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Capturing systemic change in Bangladesh



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All blogs

Identifying systemic change and more inclusive market systems development in the USAID Bangladesh Agriculture Value Chains (AVC) programme.

What does systemic change look like on a USAID Feed the Future project? Can evidence of systemic change be measured during its lifetime? And what can data from partner firms tell us about whether a project is moving towards more inclusive market systems development?

The Challenge

In late 2017 the USAID Bangladesh Agriculture Value Chains (AVC) project team asked us to participate in part of the project's Collaborating, Learning and Adapting (CLA) strategy. AVC had been applying a market systems lense and tactics for over two years. Indications were that it was fostering systemic change.

In the agri-inputs market system the project's partner firms, and some competing firms, were claiming to be scaling-up some of the new strategies and tactics learned from AVC. This wasn't just in the Feed the Future (FTF) Zone of Influence (ZOI) or in the pre-selected FTF value chains, but also in other parts of the country and in other value chains.

We were asked to work with the project team and partners to identify sustainable systemic changes and trends. We documented these in a recently published case study:

Feed the Future Bangladesh Agricultural Value Chains project

Case study presenting an overview of Feed the Future Bangladesh AVC's systemic change framework.

AVC's key strategies and tactics

The USAID Feed the Future Bangladesh Agricultural Value Chains (AVC) activity, implemented by DAI, aims to develop long-term food security in the Southern Delta Region of Bangladesh. It applies a market systems approach to improve the availability of diverse and nutritious fruits, vegetables and pulses in local, regional and national markets.

In October 2015 AVC was redesigned into a flagship market systems development programme. It used innovative adaptive management discussed in an earlier [MarketLinks case study](#).

The overarching goal of AVC's engagement in the market system was to support input suppliers interested in moving more towards a smallholder farmer (customer) oriented growth strategy.

Using an adaptive process this objective was met by piloting and scaling-up a variety of interventions with input suppliers including:

- Developing a preferred agro-dealer network for both distributors and retailers
- Supporting branding and promotional campaigns through local agro-fairs
- Developing professional spraying and pruning services for orchards
- Producing video docu-dramas mixing critical messaging and education with entertainment
- Introducing a phone call service to gauge customer preferences and assess usage of new products
- Tracking ag-inputs authenticity through a product and carton coding system and SMS verification

AVC's Perspective of Systemic Change

From the perspective of AVC systemic change involves **changing the drivers and incentives (or biases) that direct the way the market system self-organises**. This definition focuses on how a system changes, not just the results of such changes.

Systemic change is often an implicit goal of many development projects. Practitioners design interventions to influence systemic change in a particular direction. Market systems development projects tend to work with firms to effect larger changes in the system as a whole. However there is still much discussion on how this can be measured, and on when a change has become systemic. These questions are addressed by this case study.

Seeking to identify systemic change

Building on the AVC view of systemic change we suggested three broad indicators, or “change markers”, to identify the existence of systemic change:

1. Directionality
2. Dynamism
3. Durability

Indicator	Description	Tentative Set of Markers
Directionality	Agents (e.g. firm, project partner, market actor) exhibit more market inclusive behaviors which are amplified through positive feedback giving clear direction and momentum to the change.	1) Drivers and self-reinforcing feedback loops intensified 2) Shift in strategic biases (moving from extractive business tactics to customer-oriented value seeking tactics) 3) Shift in relational biases (moving from working through patronage networks to diverse merit-based networks) 4) Replication of innovation in other locations and business lines 5) Competitors respond by copying and innovating on their own (crowding in) 6) Consumer demand builds, gains voice and pulls change.
Dynamism	System characterised by intensification of co-evolutionary dynamics among market actors including variety production and selective pressure.	1) Emergence of positive cooperation including shifts in value chain governance 2) Intensification of positive/internalised response to competition and upgrading 3) Improved connectivity and flows (new networks and resource flows) 4) Diversification –increased numbers or types of channels 5) Churn rates related to customers and enterprises
Durability	Systemic change becomes institutionalised and more functionally integrated and layered within the larger system.	1) Change in how institutions and subsystems (judiciary, civil society, etc.) supports change and improves overall system functioning 2) Institutionalisation of counterbalancing forces and feedback. 3) Alignment of inclusive patterns and norms across scale. 4) Shift in power relations towards inclusion.

So, what did we find?

Over the past two years, AVC forged partnerships with 25 private sector companies and cooperatives supplying farmers with:

- › inputs (high quality seed and fertiliser)
- › improved technology

> management training

Three of the more proactive firms have already demonstrated significant investment in restructuring their distribution channels towards a more inclusive customer orientation.

The resulting findings do show early evidence of systemic change:

Directionality

- > All three of AVC's major inputs supply partners have expanded and adapted the AVC-supported activities. This includes a preferred agro-dealer network for both distributors and retailers in other parts of Bangladesh (outside of the FTF ZOI including Natore District, Mymensingh Division, Dhaka division, and Chittagong division). One partner plans to scale nationwide within the next two growing seasons - from reaching 15,000 farmers to nearly 140,000 farmers. Another partner has developed over 700 preferred retailers nationwide (an estimated 50 per cent reached without direct AVC assistance).
- > The new approaches of lead firm input supplier partners have had a positive impact on farmers in key FTF VCs including pulses, groundnuts and mangoes. The input companies target farmers across a wide variety of VCs and the impact has also been felt in other non-FTF VCs, including winter vegetables, rice, chilies and guava.
- > Some partners have replicated and adapted AVC-supported innovations in other business lines. For example by developing preferred retailer models for agro-veterinary product lines, without AVC support, with plans to scale-up to reach 45,000 fish farmer customers in the next two years.

Dynamism

- > Project partners see themselves as first movers in the new farmer customer-oriented distribution model introduced by AVC. They also seem rather open to having their competitors learn from them. They appear ready to continue to adapt and co-evolve as more input suppliers copy some of their new business practices. In fact, even in just the past six months as some of the AVC partners have begun to expand their model nationwide, there has been evidence of replication and copying by some competitors. Partners see this as healthy sector competition and innovation.

Durability

- > There have been increased linkages with partners in interconnected systems such as marketing. Before AVC's inputs most marketing firms had limited experience in the agribusiness sector. Partnering input suppliers with marketing firms to provide support with media engagement, advertising, branding, packaging display, logo

development, store layout or other communications and marketing efforts enabled these firms to open a new service line.

We recognise that in the market systems development field there is still much to learn about measuring systemic change and how to look for early evidence of systemic change during the life of a project. We hope this case study adds to the ongoing discussion about these topics and we welcome the opportunity to learn from others and continue sharing.

Feed the Future Bangladesh Agricultural Value Chains project

Case study presenting an overview of Feed the Future Bangladesh AVC's systemic change framework.

> Programme profile: [Agricultural Value Chains Activity \(AVC\), Bangladesh](#)

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