience and management level.

### 3.5 Budget

Very little information was available on the networks' budgets. However, what we do know is that financial sustainability does appear possible. BDCG (Kenya) has reached financial sustainability through the earned revenue from their annual conference, although members do still provide time and effort as additional in-kind support. Networks differ on whether staff costs, office space, and support services are covered through a host organisation's resources/grants, or direct earned income/donor support.

**MDFN (Nepal)** has no explicit operating budget as the expenses to run the network are all covered by in-kind contributions of the members and host project.

**MDF (Bangladesh)** has a budget which is approved by the membership each year. In 2012, when the network registered formally, external funding could be obtained, and an innovation fund was established. The current budget values were not available for this study. Budget items for the 2010 financial year totaled USD \$26,000 and comprised: executive committee meeting (administrative): 0.5%; general discussion event: 4%; major event: 29%; thematic working group: 0.5%; study group: 0.5%; MDF-SEEP planning workshop: 3%; representing MDF at the SEEP annual conference: 17%; study on business facilitation: 14%; and secretariat: 33%. A key component of MDF (Bangladesh)'s current budget remains the programme coordinator expense. The current status of the innovation fund is unclear.

**BDCG (Kenya)** has an annual budget although current budget values were not available for this study. The budget covers the cost of secretariat staff, office space, the annual conference, and breakfast meetings.

### 3.5.1 In-kind and donor support

Each of the networks receive in-kind contributions from both donors and members that offset the costs of running the networks. Little information on the level of in-kind support was obtained as (i) the level of in-kind support is not included in the networks' budgets (although MDF (Bangladesh) did at one stage include in-kind support); and (ii) is not reported to the networks by the organisations providing the in-kind support.

All of the networks expect members to contribute their time and technical contributions at events at no charge as a standard part of their membership contributions. Board members are also expected to contribute their time without charge.

**MDFN (Nepal)** receives in-kind donor support through the development project under which it is housed, DFID's SAMARTH Nepal project implemented by Adam Smith International (ASI). The project provides office and administrative support and part-time contributions of two staff members to coordinate the activities of the network (a coordinator at 10-20% time and a second colleague at 10% time). Members provide meeting space and catering for events on a rotational basis.

**MDF (Bangladesh)** receives in-kind contributions of office space and the associated administrative services from the organisation represented by the Chair of the network, currently Christian Aid. In earlier years, an Executive Director position was paid for by the organisation represented by the Chair of the network. There is preliminary discussion on whether to use network funds to contribute to the cost of the office and associated support costs in the future. The only data available on income is for 2010 when it totaled USD \$26,000. This is dated information yet still useful in providing insights into which members/donors supported the network in which way: GTZ PROGRESS 29%, SEEP 29%, IDE Bangladesh 19%, Katalyst 15%, HELVETAS Swiss Intercooperation 4%, Action for Enterprise 3%, National Rural Electric Cooperative Association (NRECA) 1%, CARE Bangladesh 0.5%, Practical Action 0.5%, and Winrock International 0.5%.

**BDCG (Kenya)**, in lieu of membership fee, expects members to pay a registration fee for the annual conference and provide speakers to present at sessions.



**Table 4. Comparison of in-kind contributions between networks.**

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
Members	Time / technical contributions at events Board members	Time / technical contributions at events Board members Meeting space and catering	Time / technical contributions at events Board members
Host development organisation	Office space		
Host donor-funded project		Office space Programme staff	

### 3.5.2 Earned income sources

It is interesting that most of the networks do not charge membership fees. Three distinct strategies are evident: only MDF (Bangladesh) charges annual membership fees, BDCG (Kenya) charges no annual membership fee but instead charges registration for their annual conference, and MDFN (Nepal) charges no membership fee and has no other earned income sources as all expenses are covered through in-kind contributions of members.

**MDFN (Nepal)** does not charge annual membership fees for several reasons: (i) it is not legally registered and can therefore not charge a fee as this could result in auditing issues for host organisations, (ii) the network wants organisations to participate because they perceive value without membership fees acting as either an incentive or barrier to entry, (iii) there appears to be a lack of trust towards less formal networks in Nepal and hence membership fees tend to not work well in this context.

**MDF (Bangladesh)** charges an initial registration fee for new members and ongoing annual membership fees for existing members. The network believes that a membership fee ensures active engagement with members. The network's objective is to reach long-term financial sustainability. To achieve this the network aims to cover 100% of its core operational costs through membership fees every year. MDF (Bangladesh) charges a one-off registration fee of USD \$130 (BDT 10,000) for all organisations. Yearly membership varies based on the type of organisation: USD \$525 (BDT 40,000) for development projects, organisations, and international and local NGOs; USD \$260 (BDT 20,000) for consultancies and business service providers; and late fees of USD \$65 (BDT 5,000). MDF (Bangladesh) does not set aside a budget to organise and run its own events, and instead charges members when co-hosting, co-branding and organising events in partnership with the members. The network aims for 100% of every activity to be self-funded or earning income to contribute to the network's reserve fund.

**BDCG (Kenya)** does not charge membership fees. The largest item on their budget is the annual conference, which has been running since 2004. The conference expenses have, until recently, been covered by registration fees, and donor support. Until 2014, the Danish International Development Agency (DANIDA) was the largest donor contributing to BDCG (Kenya). It no longer contributes, as DANIDA recognises that the revenue from the annual conference is able to sustain the costs of running the entire network. If for example, 100 participants each pay USD \$780 (KES 80,000) as a registration fee to the conference, this generates USD \$78,000, of which only a portion is needed to cover conference costs. If more revenue is needed, more participants are targeted. Additional donor funds have, at times, been provided to support ongoing activities throughout the year outside of the annual conference. The network is currently revisiting whether or not membership fees should be charged. This could serve to equalise contributions by members, as historically those members making the largest contributions in terms of speakers and participants at the annual conference have been perceived to be driving the network agenda to too great an extent.

