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# The impact of market systems initiatives: an initial review of the evidence

## Report

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## Abbreviations

AAER	Adopt-Adapt-Expand-Respond
BIF	Business Innovation Facility
BMO	Business Membership Organisation
CAHW	Community Animal Health Worker
DFID	Department for International Development
ENABLE	Advocacy for a Better Business Environment
PrOpCom	Promoting Pro-Poor Opportunities in Commodity and Service Markets
RAIN	Revitalising Agricultural/Pastoral Incomes and New Markets
SDC	Swiss Agency for Development and Cooperation
SMS	Scientific Maryland Scale
SPA	Service Providers Association
USAID	United States Agency for International Development

# Executive Summary

Market systems approaches have now been used in a wide range of countries and contexts to promote growth in jobs and income, improve access to services for poor people, and reduce poverty. In spite of this broad use, debate continues on impacts, and the benefits that market systems approaches actually provide for poor people. The apparent patchiness of evidence on this issue was one of the original reasons for establishing the BEAM Exchange programme.

There is in fact a significant body of published documents of different types which demonstrates that these approaches can change the way that market systems function, and provide important benefits for poor people. However, these materials have not previously been collected and analysed together in order to demonstrate this.

This document therefore reviews the evidence base in order to draw conclusions about effectiveness, and to highlight how outstanding issues about evidence might be resolved. It is expected that this initial review will be repeated periodically, in order to take into account further relevant documents as they become available.

The review is based on a structured search process that identified 70 relevant documents, from 48 programmes implemented in 22 countries (in some instances there was more than one document for a programme). A sub-sample of nine documents was further scrutinised, paying attention in particular to methods and the robustness of findings.

While the evidence documents provide quantitative results in many cases, it is not possible to compare these in the like-by-like manner required for a systematic review. This document is therefore best described as a 'narrative synthesis', that is, an approach to the review and synthesis of findings from multiple studies that relies primarily on the use of words and text to summarise and explain findings.

Most of the documents are in fact stand-alone case studies, which focus on the experience of an individual intervention. Sometimes these case studies were drawn from unpublished evaluations, which could not be sourced for this initial review. There are relatively few examples of completed impact evaluations for a whole programme.

One of the things the evidence documents provide is a very rich and varied description of what programmes using a market systems approach have done, in a wide range of contexts. They also contain a significant degree of reflection on what did not work, often manifest in the documents as reflections or lessons learned.

The analysis of impacts in the documents was undertaken using the categorisation of effects in market systems initiatives presented in [The Operational Guide for the \(M4P\) Approach](#), which conceives of possible effects at four levels:

1. Intervention level - catalysing positive and sustained changes in the behaviour of market players
2. Changes in the way the market system functions, such that it works more efficiently and inclusively
3. Impacts for poor people in terms of increased access to services, or growth in jobs and incomes
4. Changes in poverty levels resulting from impacts at the other levels

Nearly all the documents describe impacts at the intervention level. Around one third identify systemic impacts, or improved access to services or growth in jobs and incomes, and around a quarter describe poverty reduction impacts.

Relatively few of the documents represent after-the-event assessments. Given the expectation that market systems will take time to change, the pattern of impacts described is in fact the one that would be expected if an initiative worked according to plan. In other words, changes would first be expected at the intervention level, then at the level of the market system, with poverty reduction effects at scale only emerging over time.

A variety of systemic impacts were identified from the sample of nine documents analysed in detail. In each case, the intervention in question is judged to have contributed to the impact on the basis of the evidence presented. These impacts included: crowding-in, where other market actors copy an innovation piloted by the intervention; development of infrastructure that supports the market system as a whole; information sharing among producers; increased capacity of producers to influence policies and rules; better regulation, and changes in suppliers' behaviour in ways that benefit poor people.

These effects occurred in different sectors, with impacts witnessed at different scales including local, regional and national levels, depending on the intervention in question. It is notable that the nine examples considered in detail show impacts in countries with different levels of development, including Nigeria, Bangladesh, Ethiopia, Uganda, and Kenya.

Among the same nine examples, clear evidence for positive effects on income growth were found in four cases, improved access to services in five cases, and impacts in terms of poverty reduction in four cases. One caveat is that those documents that do illustrate income gains from growth indicate that these are not always enjoyed by the poorest. Benefits typically accrue to a range of participants, which also include middle income or wealthier groups. There are however enough credible examples to suggest that it is indeed possible to intervene to make markets work better for the poor.

It is clear that in many instances the initiatives the documents describe were chosen because they were examples of success. As such, they provide good evidence to illustrate the successes of a market systems approach, highlighting a range of examples where important benefits for poor people were achieved. However, because they were selected to illustrate success (rather than in a random manner), the documents do not provide a good basis in themselves for establishing the impact of the programme that they belonged to.

An important possible source of bias in the evidence base is that a substantial proportion were produced or commissioned by the team implementing the programme to which they refer. A review of the robustness of the nine studies highlighted some weaknesses in terms of transparency. In others, doubts about the validity of the results could have been reduced by having a clearer description of how the studies were undertaken and conclusions drawn. At the same time, the weaknesses are not significant enough to rule out the overall findings of this review, which is that market systems approaches are valid for promoting economic development, improving access to services, and reducing poverty.

