In search of the sweet spot in implementing MSD programmes

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MDF 4-Part Messiness Series
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Case Study - Parts 1-3

The Structure of the Messiness Series

Case Study - Part 4

QUALITY MANAGEMENT
RATIONALE

Why this Series?

• Need to acknowledge/embrace messiness more for better results

Why MDF?

• An enabling MSD programme design
• Enough time in implementation
• Management continuity

Why Chosen Methods:

• A Focus Horticulture Portfolio in 2 Countries
  • Fiji – 13 partnerships
  • Pakistan – 10 partnership
• Isolate the influence of different country, market, partner context
The Central Argument

Flexibility contained by *core principles* is essential to operationalise the MSD approach so that practitioners can be more – not less – accountable for achieving pro-poor outcomes.
Core Principles

Select partners with a shared vision of inclusive growth

Building on the partner’s agenda using local ideas and solutions

Support with clear mutual commitments of time and resources

Strengthen the partner’s incentives and capacity for success

Do this by being flexible and responsive in the change process

Remain informed through continuous learning and a search for scale

Rolling exit as success in one part of the system may require entry in another part
Searching for the Sweet Spot in MSD Programs

**Partner Context**
- **Diverse vs Narrow**
  - Number of partner options
  - Size and Sophistication
  - Track Record
- **Throw out Rule Book**
- **Too Hard**
- **Too Restrictive**

**MDF/MSD Approach**
- **Light Touch**
- **Linear Pathway to Change**
- **Demonstration Triggers a Spontaneous Response**

**Market Context**
- **Thick vs Thin**
  - Number of Buyers/Sellers
  - Volume of Transactions
  - Competitive Drivers
  - Intensity of Support Services

**Team and Time**
- **Light vs Heavier Touch**
  - Level of investment and duration to manage partner engagements to achieve goals

**Inherent Challenges**
- **Riskier Inclusive Business Models**
- **Relative degree of will/skill**

**Designations**
- **Orthodoxy**
- **Anything Goes**
- **Partnerships**
Horticulture Portfolio in Pakistan and Fiji

**AGRI-INPUT BUNDLES**
- HYV onion seed
- Vegetable Seeds/Seedlings
- Kinnow (type of mandarin)
  - Bio Fertilizer

**FRUIT AND SPICE PRODUCTS**
- Aflatoxin Free Chilies
  - Quality Dates
  - Organic Certified Apricots

**INPUT MARKETS**

**PRODUCTION**

**AGGREGATION**

**PROCESSING**

**DESTINATION MARKETS**

**AGRI-INPUT BUNDLES**
- Vegetable Seedlings
- Agriculture Lime
- Tissue Culture for Root Crops

**FRESH/PROCESSED FOOD CROPS**
- Root Crops
- Vegetables
  - Spices
  - Oils
FINDING: Most opportunities for pro-poor sector growth are found in market segments in the nascent or early growth phases of their industry life cycle.

MDF HORTICULTURE PORTFOLIO IN PAKISTAN AND FIJI

- Reposition wet market traders around growing demand for quality
- Substitute imports with locally sourced horticulture targeting the tourist market
- Avoid the big major “political” crops
- Reposition farmers in early growth stage around quality/branding

Certified/traceable (export/domestic)
Early/late season niches (domestic/export)

INTRODUCTION
Innovation Testing
No Support

GROWTH
Innovation Led
Emerging Support

MATURITY
Efficiency Led
Intensive Support

DECLINE
New Innovation
Support Wanes
**FINDING:** Inclusive business models in thin markets are inherently riskier largely because of big “gaps” in the market system.
Finding: Riskier business strategies are executed by relatively less skillful partners and will take more facilitator resources to influence market system transformation.

Pakistan
10 Partners

Fiji
13 Partners

Achieve Pro Poor Outcomes

WILL

SKILL
Structure of MDF Partner Offers
(% Frequency of Areas Supported)

- **Certification/Marketing**: 50%
  - Fiji: 36%
  - Pakistan: 14%
- **Specialised Training**: 80%
  - Fiji: 71%
  - Pakistan: 9%
- **Consultants**: 71%
  - Fiji: 57%
  - Pakistan: 14%
- **Equipment/Facility**: 60%
  - Fiji: 86%
  - Pakistan: 4%
- **Cost Share**: 56%
  - Fiji: 45%
  - Pakistan: 11%

**Lighter Touch**

**Heavier Touch**
**Findings:** MSD Programs Must Acknowledge/Embrace Messiness
Likely Case for Achieving Growth Inclusive of Most Disadvantaged Groups

**Best Case Scenario:**
- **Thick markets/dynamic systems**
- **Stronger partners adjust business model quickly (major flood)**
- **Lighter touch adjusted as needed**

**Likely Case Scenario:**
- **Thin Markets/Weak Systems**
- **Weaker partners discovering a scalable business model**
- **Heavier touch adjusted frequently**

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**Magnus Kahl Seeds: Bumps in the Road**

- **Seed Sourcing**
- **Seed Drying**
- **Seed Testing**
- **Pro-Poor Impact**

**Expected Outcomes**
- **Beyond**
- **Met**
- **Below**
- **Unsure**

**TIME (months)**

- **X = Adjustment(s):** Fundamental shift in MKS business model to source bulbs and seeds from female contractors and sell more HYV onion seeds in Pakistan

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**Standard Concrete Industries/Bumps in the Road**

- **Distribution/Sales**
- **Production**
- **Promotion/Marketing**
- **Pro-Poor Impact**

**TIME (months)**

- **X = Adjustment(s) of different types and for different reasons in the course of implementation.**
The Sweet Spot: Dictated by Context | Contained by Core Principles

Figure 1 The Practitioner’s Sweet Spot