**Table 5. Comparison of income sources between networks.**

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
<b>Members</b>			
Membership sign-up fee (one-off)	USD \$130 (BDT 10,000)	None	None
Annual membership fee	USD \$525 (BDT 40,000) for international and local NGOs USD \$260 (BDT 20,000) for consultancies and business service providers	Undetermined	None Under discussion as to whether to start charging
Event management fee	Varies per event		None
Late fees	USD \$65 (BDT 5,000)		None
<b>Donors</b>			
Grants / Contracts			Dependent on activity
<b>All stakeholders</b>			
Conference / event registrations	Not applicable	Not applicable	Annual conference registration varies yearly
Training registrations	Not applicable	Not applicable	Varies each year

## 4. Network activities and evolution

### 4.1 Network activities

When considering the networks' activities, it becomes evident that while all the networks are effective at networking and information provision functions, only some offer training, and none seem to be undertaking any serious form of lobbying or coordination. It can be deduced that local networks still have significant untapped potential to be even more effective by focusing on activities beyond simple information-sharing and networking. (See Annex 3 for a summary of each networks' key activity types.)

#### 4.1.1 Networking

Networking involves connecting stakeholders involved in market development, including development practitioners, donors, government and the private sector. In its simplest form, this involves connecting its own members. Networking with external stakeholders is a more sophisticated function (e.g. it requires intelligence, the capacity to convey clear messages that resonate with the agendas of the external stakeholders, and a clear value proposition that attracts them).

All the networks appear to perform very well in terms of performing the important function of networking stakeholders involved in market development, in particular development practitioners. All the networks studied run events where networking takes place. BDCG (Kenya) usually runs several events annually billed specifically as networking events.

#### 4.1.2 Knowledge sharing

Knowledge sharing involves sharing information about market development practices and approaches. This could include sharing publications, case studies or having experts present their experiences. Knowledge sharing could also include dialogue and debate on key concepts and approaches. In its simplest form, this involves knowledge sharing among the networks' members. Knowledge sharing in a more sophisticated form closely resembles advocacy (the network shares knowledge with the objective of changing the behavior of external stakeholders).

Although knowledge sharing is one of the areas that the networks studied perform best in, there seems to be significant opportunity for networks to further explore methodologies and approaches to deepen the level of dialogue, deliberation and learning among members.

The value of sharing learning and experiences is constantly underscored by practitioners, especially if these include both successes and failures. Currently the three networks address a range of knowledge areas, from sector-specific analysis to engagement with government. At events, the networks tend to use panel discussions that provide examples of local practice as a method of sharing information.

**MDFN (Nepal)**'s change in focus to learning events centered around topical socio-economic issues in the country that directly relate to members' jobs, was a big incentive to encourage participation and dialogue. The network recognises that members have been particularly motivated to produce high-quality learning cases when invited to do so for international events, which in turn benefits the network locally when these can then be presented in the local context.

**BDCG (Kenya)** network's primary activity is the organisation of an annual conference for the wider region (attracting 200-400 participants annually from over 100 organisations). The 12th conference will be run in 2016. In addition, the network runs breakfast meetings to promote learning on market and value chain development, with participation from key government officials and the private sector. Members are expected to provide speakers at the annual conference as part of their membership commitment. There have been situations where members with the largest budgets have hijacked the learning agenda by being able to fund the largest number of speakers and participants and hence have the loudest voice at the conference. This works well if the message is technically sound, but there is currently no system set up to verify or ensure this.

**MDF (Bangladesh)** learning events include meetings for learning, general discussion events, and workshops. MDF only coordinates and co-hosts, but does not organise, events on behalf of the members (owing to intentionally limiting the size and therefore capacity of the secretariat). Members are also able to run events under the MDF banner. Requests from non-MDF members are directed to members and if any of them are willing to lead such events, MDF can support the coordination of these. MDF (Bangladesh) co-hosts these learning events with member organisations for a fee to the co-hosting member organisation. Some practitioners believe that this could reinforce the practice of members simply marketing their organisations rather than prioritising what participants may find of value and be willing to pay for. By the end of 2016, MDF (Bangladesh) aims to have 5%-10% of member organisations include activities in funding proposals to promote sharing of knowledge within the network as an increased incentive for dedication to the learning process (increasing this to 20% by 2020).

#### 4.1.3 Knowledge generation

Knowledge generation involves codifying knowledge to share with members and external stakeholders regionally and globally. Members can test and tighten concepts as they apply locally, with the network providing the trusted, convening space for this to take place. External experts could be contracted to support the codification process if needed. Much of the material on market systems development approaches is very conceptual in nature. In its simplest form, members have the opportunity to prepare case studies and learning documents. Slightly less simple, is the preparation of regionally applicable information. In a more sophisticated form, members can feed into the filtering of concepts to see which are most effective in practice and to tighten these so that they can be more easily applied by local staff and audiences outside the region. In a particularly sophisticated form, networks can support members to test conceptual thinking in practice to demonstrate validity and value (or lack thereof) of the concepts and learning being formulated. In this form, members can work together to codify and translate, or adapt knowledge themselves for their own needs, or for advocacy. Furthermore, networks are well-positioned to research and generate knowledge on cultural norms, perceptions, and social issues driving market behaviours.

Very few of the three networks' learning opportunities facilitate learning processes where members can filter and improve useful core concepts in terms of their application culturally and locally, so that they can be more easily applied by local staff.

**MDFN (Nepal)**, however, has increasingly moved to this approach. In the first year the network focused on exploring conceptual and practical approaches to market development. The network later adapted to a more successful strategy by focusing more on collectively generating knowledge on market systems topics that had particularly high relevance to members and the region (such as how the earthquake impacted market systems, how markets reacted to cash infusions by donors, and food shortages in agricultural industries).

There is no apparent facilitation by networks to support members in collaborating on testing the application of conceptual thinking in practice in order to demonstrate validity and value of the concepts and learning being formulated.

There is significant opportunity for constant discussion, observation, and triangulation in order to incrementally learn about and understand the underlying cultural and social issues that drive market systems development. Local learning networks are well positioned to facilitate this type of process of learning and understanding through a larger group of diversified people sharing lessons and perspectives. There appears, however, to be very limited focus on learning around cultural and social norms, and perceptions and interactions that ground effective market systems development practice in each region. These are typically not easily understood via formal research or research outside of the local context.