Future studies could be improved in order to strengthen the evidence base in this field. There is a need for greater transparency on how conclusions are drawn for example. Studies need to be explicit about the methods they use, and should also pay attention to data quality issues, including sample sizes, sampling frames, statistical significance and how the issue of bias has been addressed. Where appropriate, these details should be summarised in a technical annex which shows the 'workings' from which study findings have been derived. More attention should also be paid to providing detailed results disaggregated by gender.

The documents provide relatively little information on value for money, and as such it is very difficult to assess this issue from the evidence base as it currently stands. This is an area where further research and guidance to programmes could be undertaken, in particular given uncertainties about how to characterise and value the impacts of systemic change.

The small number of available impact evaluations illustrates the need to bolster the number of publicly accessible independent evaluations of programmes using a market systems approach. The recently published [BEAM Evaluation Guidance](#) should help with this. There is also a need to share the results of evaluations where they do become available, including those previously undertaken but not yet placed in the public domain. This can be achieved by sending them to [evidence@beamexchange.org](mailto:evidence@beamexchange.org) so that they can be reviewed and added to the [BEAM Evidence Map](#).

# 1. Introduction

## Overview

Programmes employing a market systems development approach are now quite common. Starting in agriculture, the approach has now been employed in a wider range of systems, extending from economic development into sectors such as education and health.

Given its increasing popularity, it is right that the effectiveness and impact of market systems approaches is examined. Uncertainties about effectiveness arise even among practitioners who believe from daily experience in the field that their work yields valuable benefits. Indeed one of the original reasons for establishing the BEAM Exchange facility<sup>1</sup> was concern about the apparent patchiness of evidence about impact.

There is now a small but significant body of published documents relating to market systems approaches and what they have achieved. These materials have never been analysed together and reviewed to draw overall conclusions before. This review does this on the basis of the information that is available, and highlights how outstanding issues about the effectiveness of market systems approaches might be resolved. Specifically, it aims to:

- Advance the debate significantly on whether market systems approaches work, and whether they are worth pursuing
- Help practitioners and decision-makers make informed programming decisions by reviewing the evidence on which contexts they work in
- Highlight the criteria to which evidence documents (and impact evaluation reports in particular) should adhere in order to further strengthen and expand the evidence base.

Note: the number of completed impact evaluations is not yet very large. We hope that BEAM Exchange's recent evaluation guidance<sup>2</sup> will help to stimulate more – in part by offering advice about which evaluation designs and methods are most appropriate.)

The documents covered in this review were compiled and selected through a structured process described below, in order to populate the BEAM Evidence Map.<sup>3</sup> In the rest of this review, individual publications are referred to as evidence documents. Collectively, they make up the 'evidence base'.

## The nature of this review

Evidence for programme impact can be described as having two broad purposes: the first relates to accountability and 'proving', the second to learning and 'improving'. While the same evidence documents may be useful for both purposes, the focus of this document is on the first purpose i.e. proving.

Accountability and proving in an evaluation context can be understood as the need to demonstrate to donors, implementers and other stakeholders that time and resources invested in the programme were worthwhile. In other words, have programmes successfully achieved the impacts they set out to deliver, and what kind of impacts are these?

It is important to consider what kind of evidence can emerge from an approach that is applied in a wide range of contexts. Programmes normally implement a number of different interventions, in order to address a variety of different constraints judged to prevent poor people from benefiting in the market system. In this sense they are broad approaches, qualitatively different from narrow interventions or policies focused on a single goal (such as, for instance, setting up a microcredit service, or making conditional cash transfers to improve educational outcomes).

A review of a single policy or intervention type might directly compare reported impacts in different contexts, for instance by compiling results from a number of evaluations using statistical or

1 See, for instance, Humphrey, J. (2014), and Wach, E. (2015)

2 <https://beamexchange.org/guidance/evaluation-guidance/>

3 <https://beamexchange.org/resources/evidence-map/>



experimental methods (e.g. randomised controlled trials). However, the breadth of application of the market systems approach means that a review of the evidence cannot be used to make direct comparisons in this way.<sup>4</sup>

If comparable quantitative evidence of impact such as that obtained using statistical or experimental methods were available for market systems approaches, it would be possible to undertake a formal systematic review of the evidence. However, while the evidence documents reviewed below do in many cases provide quantitative results, it is not possible to compare these in a like-by-like manner. As a result, this document is best described as a narrative synthesis, in other words, “an approach to the systematic review and synthesis of findings from multiple studies that relies primarily on the use of words and text to summarise and explain the findings of the synthesis”.<sup>5</sup>

It is also worth commenting on the ‘learning and improving’ purpose of evaluation and evidence, that is, responding to the need to understand what is working (for instance, to see if an intervention is working, and if not, what can be done about this). In studies of this type there is normally a stronger emphasis on understanding processes and mechanisms, rather than on final results.

Supporting learning and improving is not the main focus of this document. Readers who are primarily interested in this topic are directed to the BEAM Exchange [Evidence Map](#), which has been developed for this particular purpose. The map provides summaries of all of the evidence documents, and organises and labels them in an easy-to-reference format.

On this issue, it is important to note that market systems are embedded in particular contexts, which determine how a system works, and which market actors benefit most. Where the evidence documents highlight examples of successes, these should not be interpreted as providing transplantable examples of ‘what works’. They may however be of use in suggesting issues that should be taken into account when designing and implementing interventions in other contexts.

