

# Vision

## 04

### Incentives and capabilities

A good understanding of the incentives and capabilities of market actors is crucial to achieving your vision of success. Many interventions fail because they make poor assumptions about market players' motivations and don't consider incentives in their visions of how market systems can operate in the future.

#### ■ **M4P Operational Guide, Chapter 3: Vision**

Core principles and frameworks for defining and planning an intervention.

Steps to understanding incentives:

- **Identify target market actors**, including the intended final 'beneficiaries'
- **Identify interests.** These might be sympathetic or negative towards the objectives of an intervention or, more likely, a combination of both.
- **Determine the importance and influence of stakeholders.** How much do stakeholders matter in relation to intervention goals and what is their potential impact on intervention outcomes?
- **Determine priorities for action.** Given the above analysis, who is best placed to partner with for your interventions?

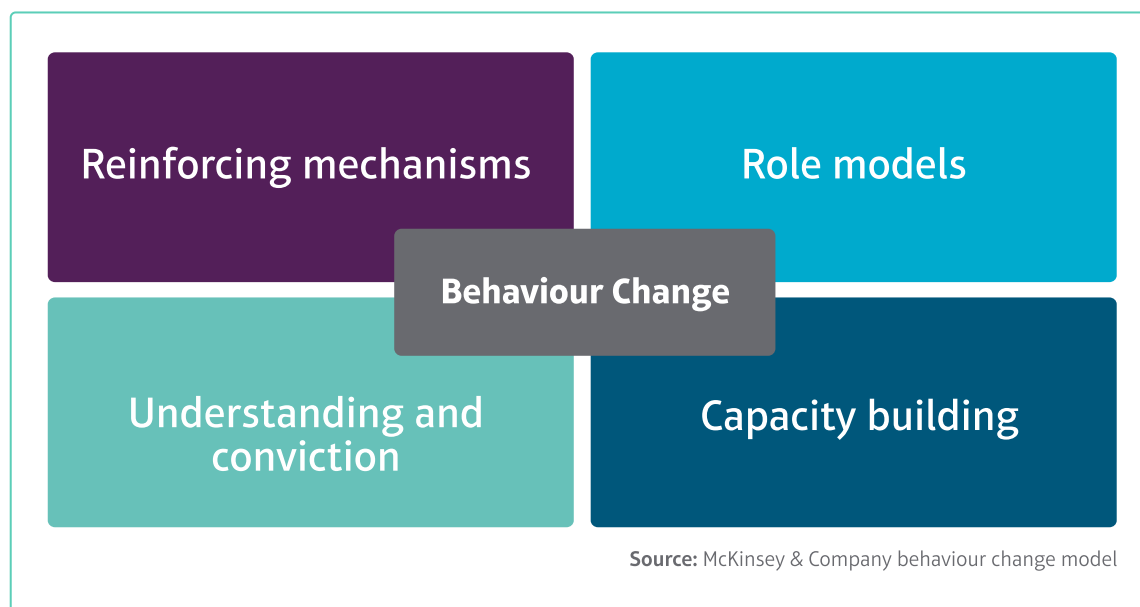
#### ■ **Guidance note on how to do stakeholder analysis of aid projects and programmes**

DFID technical note on identifying stakeholders.

The behaviour change model has been adapted for facilitation contexts. Expanding on incentives and capabilities, this model argues that behaviour will change because of:

- **Role models:** People model their behaviours on 'significant others.' If an individual sees someone of significance 'walking the talk', they are more likely to follow.
- **Capacity:** A change initiative can only be successful if the people involved have the capabilities required to implement it effectively.
- **Understanding and conviction:** Any change initiative must be supported by a compelling story. Changes must be communicated in a way that creates conviction among the target audience.
- **Reinforcing mechanisms:** New behaviours are reinforced with the appropriate incentives and structures. If they do not exist or are reinforcing undesired behaviours, create or change them to reflect alignment with the desired behaviour.

With this model, it is not enough to build capacity or address incentives; they need to be done so that behaviours are reinforced over time.



## A practitioner's guide to market facilitation

Guide on how to be an effective, responsive facilitator.

## The shifting nature of forces for change

In reality, there are very few 'perfect storm' situations where a confluence of factors



time and context-bound – that can build on players' incentives. In this sense, successful interventions are always opportunistic.

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