#### **4.1.4 Capacity building and training**

This involves leveraging resources and opportunities offered by external training providers to provide access to a greater number of quality training for members in specific good practices and approaches. This could take place through in-classroom training or other learning methods (such as online courses). In its simplest form, this involves capacity building of the networks' members. Capacity building in a more sophisticated form also closely resembles advocacy (the network builds capacity with the objective of changing the behavior of external stakeholders).

In most cases, there appears to be a low level of focus on continued access to training for members. This points to an area of untapped potential. Networks have the ability to leverage resources and opportunities by bringing external trainers or training institutes to members, which are lower cost to access as a group.

**BDCG (Kenya)** provides a good example of training. Through their contracts with various external trainers they provide an annual 1-2 day pre-conference training opportunity for members on cutting-edge learning and application. This has been known to draw 100-150 participants annually and is an important way of building capacity in the region. Interestingly, several years ago the network contracted professionals to develop a pool of local market development experts by conducting specialised trainings and "training of trainers" to further build training capacity in the region. It is unclear how active these trainers are currently, or to what extent they are promoted by the network.

The local networks studied do not appear to have tapped into less traditional ways of building capacity beyond training, conferences, presentations, and in-person small group discussions. Online courses, social media, SMS messaging, and other less traditional learning and behaviour change methods have not really been explored.

**MDF (Bangladesh)** organises a 1-2 week study tour as one of its regular annual learning activities. Members are invited to join a study tour group that visits three members' projects in the field and discuss the learning from these experiences. In addition, MDF (Bangladesh) is planning to partner with a development project to test new market systems development learning methodologies through in-class simulation training tools and short online learning modules.

There are almost no differentiated capacity building activities that target management, or more experienced technical staff, or entry-level staff specifically. There is a significant opportunity for the networks to stratify their capacity building opportunities accordingly for higher impact capacity building.

#### **4.1.5 Advocacy and lobbying**

Advocacy and lobbying involves, in its simplest form, advocating with development organisations for improved practice, and, in its more sophisticated form, lobbying donors and governments to support market development-type approaches.

The networks generally appear to try to influence practice of practitioners, donors and government through knowledge sharing between stakeholders. There is less focus on actively advocating for better practice in market systems development approaches.

Practitioners shared that lobbying is more effective when done under the umbrella of a network, even when simply advocating for a certain approach with their own project donor. Networks have, however, played mixed roles in lobbying for improved market development practices and support of these approaches by donors and government, or for improved practice within their membership.

**MDFN (Nepal)** believes that it has been particularly successful in lobbying stakeholders (both donors and the government) for a market development approach by addressing some of the concerns that donors have about market development (e.g. time lag in results and proximity to beneficiaries). MDFN (Nepal) has encouraged more donors to fund market development programmes or incorporate market development approaches into existing programmes. This has proven to be even more significant in a post-disaster environment when there is a tendency to revert to direct delivery rather than market-led recovery. MDFN (Nepal) was able to push successfully for an early transition from relief to sustainable market recovery after the 2015 earthquake. Similarly, during the economic blockade, the network was able to help donors estimate the effect of the blockade on various markets, which in turn helped draw attention to the economic damage it was causing.

**BDCG (Kenya)** has exposed donors and the government to market development approaches by involving them in their large annual conference. The network has offered to provide technical input into the design of future donor programmes. This has, nevertheless, only taken place to a limited extent with concerns by some members around the quality assurance process of the technical input being provided on behalf of the network.

**MDF (Bangladesh)** offers input to donors in the design of bids for proposals to assist with strengthening the technical approach being supported. It is unclear how robust or effective this process has been for donors.

All of the networks advocate for improved practice by their members, although not always very directly so as not to offend members who may not be using the approach.

**MDFN (Nepal)** is the most stringent about ensuring applicants practice a certain level of alignment with market systems approaches before permitting entry into the network. This serves as an important advocacy mechanism for other organisations in the region to align practices with a market development type approach. In one example, an organisation applied for membership two years prior but was not accepted owing to its continual direct cash transfer strategy. This organisation has since demonstrated a change in practice and has, as a result, been accepted into the network.

A suggestion was made that a network could play a role in setting standards for the industry in the region. To date, none of the networks have taken on this type of role.

#### **4.1.6 Collaboration**

Collaboration involves facilitating collaboration between stakeholders in carrying out market development activities. In its simplest form, network members agree on joint visions for change and in a more sophisticated form they collaborate on logistical and contractual arrangements that allow them to bring their resources together.

Practitioners expressed interest in having networks play a role in facilitating collaboration and coordination of the collection of data for baseline-type surveys and for ongoing M&E data collection activities.

Practitioners also expressed interest in having the network maintain a database of local staff and consultants with expertise in market systems development so that new projects can identify specific expertise as needed.

#### **4.1.7 Coordination**

Coordination, in its simplest form, involves an exercise of trust and information sharing between project activities within market systems. Even though each member may continue activities as they have always done; they just need to know when the other(s) will do something that they will then need to respond to. A more sophisticated form of coordination has members coordinating across sub-systems (such as health and education) as real systemic change moves across these multiple sub-systems.

Practitioners highlight the need for coordination and communication as an important function for local networks since coordination at the donor level is generally perceived as very weak, resulting in the networks being the best way of avoiding duplication and facilitating collaboration.

Although all of the networks studied state that one of their roles is the coordination of activities between members across the region, in reality, extremely little coordination is taking place. Most interactions center around turf battles or better positioning for future funding opportunities, rather than any real coordination of member activities.

Practitioners recognise that not having indicators or reporting linked to coordination between members within organisations or within the network itself creates challenges owing to a lack of accountability and incentives to focus on inter-project coordination.

Practitioners expressed interest in having the networks maintain a log on which type of activities have been undertaken in partnership with each private sector actor to coordinate interventions and monitor the associated behaviour changes of that private sector actor. This could help to

ensure that organisations are coordinating and synergizing strategies and resources to facilitate systemic change, such as not all subsidising the same businesses. Private sector actors have apparently become increasingly aware that as soon as a new project starts, a full subsidy will again be provided by the new project, which results in the approach of decreasing subsidies to incentivise behaviour change becoming largely ineffective.

**BDCG (Kenya)** runs coordination meetings during the year that are predominantly centered on coordination between practitioner organisations and local government. It is unclear how effective these are at coordinating activities or which type of coordination is being targeted.