This review will not therefore highlight a particular model of best practice that can be expected to deliver the same result when applied in a different context. What it can do is:

- Profile and summarise the kinds of evidence available for market systems approaches
- Illustrate some of the areas where market systems approaches appear to have ‘worked’, in terms of sectors and countries
- Review the kinds of scale of impact achieved (local or national; achieving incremental or transformative change etc.)
- Provide the basis for assessing the validity of the approach – has it worked in enough contexts to justify its continuing use?

## Approach for selecting evidence documents

Documents were selected through a six stage process of selection and review<sup>6</sup>. This is explained in detail in Annex 1, and can be summarised as follows:

Stage 1: Setting objectives and scope

Stage 2: Setting the criteria for including or excluding documents, as follows:

- Relevance: document describes impacts using a market systems approach<sup>7</sup>
- Date: document published no earlier than the year 2000
- Accessibility: document is publicly accessible or approved by the copyright owner
- Language: documents in English only

4 It is also worth noting that very few evidence documents provide any information on programme costs, making it hard to undertake cost-benefit analysis or value for money.

5 Hagen-Zanker, J., and, R. Mallett (2013)

6 Adapted from the stages presented from the paper: “How to do a rigorous, evidence-focused literature review in international development” (Hagen-Zanker, J., and Mallett, R. 2013)

7 In some cases, it is clear from the documents that programmes aimed to influence different elements of a market system, but without describing what their work using explicit market systems development terminology. In these instances, a judgement after reviewing the document to decide whether it does illustrate a market systems approach.



- Credibility: document appears to have used credible data collection methods

Stage 3: Developing a strategy for identifying documents, namely from internet searches, referrals from BEAM Exchange members and other key informants

Stage 4: Retrieving documents through the above process

Stage 5: Screening documents according to the inclusion criteria in two rounds: firstly by title and abstract, and secondly by reviewing the full text

Stage 6: Producing document summaries (see the Evidence Map)

The first iteration of this process in 2016 identified seventy documents. These were uploaded into EPPI Reviewer, a software programme developed to support literature reviews. This was used to analyse the characteristics of the evidence base as a whole and summarise different features of individual documents. Nine evidence documents were also separately reviewed in detail in order to draw conclusions about the kinds of impacts that market systems approaches can deliver.

### Structure of this document

- Section 2 provides a broad overview of the evidence base by setting out some of its key characteristics in chart format and discussing what these show.
- Section 3 discusses the issue of what counts as robust evidence, in order to set the context for a discussion of impacts as revealed in the evidence documents.
- Section 4 sets out the schematic approach that was taken for reviewing the evidence documents, and describes a selection of impacts identified as occurring at the intervention level.
- Section 5 describes and discusses impacts at the market systems level, as identified in the nine studies reviewed in detail.
- Section 6 discusses what the documents illustrate about the impacts of market systems initiatives on access to services for poor people, promoting economic growth that favours the poor, and reducing poverty. It focuses on the same nine studies discussed in Section 5.
- Section 7 draws conclusions and makes recommendations.

Three annexes define the process for identifying and selecting evidence documents, review the robustness of the studies selected for detailed review, and provide references.

This section compares some key characteristics of the documents, presenting the results in charts. This helps to show what kind of documents are available, who produced them, which countries and sectors they cover, and the kinds of impacts they illustrate.

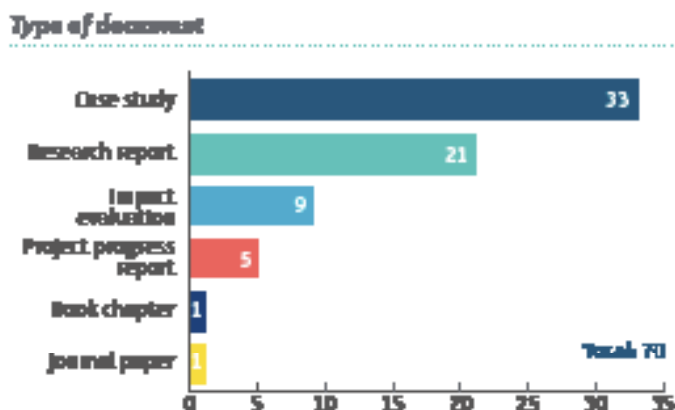
## 2. What type of evidence exists?

### Type of document

The majority of evidence documents describe a single case, and that there are still relatively few impact evaluations of whole programmes. The substantial number of case studies, and the scarcity of completed impact evaluations is discussed further below.

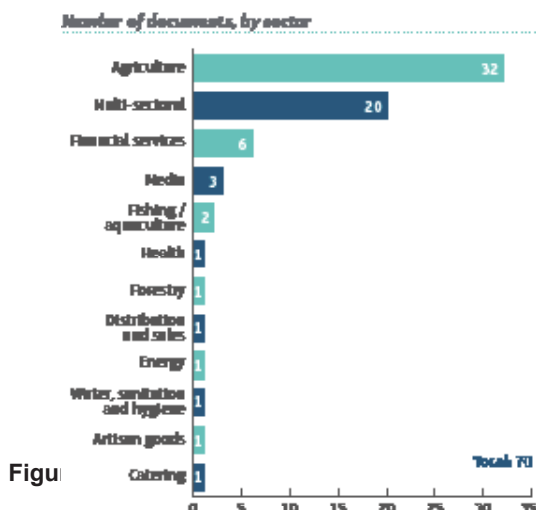
Figure 1: Type of document<sup>8</sup>

8 Classification of documents: case studies typically describe a particular intervention in detail and published as free-standing documents. Research reports cover a range of issues and interventions within a programme. Impact evaluations are formal assessments examining what a programme achieved; project progress reports tend to focus



### Sectoral diversity

Agriculture is the most common sector, but the approach is increasingly being applied in other sectors, including energy, health, forestry and the media. It also illustrates that using a market systems approach to intervene in several different sectors at the same time is also quite common.



