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Market facilitation: play the game to see how good you are!



Daniela Martinez



Matt Ripley

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Test your market facilitation skills

> Simulate a market development interaction with this facilitation role-play

You've selected sectors with growth potential that are relevant to large numbers of the poor. You've done some preliminary sector analysis and a set out a systemic change vision to identify how businesses or public agencies need to improve. You've even chosen a few partners to pilot new ways of working. It's time to begin market systems facilitation.

But if facilitation is – as the old cliché goes – more art than science, then how do we learn how to do it?

Unfortunately, there's no blueprint for facilitation, or universal answer to difficult questions like "when should we exit a partnership" or "what level of support should we provide". These decisions will always be contextual. But with more exposure and understanding – of the sector and country in question, as well as in the market system approach itself – we can get better at market facilitation. And we stand the best chance of making good decisions if we learn from what other projects have done - both their successes and failures.

This experience has been distilled into the excellent 'Chapter 4: Intervention' in the Springfield Centre's M4P Operational Guide. Engineers Without Borders has also come up with a set of key principles for facilitation. At the ILO, in the search for cost-effective ways to train projects, we've now turned these principles into an online role play to allow a 'safe to fail' space to hone your facilitation skills.

Play the role of an analyst partnering with the private sector to catalyse a pro-poor vegetable market in the country of 'Xland'. While the setting may be fictional – it is inspired by true events – so see how many facilitation badges you can earn.

Designed to FAIL

While designing the online game, the ILO reflected on its early experiences of market facilitation. We examined two ILO-implemented projects (BOSS in Timor Leste, and Yapasa in Zambia) to see how the market principles could have been better applied. The idea was to identify FAILs: First Attempts in Learning. In doing so, we were able to draw out some valuable lessons:

No free lunch

Whether under pressure to deliver results, or facing difficulties in finding available partners, projects are often tempted to provide substantial financial or technical support that could have a distortionary effect on partners' incentives. In Timor Leste, with few potential partners available, the success of BOSS's horticulture production intervention became dependent on only one firm. Over time, unconditional support created expectations that BOSS would continue to serve lunch no matter what happened. To avoid this mistake, try to agree on partners' 'quid pro quo' contributions to establish what they need to do to continue to access project support. If possible, have your partner make an up-front commitment, as this will signal willingness to invest in long-term change.

Influence points

Try working with innovators to reap early-adopter benefits, or alternatively with larger actors that can influence others to reach scale. In Zambia, the Yapasa project engaged with a large multinational input supplier that had both the potential to influence the direction of the industry. The project brokered a partnership with the input supplier to work with many motivated small local aggregators that could coordinate crop insurance, inputs and many other daily activities. However, the limited organisational capacity of the aggregators proved to be a problem – and threatened the success of the business model. If a scale agent depends on key actors which are not influencers and have a role that is potentially complex, try and objectively understand how non-influencer tasks can be simplified. This will increase the probability they will perform better and that other market actors, with similar capacity or size, can crowd-in to the market and mainstream the innovation alongside the scale agent.

Lines in the sand

With only one viable partner, BOSS tested a contract farming model which initially worked well. However, when the business model threatened to break down, BOSS responded by providing the firm with even more support. Over the years, BOSS and the partner firm grew closer and closer – undermining the project's ability to crowd in others. Projects should make every effort to select more than one pilot partner to avoid the risk of putting 'all their eggs in one basket' and, better yet, to formulate clear partnerships plans with go/no-go decision points to avoid the risk of throwing good money after bad when things don't work out.

If you are new to facilitation or interested in learning more about the examples above, then we invite you to read more the short note: Market systems facilitation: how good are you.

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