An example of well-intended coordination is the quarterly meeting of BDCG (Kenya). In theory, members meet to discuss ongoing or planned activities in value chain related facilitation. This is to avoid duplication of efforts; maximise donor resources; share opportunities, challenges, and constraints in market facilitation for value-added input and advice from members; explore synergies in programme design and implementation, including intervention design and monitoring and evaluation; and advance the learning agenda in market development and value chain facilitation through the sharing of practical field experience. It is, however, questionable how much coordination takes place as a result of this sharing.

**MDF (Bangladesh)** coordination is primarily between organisations that are using the network to identify like-minded individuals/organisations to partner with on upcoming bids and proposals.

Although many of the member organisations within the three networks work across multiple sub-systems that impact markets and the beneficiaries in them (including health, education, political, and social systems) there is very little learning, coordination and complementarity in the work across these sub-systems. Indeed, there appears to be little recognition by the networks that real systemic change moves across these multiple sub-systems.

**MDFN (Nepal)** aims to become a body of knowledge and evidence to influence approaches. Its indicators of success would likely include that programmes such as agricultural, forestry, and health would all be speaking about market systems development, would refer to the network as a body of knowledge and evidence, and would request input from the network into a request for proposals relating to sub-systems.

## 4.2 Network evolution

There are a variety of functions that networks can undertake. These are shown in the graphic below. Some are nearly always done, some a little, and some barely at all. This could be seen to imply that only certain functions are of real value, but this does not actually seem to be the case. Instead, the networks studied don't seem to make very strategic decisions about which functions they do or do not want to focus on, and seem to lack the capacity or insight to move to some more difficult functions. It therefore appears that there is some type of evolution in these functions as networks mature.



Figure 2. Examples of functions that networks could take on



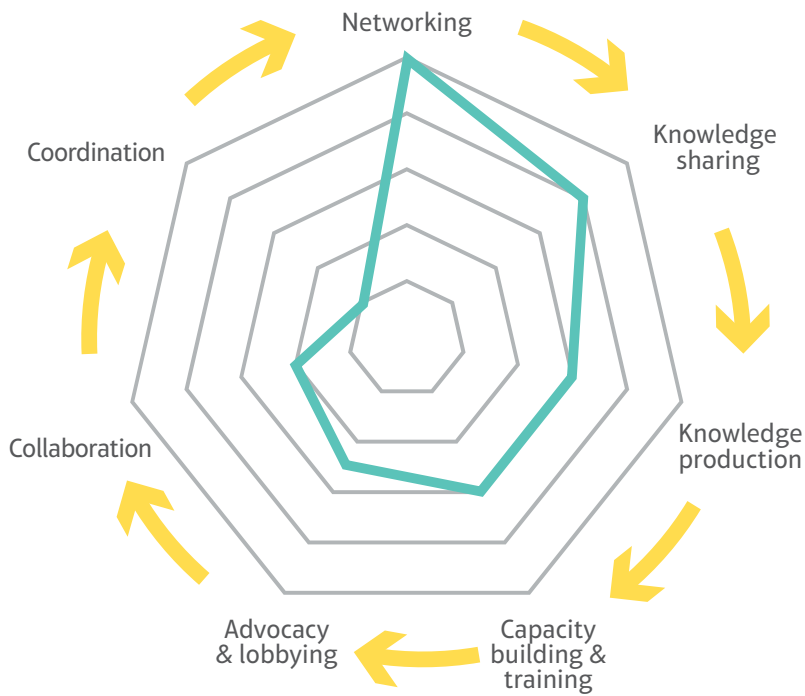
All three of the networks studied perform well in the important functions of networking stakeholders and information-sharing between members. They still, however, have significant potential to be much more effective at supporting stakeholders in improving market systems development approaches by connecting them to capacity building opportunities, lobbying, and facilitating coordination and collaboration.

As shown in this study, the networks appear to perform an increasingly complex set of functions as they mature. The networks start with a focus on networking and knowledge sharing, and evolve into additional functions of active knowledge generation and linking members to capacity building and training opportunities. Networks evolve further when advocacy and lobbying activities become more prevalent. A later stage of evolution, which is less common, involves active collaboration between stakeholders. This involves testing and tightening of concepts as they apply locally, or generating knowledge on cultural norms, perceptions, and social issues driving market behaviours. Least prevalent within networks, is the coordination function between organisations' activities within market systems and even across sub-systems (such as health and education systems).

This evolution can be visualised as a spider diagram, with each of the key functions that can be performed by a network represented by a spoke in the spider diagram. The scale indicates how well the network performs each function. This might be indicated by efficiency, effectiveness (how well the objectives of each function are achieved) and satisfaction levels of the members. In order for a network to move outwards in the spider diagram, higher levels of trust, management skills, logistics, etc., are required. Not all networks have to be good at everything. It is likely beneficial if they are clear on what they would like to do well and what they select not to focus on. A network might decide, for example, that they simply want to run learning events.

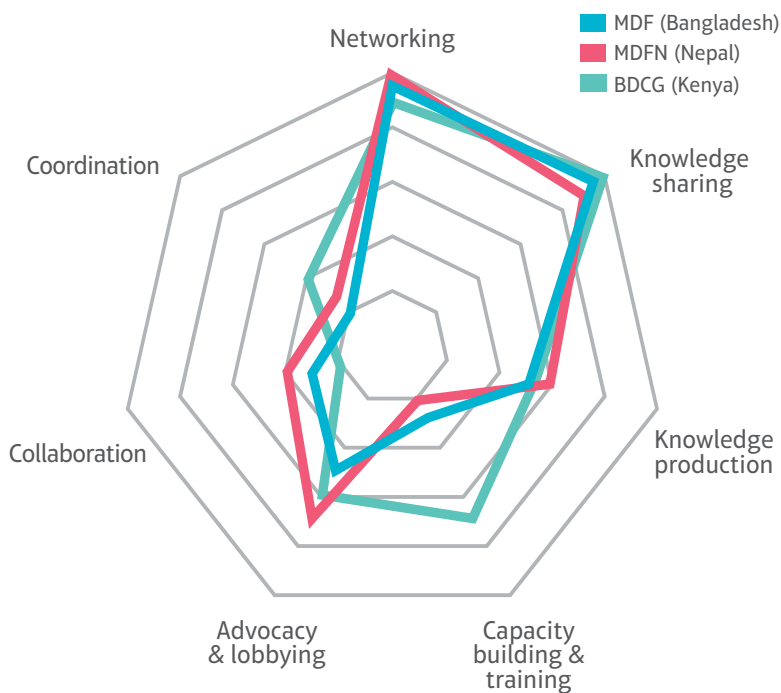
The spider diagrams below are simply diagrams developed for the purpose of this report. They are not based on other models or based on a particular theoretical background. However, they make an attempt at summarising where the networks in this study fall in their evolution of functions. The first diagram (figure 3) shows an average of where the networks studied tend to fall. The evolution of network activities, as seen from this study, allows us to understand the versatility and maturity of functions which networks perform as they evolve. Although networks may perform several activities at any given time, they appear to evolve from more rudimentary level activities to more evolved functions that have a greater impact on developing market systems.