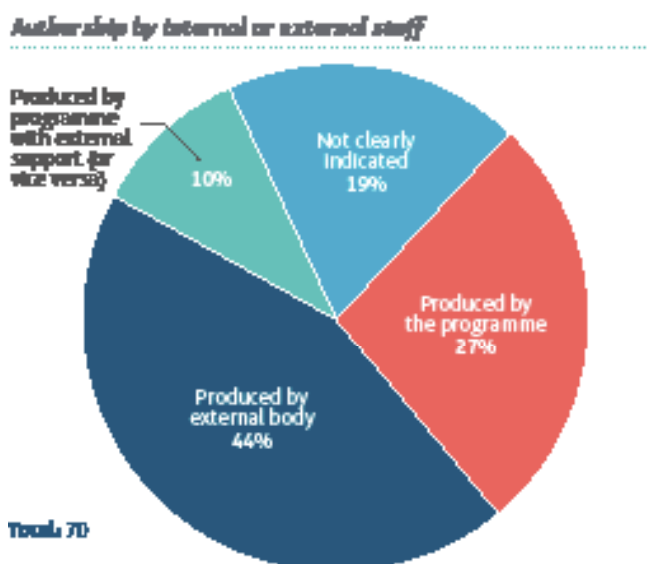
### Authorship

We examined whether documents were authored by the programme (27 per cent of documents), or by the programme with the support of an external organisation (10 per cent), by an external body (44 per cent) or whether the affiliation of the author was not made explicit (19 per cent).

on monitoring data and provide interim assessments of what interventions were achieving up to that moment. The documents from a book and a journal are presented separately, but were essentially case studies.

The fact that around a third of documents were produced by teams directly involved in implementing the programme is a possible source of bias, though it would be mistaken to discount findings simply for that reason.

Figure 3: Whether documents were authored by programme staff or others



### Types of results described

Lastly, we identified the type of results described in the evidence documents, using the characterisation of market systems approaches set out in *The Operational Guide For The Making Markets Work For The Poor (M4P) Approach*. This conceptualises the potential for impacts at four levels:

- **Intervention level** – catalysing positive and sustained changes in the behaviour of market players
- **Changes in the way the market system functions**, such that it works more efficiently and inclusively and continues to be responsive to the needs of poor women and men
- **Impacts for people living in poverty**, in terms of increased access to services, or pro-poor economic growth (e.g. job creation)
- Changes in poverty levels

Figure 4 illustrates that while nearly all the documents described impacts at the level of an intervention, fewer (around a third) identified systemic impacts or improved access to services or growth, and less than a quarter of documents described poverty reduction impacts. It is important however, not to take the fact that relatively few poverty reduction effects are described in the evidence base at simple face value, as discussed below.

It is worth noting that whatever level results are presented at, few of the documents reviewed present detailed results disaggregated by gender.

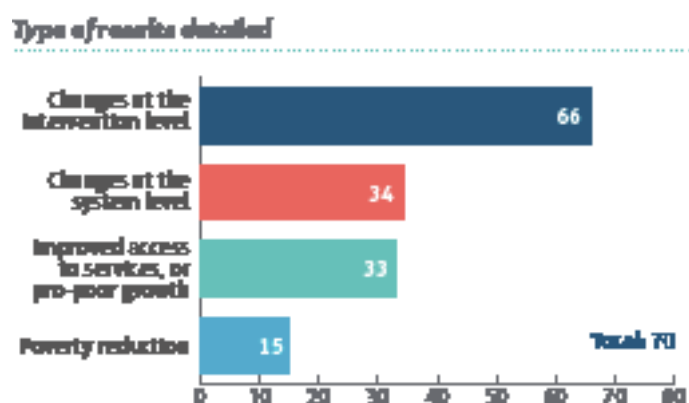


Figure 4: Type of results that are described in the evidence documents

## Summary of key points and implications

The evidence collected as the basis for this review represents a diverse set of documents. These include research reports and project reports to assess progress at the middle stages of a programme, as well as formal impact evaluations and stand-alone case studies that set out more explicitly to assess impact. It is also notable that the documents were commissioned and produced for a range of purposes, including providing information to inform programming decisions, sharing learning on what has and has not worked well in a particular instance, and promoting the achievements of a programme. In the latter instance they may also serve to market the capabilities of implementing partners or other contractors. It is therefore important, when pointing out weaknesses in using the evidence base to assess the market systems approach, that many of the documents were not commissioned with this purpose in mind.

The content of this review is also necessarily dependent on what has been published, rather than reflecting a random sample of programmes using this approach. As such, it reflects a strong bias towards programmes with the resources to commission studies, and those in Nigeria and Bangladesh in particular. Another area of potential bias is to be found in the fact that parties external to the implementing programme authored fewer than half of the documents. There is also a strong tendency in the documents to describe successes, though it is also true that most documents are candid about difficulties that had to be overcome, and present a nuanced account of achievements.

