Setting a strategic framework

Programmes adopting market systems approaches need a clear strategic framework that links the goal of large-scale poverty reduction with a focus on systemic change. The strategic framework is a logical model that shows the flow of cause and effect and how a programme will achieve its objectives.

A good strategic framework provides a clear direction for interventions and establishes the basis for monitoring and evaluating their effects. It also provides funders with the basis to oversee a market systems programme. The diagram below shows a strategic framework that sets out indicators and targets for poverty reduction.
Four steps to setting a strategic framework

1. **Define a clear poverty-reduction objective.** Define a target group and an objective for improving their poverty condition: ‘more’ of something positive (such as income or assets) or ‘less’ of something negative (such as exclusion or inequality).

2. **Identify opportunities to benefit the target group.** This could be potential improvements in poor people’s place in existing market systems (for example, by increasing their productivity as producers), or it could involve potential shifts of the poor into new market systems (such as gaining access to new goods and services). For extremely disadvantaged groups ‘opportunity’ can often mean the potential to reduce vulnerability to risk.

3. **Assess feasibility of stimulating system-level change.** Consider the likelihood of achieving change within the social and political context, and the readiness of the funding and intervening agencies.

4. **Establish main parameters and seek approval.**

The strategic framework isn't rigid nor is it an exercise to fill in boxes. Instead, the strategic framework is about thinking through the rationale and direction of a programme. It provides a programme with a coherent strategy and the discipline to assess the consistency of actions with the objectives.

Use the strategic framework to establish the main objectives of the programme. Once set the objectives shouldn't change (if they do, the entire rationale for the programme changes).

Start with ends, not means. At the design stage it is generally not possible to be prescriptive about which intervention approaches a programme might use.

- **Purposeful program theory: effective use of theories**
  Understand why an intervention works or doesn't work.

- **Integrating very poor producers into value chains**
  Tools and applications to reach very poor households.

- **A framework for a push/pull approach to inclusive market systems development**
  A market-oriented, pathways-based approach to poverty reduction.