**Figure 3. The average prevalence and evolution of the functions that the networks studied appear to undertake.**



The second diagram (figure 4) contrasts individual networks. This does not necessarily demonstrate that one network is performing better than another, as networks may have explicitly decided to take on certain functions and focus less on others. For example, BDCG (Kenya) has a much greater capacity building and training focus than the other networks.”

**Figure 4. Network evolution showing where the networks explored in this study might fail**



## 5. Impact

### 5.1.1 Overall impact

There is very little data available to be able to objectively assess the impact of the networks studied. The stakeholders consulted for this study did, however, report that the networks have had an overall positive impact on the learning they have obtained and have been able to share with other practitioners locally. It is unclear whether the benefit is felt more by organisations / firms that have less developed market development strategies or whether networks offer benefit to firms at all levels of practice. It appears that practitioners and other stakeholders are eager to affiliate with a network of peers and recognise that such networks go through ebbs and flows as they evolve. They do not want to be left out by not being involved. They believe that there is enough value in the networking function alone as both a learning opportunity and/or a motivating strategy for staff, and anything else obtained is a welcome bonus. Assessment of the overall outcome or impact of networks is an area in which much more can be done. Some stakeholders caution that this could mistakenly incentivise networks to start delivering projects to show impact rather than looking at the impact the network has on its members, donors, and other stakeholders.

### 5.1.2 Measurement approach

There are no formal monitoring and evaluation systems in place to track responses that organisations have to network services, or the influence on the local market systems practices overall. Networks simply count the number of members, the number of participants at events, or conduct basic post-event surveys. MDFN (Nepal)'s logframe indicator is the degree of independent financing for the network, which they recognise tells very little about the network's impact, and which is not attainable by the current strategy of the network.

One example of a challenge that networks encounter is monitoring and attributing outcomes or impact. MDF (Bangladesh) recognises that bids and proposals submitted to donors in Bangladesh in recent years have evolved from submission by individual bidders to submission by consortia of formal partnerships amongst network members. The network believes that this is largely attributable to the MDF's activities but that this is hard to formerly demonstrate or attribute.

Practitioners explain that there is less incentive to participate in a network when the participation is not part of their project's reporting metrics. Consequently, it is useful when a network is housed under a technically-sound development project, as in the case of MDFN (Nepal), because participation is part of the project's logframe and staff are, thus, incentivised to bring high-level intellectual thinking into the network, which, in turn, stimulates participation by other organisations. An effective indicator of a network's services could be whether participants pay to attend network events, as this would offer a more continuous signal as to whether the events were valued by members.

### 5.1.3 Value for money

We tried to assess whether or not organisations obtain value for money, i.e. the maximum benefit from the services they both acquire and provide to the network. There is very limited information available on what it takes to actually run the networks financially. Budgets presented to members do not generally include a valuation of in-kind contributions by members and host organisations, which cover a significant portion of the networks expenses. In-kind support appears to be readily available. Members of MDF (Bangladesh), the only network in the study that charges membership fees, report that their organisations routinely include an annual budget line item for the network membership fee without any serious consultation on whether the network is indeed offering value for money to their staff. This makes it even harder to discern the value of networks by considering their membership levels or revenue from members. Very little can be deduced regarding the value for money of the networks, except from the indication that members are self-selecting to remain involved.

## 6. Conclusions

### 6.1 Existing networks

There is little hard evidence on the outcomes or impact of networks and more effective monitoring and evaluation would be useful. Regardless, a common thread throughout the research conducted was that existing networks have been very effective in networking stakeholders and sharing information on market system development at local levels among practitioners who would otherwise likely not be exposed to these approaches. They have been running for a solid amount of time and have established their own models for operating and building local credibility and trust with stakeholders. For these reasons alone, it would be worthwhile offering further support to existing local networks.

### 6.2 New networks

There are many countries and regions that have no local networks playing a networking, information sharing and capacity building role around market development. In the case of some organisations, this is taking place at an intra-organisational level, but not between practitioners embedded within a local area and therefore facing similar constraints and realities impacting market systems development. Local learning networks in regions that do not currently have any could significantly support improvements in market systems development practice. This is contingent on these networks playing more than simply a networking role but taking on functions such as facilitating coordination and learning. (See Annex 1 for summary of several emerging networks).

### 6.3 Broader system in which networks operate

The existing networks have to date played a rather isolated role locally with ad hoc involvement from global donors and global networks, and limited inter-network interactions. More intentional support of the networks by the global community can incentivise improved practice and improved technical messaging. It is essential that local ownership and management of the networks not be disturbed by donors or global platforms exerting undue influence or strain on the networks. Rather, offering opportunities for two-way input and conversation could be more helpful, as discussed further in the recommendations section.

## 7. Recommendations

Several recommendations emerge as a result of this study in terms of rolling out new and scaling existing market systems development networks in different parts of the world. These are discussed below.

### 7.1 Supporting existing networks

The following recommendations are made in support of networks moving further up the evolution scale discussed earlier and helping them to measure what they do.

#### 7.1.2 Encourage evolution of network functions

Networks could be supported and encouraged by donors, global networks such as BEAM Exchange or the SEEP Network, or local members, to evolve their service offerings. This could include a greater focus on facilitating connections to more advanced capacity building opportunities, and facilitating a more sophisticated coordination and collaboration role. In addition, this could involve facilitating opportunities for practitioners to feed into the testing and local adaptation of market development concepts.