These issues illustrate that the evidence presented in the body of documents is partial, and that the findings need to be considered carefully before drawing conclusions.

### 3. What counts as robust evidence?

It is useful at this point to consider the characteristics for research to be considered as providing reliable and robust evidence. There are various approaches to assessing this issue; an appropriate choice depends in part on the nature of the evidence. For instance, the Scientific Maryland Scale (SMS) is widely used for assessing the strength of studies based on experimental or statistical methods. However, the SMS is inappropriate for current purposes, due to the weakness of these methods for assessing systemic market change, and also because most of the evidence documents have a strong qualitative element.<sup>9</sup>

The approach adopted here is therefore based on recent guidance from the UK Department for International Development (DFID), which is more appropriate given the characteristics of the evidence base documents.<sup>10</sup> This guidance sets out seven principles to which due consideration should be given for research to be considered robust.

**Table 1: Principles for assessing the strength of evidence**

Principle	Example of what this means in practice. The study...
Conceptual framing	...acknowledges existing research or theory, explaining how its analysis sits within the context of existing work
Transparency	...is transparent about the design and methods that it employs so that results can be reproduced by other researchers
Appropriateness	...employs a design and methods which are appropriate for the purpose. e.g. experimental methods are used to assess causality, appropriate qualitative methods are used to investigate perspectives, people or behaviours etc.
Cultural sensitivity	...is sensitive to local cultural contexts and the ways these may affect the findings
Validity	...addresses measures of validity, including providing a strong underlying logic between methods and conclusions (internal validity), and being undertaken in a way that allows results for a sample to be reliably applied to a wider population (external validity)
Reliability	...is reliable because researchers have been consistent in the way they ask questions and gather data, and because conclusions are drawn on the basis of different sources of evidence
Cogency	...provides a clear logical thread that runs through the entire document, linking the conceptual framework to data, analysis and conclusions

Source: based on DFID (2014)

Nine documents that appear to illustrate significant examples of success in relation, for instance, to promoting systemic change or poverty reduction are reviewed against the principles set out in the table in Annex 2.

Many of the documents do not score highly against all of the criteria set out in the table. As noted for instance, a large proportion of the evidence base is constituted by stand-alone case studies, which tend to present overall findings, rather than the workings and calculations that have been used to make those findings.

At the same time, it is important not to dismiss what the evidence documents do provide. A first and important point is that collectively they provide a very rich and varied description of what programmes using a market systems approach have done, in a wide range of contexts.

<sup>9</sup> Experimental or statistical designs are unlikely to be effective in identifying systemic changes, because they work by specifying the effect to be investigated in advance, and then measure the different contributory factors for this effect. A key characteristic of systemic change however, is that it rarely proceeds in a linear or predictable way that would allow dependent variables to be specified in advance.

<sup>10</sup> Department for International Development (2014), Assessing the Strength of Evidence

They also contain a significant degree of reflection on what did not work, often manifest in the documents as reflections or lessons learned.

A related issue is the fact that very few documents represent after-the-event assessments, and so do not in themselves provide the information to determine whether a programme was successful or not. One of the points of common agreement in relation to change in market systems is that this often takes place over the course of several years, meaning that it will take time for impacts to emerge. Given this, the fact that few documents are ex-post assessments means that the picture that emerges in Figure 4 is the one that would be expected – i.e. while intervention level impacts are common, system-changing impacts are less so, and an observable contribution to poverty reduction less so still.

Lastly, while the issue of potential bias is important, it is important to view this in context. For instance, seventy-eight individual researchers can be identified by name from the evidence documents, with nearly all of these describing positive impacts to which programmes have contributed. It is also notable that while a wide range of challenges are described, no document calls into question the efficacy of the market systems approach overall.

These points illustrate that the evidence base is partial, and not perfect for an assessment of this kind. Nevertheless, there is a good argument that it does have the potential to provide some tentative answers to questions about what can be achieved by intervening in a market systems to promote better outcomes for poor people.

### The merits of case studies

Case studies account for the largest proportion of documents in the evidence base, so it is useful to reflect on their strengths and weaknesses. An initial point is that there is agreement that case studies can provide valid evidence that an intervention has contributed to impact, if undertaken in a rigorous manner.<sup>11</sup> A case study can, for instance, provide the opportunity to discuss the mechanisms through which an intervention has worked, what challenges were encountered, and how these were overcome. This makes the case study method a viable and valuable one in a market systems context.

Those case studies from the evidence base that describe impacts typically review a range of evidence to make the argument that the intervention contributed to an observed impact (or not), using both quantitative and qualitative evidence. In this sense, most provide versions of the approach commonly described as contribution analysis.<sup>12</sup>

An important point is that the case studies use single observations in a context-sensitive manner to draw conclusions, rather than being based on the number of pieces of evidence collected. As such, they embody a purposive approach (i.e. they are deliberately selected, to illustrate a particular example) which is qualitatively different from one based on a statistically significant random sample.

Case studies may then have been ‘cherry-picked’, with the strongest examples of impact being chosen. There are perfectly valid reasons to do this – for instance, where a programme team wants to highlight successes, and illustrate what is possible in the sectors it has chosen to intervene in. One implication of this is that on their own, one or more case studies selected in this way does not provide a good basis for establishing *the impact of the programme that they belonged to*. Another way of putting this in technical terminology is that isolated case studies have weak external validity.

