

Good Practice Note

Sector Strategy

The Springfield Centre
November 2021

Springfield Centre
4 Saddler Street, Durham
DH1 3NP, United Kingdom

+44 (0)191 383 1212
global@springfieldcentre.com
springfieldcentre.com



A sector or market strategy will typically contain two core elements: (i) an analysis of the market system and interconnected markets, and (ii) the vision of the future functioning of the market system and your strategic approach to making it happen. The document can be divided and structured as follows:

ANALYSIS

1. Potential for poverty reduction, improved growth and access, and intervention

- Exactly where the poor are within the sector? What are the roles they play and/or the interaction they have with this market? What is the nature of their marginalisation or exclusion (as entrepreneurs, labourers, or consumers)? How is the market poorly serving them?
- What are the prospects for this sector and what are the prospects for the poor within this scenario? What is the likelihood of the poor being able to participate in emergent growth opportunities or access improved services?
- What are the drivers of change to be particularly aware of? How simple, complex or chaotic is the local and national political economy pertaining to the sector? Is the type/depth of intervention required for systemic change feasible? Can partnerships be fostered?

2. Sector mapping and performance

- A two-tiered mapping process of the market system and the interconnected markets that shape, define and hinder core market performance. At each level: (i) focus on sub-optimally performed functions and rules that have a direct or indirect impact on the poor; and (ii) consider the nature and intensity of relationships, and any social, cultural and political dimensions that shape them.
- At the first level, map players within the core market and assess the performance of those most relevant to the poor. At the second level, explore the interactions that these core market players have with both commercial and non-commercial players (i.e. public agencies) in interconnected markets and subsequently assess the performance of interconnected market players.

3. Identification of systemic constraints

- Isolate the root causes of under-performance in interconnected markets that ultimately inhibit the activities, transactions and (economic) participation of the poor in the core market system. This will require understanding the capacities and incentives of relevant interconnected market players to improve upon their existing performance. Prioritise the systemic constraints identified.

APPROACH

4. Vision of future functioning

- A vision for the future functioning of the market system details how the systemic changes envisaged will lead to changed behaviours and performances, ultimately benefiting the poor. The vision is synonymous with the 'theory of change' and is essentially a narrative or graphical statement of what is to be achieved by programme exit.

5. Intervention areas

- Intervention areas are groups of interventions/activities (depending on how defined) that together contribute to the achievement of a systemic change. Each systemic change (i.e. intervention area) will itself be sufficient to deliver impact at beneficiary level.
- The description of each intervention area should be clear about the systemic constraints it will address, the function and/or rule changes being aimed for, the types of partnerships that are required (including possible candidates for partnership) and the general focus of support.
- Descriptions may also include how the programme will work with specific partners and the division of responsibilities within these partnerships, though this may only be possible once more detailed dialogue with prospective partners is possible.

FORMAT

The briefer the better. Word documents can encourage excessive length, superfluous detail and repetition. Excel documents with tabs for each of the five sections above can encourage conciseness and precision and expedite the communication of analysis and approach to programme colleagues and also to third parties.

It is advised that the programme's approach in the sector is also depicted graphically as a sector or market results chain, essentially a more detailed version of the strategic framework.