#### 7.1.3 Incorporate local network participation into project results frameworks

It seems critical to the success of networks to incorporate involvement in and growth of networks within stakeholders' result frameworks. This could include both host organisations / projects and members' projects. This will allow for more intentional time set aside for participation and for a more honest discussion around learning and improvements. This recommendation also applies to setting up new networks. Global networks, local networks, and practitioners could advocate to donors for the inclusion of participation in networks at initial proposal request stage so that this participation becomes embedded into project results frameworks and work plans.

#### 7.1.3 Assist in developing metrics that could be used by networks to assess and track their impact and value

As there is very little data available to be able to assess the impact and value of networks, it would be useful to facilitate a process for developing metrics that could be used by networks to do so. This would need to be a participative, collaborative process in order to ensure buy-in from networks. It is important that this not become a process where networks have to report to a higher body and are assessed by outside stakeholders, but rather that this be positioned as a tool that networks could use to assess themselves and make strategic decisions accordingly. It would be interesting to disaggregate such a tool by benefits to organisations / practitioners that range from implementing entry level through to experienced market development strategies so that networks can see which functions are most valued by which level of organisation/ practitioner. This will help to ensure that networks are not only being of value to entry-level practitioners of market systems approaches.

#### 7.1.4 Reduce the culture of self-promotion and marketing and encourage honest and open dialogue

To exponentially increase the service offering of networks, the depth of dialogue and extent of honest learning could be much improved. Stakeholders feel that learning within the networks does not always involve honest and open dialogue. This is seen to largely be as a result of member organisations not being truly committed to a genuine learning process. Network members appear to focus more on showcasing their own organisations over-and-above testing and dialoguing around learning and approaches. Some members are seen as being 'free-riders', learning from others but unwilling to share any real learning in return. Some members are described as 'extractors', using the network simply for self-promotion and marketing of their organisations. These members are seen to primarily draw on information shared through the network as content for proposals for new business development.

Network coordinators should focus on facilitating opportunities for honest and genuine dialogue between members. This could translate into being very intentional as to who is in which discussions, which subgroups to form around which topic areas, and actively encouraging deeper, more open discussions. Furthermore, network coordinators could actively discourage self-promotion and marketing by creating guidelines for how members operate, by creating very specific opportunities for self-promotion so that it has a defined time and place, and by creating networking and learning opportunities that are focused on moving ahead rather than principally looking back at what organisations have done.

## **7.2 Establishing new networks**

As many parts of the world do not have market development networks, the following recommendations involve the creation of new networks.

### **7.2.1 Advocate for setting up new networks in areas without networks**

Even though hard evidence is lacking on the impact of networks, it appears that there is sufficient interest in general by local practitioners for networking opportunities, and sufficient potential to drive networks in the right direction, to substantiate advocating for local network formation with donors. From the study it seems that a good model is to lobby for the inclusion of network formation within the scope of a market development project. This will allow project funds to be available for the initial set up and operations of a new network.

### **7.2.2 Allow independent local network models to emerge**

As networks are largely driven and shaped by the individual personalities involved at any particular period of time, it seems critical for a donor, or entity that may decide to launch a new network, not to push one particular model of operating. Rather, donors, practitioner groups, or entities such as BEAM Exchange could facilitate the environment for the creation of new networks where they can individually evolve by allowing local stakeholders to take ownership of their own governing structures and focus areas.

## **7.3 Supporting broader system in which networks operate**

Recognising that networks operate within a broader system which involves improving market development among practitioner projects, the following recommendations refer to ways in which the system could be strengthened.

### **7.3.1 Align technical approaches**

An ongoing challenge for networks and their members is the rapid maturation of technical concepts over the past years from BDS approaches to Enterprise Development strategies, evolving into Value Chain Development and Making Markets Work for the Poor (M4P) approaches, and more recently integrating understanding around complexity theory and systems thinking. Organisations, practitioners, and even donors are at different stages of evolution in this maturation process. This creates challenges at the local level, as there is often conflict between technical approaches being taken or technical guidance being provided. Sharing of learning becomes a challenge, as does coordination of programme activities. As this technical area matures, it will likely have a smoothing effect on member interactions with networks being able to play a more successful coordination role in regions. Global initiatives, such as BEAM Exchange, could potentially play a catalytic role in this process of convergence.

### **7.3.2 Facilitate cross-learning between local networks**

Local networks are currently working in relative isolation from each other. They know very little about what other networks are doing or how they compare with each other. This study will already be one useful way for the networks studied to learn about each other. It could

be useful to facilitate cross-learning processes between local networks to share learning and ideas among network coordinators and committees. This could be facilitated through a global networking platform such as the BEAM Exchange. In the long term it could potentially be set up as an inter-donor initiative set up for this purpose. On a simplistic level, this could involve simply sharing strategic plans and updates between local networks. On a more sophisticated level, this could include an annual learning / sharing event between networks. Such an event would not necessarily need to focus on technical market development content, but rather on sharing ideas on how to successfully run and scale a network of this type.

### **7.3.3 Connect local networks with global and regional capacity building opportunities**

In order to improve market development practices, more intentional efforts can be made by donors and global networks to connect to local practitioners through local networks, offering participation in capacity building and other opportunities, etc. In this way, networks have more added value to offer members. In addition, this allows for greater coordination locally of which practitioners and organisations have received training or exposure in different contexts. Global networks such as BEAM Exchange and global donor initiatives such as those similar to USAID's Leveraging Economic Opportunities (LEO) project (which is ending in 2016) are ideally positioned to reach local organisations and projects through the local networks in their countries.

### **7.3.4 Encourage technical contributions from local networks into global technical deliberations**

Local networks are extremely well-positioned to facilitate input from members on testing theoretical concepts in practice, helping to refine these, and exploring regional adaptations and understanding. To encourage this role, global learning projects / platforms, global networks, or global donor initiatives could focus on more actively asking for contributions and input from local networks in technical thinking. This has the potential to create a very robust conversation between global technical thought-leaders and practitioners immersed in practical realities on the ground.