However, there is a case for arguing that case studies can be used to illustrate the successes of the *market systems approach*, for instance, to highlight a range of examples where the approach appears to have delivered important gains. This is not the same as providing evidence that an individual programme was successful, but it is useful in demonstrating that a market systems approach is valid, which is one of the central concerns of this evidence review.

Case studies may also be of use in providing information to answer some of the other questions cited in the introduction, for instance, in which sectors and which kinds of countries has the approach shown some successes?

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11 See, for instance, Stern et al (2012) Broadening the range of designs and methods for impact evaluations

12 See, for instance, [http://betterevaluation.org/plan/approach/contribution\\_analysis](http://betterevaluation.org/plan/approach/contribution_analysis)

In the final instance, whether impacts described through case studies and other types of document are convincing or not depends on the strength of the evidence and analysis they present, and the extent to which they meet the criteria set out in Table 1. This issues are reviewed in more detail in the following sections.

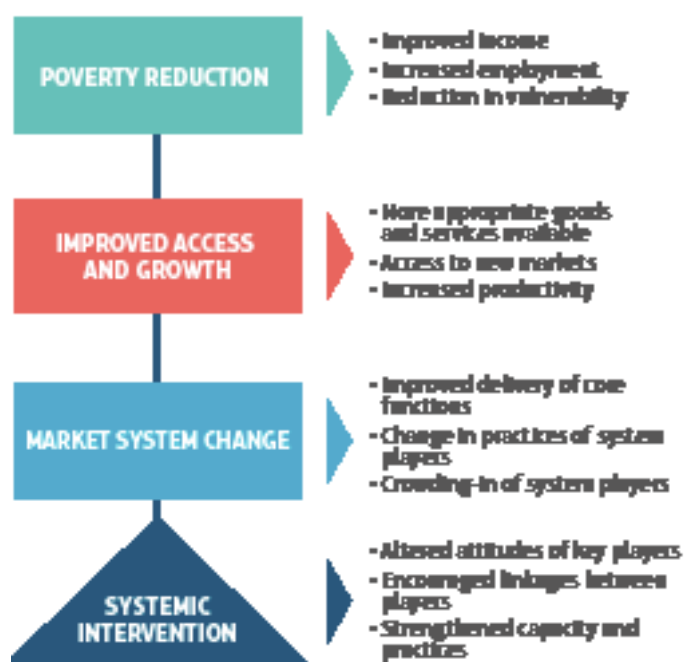


## 4. What does the evidence base show?

The review of evidence documents makes it clear that there is no single model that describes every programme or intervention using a market systems approach. Nonetheless, there are similarities which are captured in the following summary of how market systems approaches work.

Programme teams analyse a market system and identify how outcomes for people living in poverty might be improved. Typically they work with partner organisations to pilot and roll out new business models or innovations, improve policies or regulations etc. When these changes are diffused or taken up throughout the market it is expected that they act to improve the way the market system functions. Where systemic change occurs, it is anticipated that poverty reduction effects will be magnified. These possible effects are set out conceptually in the Figure 5.

Figure 5: Different levels of effect from market systems approach



Source: [The Springfield Centre](#), 2014

The distinction between the immediate effects of an intervention, systemic effects, and subsequent impacts on poverty is sometimes blurred in the evidence documents. This is particularly the case for programmes that did not explain their interventions or general approach using market systems terminology.<sup>13</sup> Nonetheless, in broad terms it has been possible to identify and distinguish between these different effects. The characterisation of how market systems approaches work has therefore been used to identify and describe their impacts, as described below.

As noted above, sixty-six out of seventy evidence documents described impacts at the intervention level. Some examples are summarised here to give an indication of the types of results presented:

- The VIP India programme worked with a local NGO in the city of Jaipur to expand the markets for identity card services and for health insurance among artisans and other workers. The aim was to improve their livelihoods and well-being, as identity cards are required in order to access health insurance and many other services such as microfinance and government training. After a two year period, four insurance companies had begun selling insurance to artisans, and 25 agents had started to offer identity card services.

<sup>13</sup> As discussed above, (footnote 7, on page 3), some of the evidence documents do not explicitly use market systems terminology, even though it is clear that the main elements of the approach were used (e.g. ambitions to achieve systemic change, working facilitate change rather than implement it directly etc.)

- Around 11,500 artisans obtained identity cards and some 25,000 artisans (heads of households and their family members) gained access to health insurance, with approximately 10,000 further applications pending.<sup>14</sup>
- An SDC-funded project in Armenia implemented various measures including supporting development of commercial veterinary services in order to promote dairy production. According to a study of the impacts of the project, the resulting expansion of milk collection and improvement in quality led 900 dairy households to increase their levels of production and income.<sup>15</sup>
- Over a ten year period the Samridhi programme in Bangladesh worked with experienced farmers, increasing their capacity through training. Over time these farmers started to organise into Service Providers' Associations and charge for their work. One of the activities the Associations undertook was to help other farmers organise into producers' groups, identify markets, and provide these groups technical and business know-how. By 2012, the number of producer groups increased to 4,830.<sup>16</sup>
- The PrOpCom programme in Nigeria identified the low use of fertiliser by smallholders as a significant barrier to productivity improvements in agriculture. The programme then worked with a fertiliser manufacturer, to help the company change its business model to improve distribution and to sell fertiliser in a manner that fitted with farmers' needs. One measure included selling fertiliser in smaller, more affordable packs. Within fourteen months, 61,000 farmers had bought 217,000 1kg packs, and 130,000 farmers had been educated by village level promoters.<sup>17</sup>
- The Value Initiative Programme in Kenya worked with a healthcare provider to create increased income opportunities for HIV/AIDS affected households in the Western and Rift Valley provinces. A key element of the programme was supporting people in rural and peri-urban areas to grow African leafy vegetables. The aim was to help beneficiaries earn an income and meet daily survival needs, and also take a first step towards integrating into more profitable and growing value chains. After about one year into the program 67 per cent beneficiaries (717 out of a total of 1,066) were still growing the vegetables, and one third no longer needed food support.<sup>18</sup>
- One exception to the tendency to describe success is the study of a [Business Innovation Facility](#) supported agribusiness initiative in Bangladesh which worked to promote contract farming. In this case, the partner organisation was both the supplier of inputs to the farmers and the purchaser of their harvests. When crops failed due to poor weather, the vast majority of farmers who took out micro loans as a result of the project faced default. The post-harvest survey farmers noted that most farmers involved in the initiatives were now working as labourers.<sup>19</sup>

The documents therefore provide numerous examples of a market systems approach having an impact at the level of an intervention. What is characteristic of the approach however is the aim to change the way that systems function, and to influence the way that they develop over time such that they provide greater benefits for poor people.

This requires looking at the evidence for systemic effects, and also the evidence on improved access to services, growth, and poverty reduction. The next sections undertake this review.

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14 McVay, M., and Adhikary, S. (2012)

15 The Springfield Centre (2008)

16 Dietz, H., Naher, N., and Uruguchi, Z. (2013)

17 The Springfield Centre (2011).

18 Kulei, S., and Maes, J. (2013)

19 Finley, E., and Harrison, T. (2013)

## 5. Evidence of systemic effects

Debate continues on how best to characterise systemic effects. A useful starting point, and the basis for understanding systemic change in this review, is to define this as, “the transformation in structure or dynamics of a system, in ways that lead to impacts on large numbers of people in their material conditions or behaviour”.<sup>20</sup> There is value in starting with a broad definition, given that systems often change in ways that are hard to define in advance.

Nevertheless, it has been necessary to describe systemic change in more detail when reviewing the evidence base, if only to be able to identify where programmes have contributed to this kind of change.

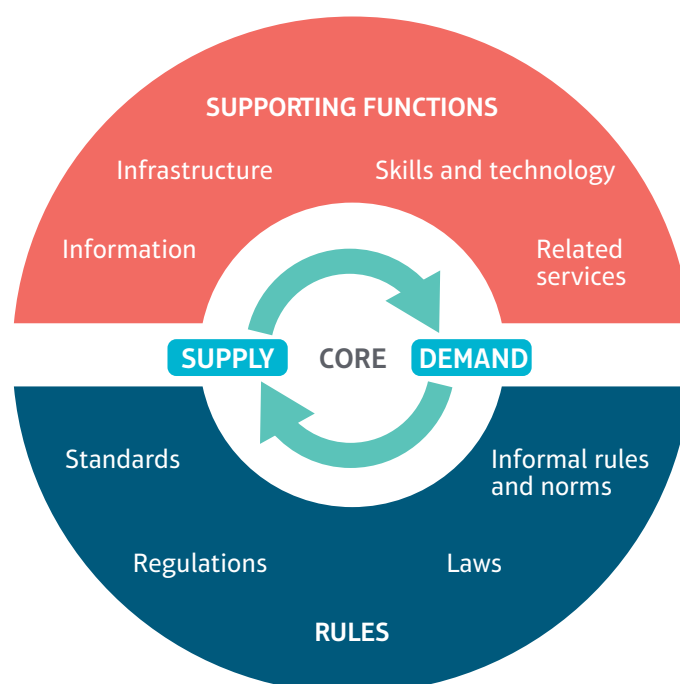
A very common method for market systems approaches is to introduce a new innovation, technique, or model into the market by working with a partner organisation, typically a business, which has a commercial interest in the success of the project. Where the pilot phase of an intervention suggests that the change works in commercial terms for the partner organisation, delivers positive results for poor people, and also presents the potential to change the way the market system works. There are a number of ways in which such systemic changes may occur, as illustrated in Figure 6:

- Changes in behaviour among buyers and sellers (including crowding-in, or copying)
- Changes in supporting functions, including provision of infrastructure, information about what is happening in the market, or the availability of skills and technology
- Changes in the rules governing transactions, including formal standards, regulations and laws, as well as informal rules and norms.

These types of changes were therefore borne in mind when reviewing the evidence documents.

In Section 2 it was noted that examples of systemic change were found in 34 of the evidence documents. Given the centrality of these kinds of impacts to the ambitions of the market systems approach as a whole, this section describes nine interventions and the types of systemic change that they contributed to.

**Figure 6: Schematic representation of a market system**



**Source:** M4P Operational Guide (2015)

20 Osorio-Cortes, L., and Jenal, M. (2013)

These particular examples were chosen because:

- they described systemic effects in some detail
- the documents from which they came also went on to describe impacts in terms of economic growth, increased access to services for poor people or poverty reduction (these impacts are separately discussed for the same nine examples below)
- constraints on space in this review precluded a full description of all 34 documents.