### **7.3.5 Set up local donor networks**

There seems to be a continued challenge in not only ensuring that donors and practitioners are talking the same language and supporting the same approach, but that this is occurring between different donors too. The Donor Committee on Enterprise Development (DCED) was intrigued by whether there might be interest in having donors form donor-focused local learning networks around market development approaches that span across countries and regions. This could be an interesting area to explore in order to build the capacity and cross-learning at donor level and to have a structured way that practitioners and donors can potentially interact across networks. It could be strategic for global networks such as BEAM Exchange to facilitate an initial test case in a particular region to assess interest and how such a local donor network might function.

## 8. Additional areas for study

Several areas for further study were identified as complementary to local learning networks in building capacity and improving market systems development practice. These are discussed below.

### 8.1 Internal organisational learning platforms

Several internal organisational learning platforms or divisions have been identified during the course of this study. These could offer significant opportunity for further study as there could be much to learn to benefit the growth and strengthening of such networks and platforms. These internal structures hold the potential to influence practice among many field staff across multiple projects and countries.

Initially, such internal organisational learning around market development approaches was promoted through USAID's Growing Organisational Value Chain Excellence (GROOVE) Network which ran from 2009 to 2012 to support institutions build the skills their staff needed to become effective market facilitators. Most of the organisations involved have retained their internal learning platforms and structures to some degree, namely Practical Action, CARE USA, Conservation International, and Global Communities (formerly named Cooperative Housing Foundation (CHF)).

More recently, several other organisations have set up internal knowledge management and learning structures around market development. Interestingly, several of these organisations have hired staff originally involved in the GROOVE Network who appear to be carrying over learning from GROOVE in the setting up of the internal structures and processes in the other organisations.

Organisations seen to be intentionally and actively focusing on internal learning structures focused on market development include, but are likely not limited to: Adam Smith International (ASI), CARE USA, Chemonics International, FINTRAC, Practical Action, World Vision USA, and World Vision Australia.

### 8.2 Online learning networks

There are several online learning networks that have evolved over time either globally or locally. The author of this study believes that it could be interesting to study the development of these and their effectiveness at improving practice among development practitioners. The principal online networks identified during the course of this study include: the SEEP Market Facilitation Initiative (MaFI), the Nepal Market Development Practitioners Forum (MD Forum), the Market Development East Africa (MDEA) network, and SDC's Employment and Income Network.



## 9. Annex 1: nascent networks

### 9.1 Asia-Pacific M4P Peer Learning Network

The Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture (PRISMA) programme is in the initial stages of establishing a Making Markets Work for the Poor (M4P) peer learning network in the Asia-Pacific region. Unlike most other networks, membership would only constitute a small number of programmes that use an M4P approach (initially 5-10 programmes with a focus on agriculture), and be by-invitation only. The network is considering bringing together interested donor staff who manage M4P projects to discuss programme management issues from a donor perspective.

The network's objectives are: to provide the opportunity for programme senior management to discuss critical issues in managing M4P and related programmes; to provide the opportunity to project team members to discuss day-to-day challenges in an open and honest manner, and agree on shared practical solutions to identified challenges; and to provide a platform to interested donor staff who manage M4P projects to discuss programme management issues from a donor perspective.

### 9.2 Mekong Market Development Networks (in Cambodia, Laos, Myanmar, and Vietnam)

Swisscontact has expressed interest in exploring the development of market development networks in Cambodia, Laos, Myanmar, and Vietnam. Swisscontact was the key driver in setting up both the MDF (Bangladesh) and MDFN (Nepal) networks and continues to be involved. It will most likely act as the next project host for MDFN (Nepal) after the current host project comes to an end. Swisscontact (in the PRISMA project) is also very involved in setting up the anticipated Asia-Pacific M4P peer learning network. Swisscontact could explore the feasibility of acting as the initial host to the secretariats in Cambodia, Laos, Myanmar, and Vietnam and developing the networks based on its experience and lessons learned in other regions.

### 9.3 Foundation ASOCAM Intercoopera Latin America (ASOCAM)

The Foundation ASOCAM Intercoopera Latin America (ASOCAM) is a Latin American regional platform that facilitates forums for exchange on the essential issues of rural development. The network is moving towards an increased focus on market development approaches. The network is based in Quito, Ecuador and has 50 members from 8 countries: Bolivia, Cuba, Ecuador, El Salvador, Nicaragua, Honduras, Peru, and Switzerland. Although the network has been around for several years it is only recently starting to focus on market systems development. ASOCAM releases publications organised by theme: water and climate change, local economic development, policy advocacy, rural enterprises, and monitoring and evaluation. ASOCAM also hosts training on development approaches for members.

## 10. Annex 2: members in each network

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
<b>INTERNATIONAL DEVELOPMENT PRACTITIONERS</b>			
Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance (ACDI/VOCA)			Member
Adam Smith International (ASI)		MEMBER (EC) Co-Founder	Affiliated
Action for Enterprise (AFE)	Previous	Co-Founder Previous	
CARDNO Emerging Markets Cooperative for Assistance and Relief Everywhere (CARE)	Co-Founder Previous (EC)		Member Affiliated
Christian Aid	Member (EC)		
Concern Worldwide	Member(EC)		
Deloitte			Member
Development Alternatives Incorporated (DAI)			Co-Founder Affiliated
EcoVentures International			Conf. Facilitator
Heifer			Member
Helen Keller International	Previous		
HELVETAS Swiss Intercooperation	Member (EC)	Member (EC)	
Humanistisch Instituut voor Ontwikkelingssamenwerking (HIVOS)			Member
Interchurch Cooperative for Development Cooperation (ICCO)		Member	
International Development Enterprises (IDE)	Member Previous (EC)	Member (EC)	Affiliated
International Management Consulting (IMC)		Member	
Land O' Lakes			Member(EC)
Mercy Corps		Member	Affiliated
Muslim Aid	Member (EC)		
Organisation och Utveckling (Organisation and Development, Sweden) (ORGUT)		Member	
Oxford Committee for Famine Relief (OXFAM)	Previous	Member	Member
Plan International	Previous		
Practical Action	Member (EC)	Member (EC)	Affiliated
Save the Children	Member (EC)		Affiliated

Self Help Africa			Member
Stichting Nederlandse Vrijwilligers - Foundation of Netherlands Volunteers (SNV)		Member (EC)	Member (EC)
Solidaridad			Affiliated
Swisscontact	Co-founder Previous (EC)	MEMBER (EC)	Affiliated
Technoserve			Member
Voluntary Service Overseas	Member (EC)		
Winrock International	Previous (EC)		
WorldFish Center	Previous		
LOCAL & REGIONAL DEVELOPMENT ORGANISATIONS: (full names provided)			
Center for Business & Development Studies (CBDS), Bangladesh	Previous		
Center for Environmental and Ag. Policy Research, Extension and Development (CEAPRED), Nepal		Member (EC)	
Chittagong Skills Development Centre (CSDC), Bangladesh	Previous		
DevTech Nepal		Member (EC)	
Eclectic, Bangladesh	Previous		
East Africa Market Development Associates, Kenya			Member
Forum for Rural Welfare and Ag. Reform for Development (FORWARD), Nepal		Member	
Future Leaders, Bangladesh	Previous		
International Fertilizer Development Center (IFDC), Africa			Member
Kenya Markets Trust, Kenya			Member
Micro-Enterprises Support Programme Trust (MESPT), Kenya			Member Secretariat
Research, Training & Management (RTM) International, Bangladesh	Previous		
Samriddha Pahad, Nepal (UK based)		Member	
SEBA Limited, Bangladesh	Previous		
Support Activities for Poor Producers of Nepal, SAPPROS, Nepal		Member (EC)	
LOCAL & REGIONAL ASSOCIATIONS:			
Kenya Association of Manufacturers (KAM)			Member
National Rural Electric Cooperative Association (NRECA), Bangladesh	Previous		
DEVELOPMENT PROJECT MEMBERS:			

GTZ PROGRESS project	Previous		
KATALYST, Bangladesh	Member		
SAMARTH Nepal Market Development Programme, Nepal	Previous (EC)		
USAID Poverty Reduction by Increasing the Competitiveness of Enterprise (PRICE) Project, Bangladesh	Previous	Previous	
DONORS:			
Aga Khan Foundation			Member
Department for International Development (DFID)			Affiliated
United States Agency for International Development (USAID)		(shown interest)	Member
Danish International Development Agency (DANIDA)			Affiliated
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Previous		Member
European Union (EU)			Affiliated
International Fund for Agricultural Development (IFAD)	Previous		
International Labour Organisation (ILO) International Training Centre			Affiliated
International Labour Organisation (ILO) Youth Entrepreneurship Facility Africa			Affiliated
SEDF (multi-donor facility managed by the International Finance Corporation (IFC))	Previous		
Swiss Agency for Development and Cooperation (SDC)		Shown interest	Affiliated
Swedish International Developmental Agency (SIDA)			Member
United Nations Development Programme (UNDP)			Member
World Bank			Affiliated
PRIVATE SECTOR:			
Various local private sector companies	Permitted but none yet		Affiliated

‘Affiliated’ denotes organisations that have been members in the past and are usually active at annual conference

‘EC’ denotes a member of the Executive Committee

## 11. Annex 3: key types of activities by network

	MDF (Bangladesh)	MDFN (Nepal)	BDCG (Kenya)
Networking	Events and meetings co-hosted with members	Intermittent events and meetings	Intermittent networking-specific events
	Annual member meeting	Annual member meeting	Annual conference Breakfast events throughout year Annual member meeting
Knowledge sharing	Events and meetings co-hosted with members	Intermittent events and meetings	
	Annual study tour	Co-branded technical briefs	Annual conference
	Co-branded technical briefs Resources available online on dedicated website	Resources available online on dedicated website	Annual post-conference publication
Capacity building and training	Training workshops co-hosted with members	Intermittent events and meetings	Annual pre-conference training Intermittent training-of-trainers workshops
Advocacy and lobbying		Advocacy to government and donors, particularly post crisis	Limited input into donor project design
Collaboration	Examples of members partnering on consortium for proposal development		
Knowledge generation		Locally-relevant topic areas explored	
Coordination			Limited coordination meetings with government Quarterly coordination meetings (not often carried out in practice)

## 12. Annex 4: stakeholders providing input into the study

The following section provides a list of the stakeholders that provided interviews and information for this study. Along with interviews, an extensive review was conducted of strategic plans and network documents.

Alfie Pearce-Higgins, Senior Manager, Inclusive Economic Growth, Adam Smith International (ASI) Nepal - SAMARTH project, MDFN (Nepal) member

Anirban Bhowmik, Swisscontact, Asia Pacific M4P Peer Learning Network

Annah Macharia, Technserve Kenya, BDCG (Kenya) affiliated

Ashley Aarons, BEAM Exchange

Christopher Thompson, The Palladium Group, Asia Pacific M4P Peer Learning Network

George Okeyo, Head of Programmes, Self Help Africa, BDCG (Kenya) Previous Programme Coordinator, BDCG (Kenya) member

Jim Tanburn, Director, Donor Committee on Enterprise Development (DCED)

Juerg Merz, HELVETAS Swiss Intercooperation Nepal, MDFN (Nepal) Executive Committee Member

Kevin Robbins, IDE-Bangladesh, MDF (Bangladesh) Member

Lucho Osorio, BEAM Exchange

Mary Munene, Land O'Lakes, BDCG (Kenya) member and BDCG Deputy Chair

Matthew Marzola, Country Director 2015, Action for Enterprise Bangladesh

Michael Field, Chief of Party, Agricultural Value Chains (AVC) Project, DAI Bangladesh

Mike Albu, BEAM Exchange

Nisha Singh, Programme Director, SEEP Network

Poshan KC, National Programme Advisor, SAMARTH Nepal, MDFN (Nepal) Programme Coordinator

Rajiv Pradhan, Country Director, Cambodia, Swisscontact, MDF (Bangladesh) Chair 2008, 2010, 2011

Richard Isiaho, Chairman, FIT Kenya, BDCG (Kenya) member and strategic plan author

Rifat Zareen Nadia, MDF (Bangladesh) Programme Coordinator

Shakeb Nabi, Christian Aid, MDF (Bangladesh) Member and Board Chair

Tamzid Ahamed, Director, Enroute Consulting, MDF (Bangladesh) Member