A brief summary is provided for each example. Readers are however encouraged to review the original documents to gain a more detailed sense of what was achieved. The nine examples are classified by sector, and by the scale at which systemic effects were observed. In terms of scale: local is defined as the area where the intervention took place; regional, where effects were identified in other regions of the country; and national, where effects were visible across the country.

## Examples of systemic effects at a local or regional scale

### **Example 1: Katalyst maize supply intervention, Bangladesh<sup>21</sup>**

**Type of systemic effect:** Crowding-in

The Katalyst programme promoted development of maize production in the Rangpur area. This responded to the fact that output had been lagging behind demand, despite the favourable returns to farmers for maize. The programme worked mainly by providing technical assistance in order to address constraints to growth. These constraints included limited transfer of know-how about growing maize, poor linkages to markets, and declining soil fertility. Interventions focused on promoting the use of organic compost and new rice varieties that complement maize production in the cropping cycle, and promotion of a contract farming model under which a lead contractor offered farmers input services in return for an agreed price. The interventions yielded some notable crowding-in successes, such as seventy retailers in the area beginning to stock seeds for the new strain of rice.

### **Example 2: Oxfam's support for small-holder bee-keepers, Ethiopia<sup>22</sup>**

**Type of systemic effect:** Development of infrastructure that supports the market system; Information sharing among producers (behaviour change)

This project in Ethiopia's Amhara region developed relationships between smallholder farmer co-operatives and an exporting company, leading farmers who previously produced small quantities of low quality honey to increase their output significantly and to sell their produce for export. Systemic effects were witnessed at a local level. One of these was the expansion of honey collection and processing centres. Another was the development of an information sharing system by a union of cooperatives which was widely adopted by producers, helping them access markets and improve their knowledge of quality, demand and price issues.

### **Example 3: ENABLE's support for business membership organisations, Nigeria<sup>23</sup>**

**Type of systemic effect:** Increased capacity of producers to influence policies, rules and regulations

The intervention worked to strengthen the capacity of local business membership organisations (BMOs) in order help them promote changes in the business environment on an ongoing basis. The programme worked with eight BMOs to help them undertake tasks such as identifying policy issues, formulating proposals and then working with stakeholders and media organisations to lobby for changes. The description of what was achieved from capacity building suggests positive systemic impacts were achieved, primarily in terms of a stronger capability for BMOs to influence the business environment.

<sup>21</sup> Gibson, A. (2006a)

<sup>22</sup> Anand, S. and Gizachew, S. (2011)

<sup>23</sup> The Springfield Centre and Adam Smith International (2013b)

#### **Example 4: RAIN's intervention in the market for livestock inputs, Ethiopia<sup>24</sup>**

**Type of systemic effect:** Crowding in; Significant change in behaviour among suppliers

The Revitalising Agricultural/Pastoral Incomes and New Markets (RAIN) programme aimed to improve the market for agricultural inputs in Ethiopia's Somali region. It focused in particular on increasing the use of veterinary pharmaceuticals among pastoralists as a lever to improve livelihoods. Examples of systemic changes included a significant expansion into the regional market of one of the country's main wholesalers (whose sales in the region grew by 70 per cent in eighteen months), and a fall in sales of contraband pharmaceuticals from over the border in Somaliland, from 29 per cent to 18 per cent of the market, during the same period. Other changes included wholesalers extending credit services to retailers for the first time, and providing them with support to transport goods.

#### **Example 5: PrOpCom tractor market intervention, Nigeria<sup>25,26</sup>**

**Type of systemic effect:** Crowding in; Significant change in behaviour among producers

The PrOpCom programme team worked with three partners including a bank, a tractor distributor and a tractor operators association to introduce a new tractor leasing product. The ultimate goal was to increase agricultural productivity through mechanisation. Examples of systemic effects that followed from successful scaling up of the pilot included entry into this market of a second tractor distributor and two more finance companies, as well as the expansion of the operators association into five other states. Behavioural changes among smallholders (second-season farming) were also witnessed.

### **Examples of systemic effects at a national scale**

#### **Example 6: Katalyst's e-Agriculture intervention, Bangladesh<sup>27</sup>**

**Type of systemic effect:** Crowding-in

The programme worked with two of the country's largest telecoms operators to widen the number and variety of information services available for poor people in rural areas, in particular for agricultural information. Katalyst undertook proof of concept work, among other activities, helping convince the country's then largest telecoms operators, Grameenphone and Bangalink to provide internet-based services. Systemic effects are illustrated by the fact that Airtel, a major telecoms operator, launched similar services in response to its competitors, further expanding the availability of services in rural areas. While figures on the uptake of Airtel's competitor product are not detailed in the case study, the fact that the company was then the country's fourth largest telecom services provider suggest that the effect was significant.

#### **Example 7: Katalyst's health training intervention, Bangladesh<sup>28</sup>**

**Type of systemic effect:** Crowding-in; Better-regulation

The programme contributed to a substantial increase in private training providers offering nursing courses in Bangladesh, from 22 providers prior to 2008, rising to 149 in 2011. The document describes the extensive work undertaken by the programme to improve health sector policies and nursing curricula, and in getting public and private actors involved regulating and delivering training to work together.

#### **Example 8: The FIT programme's support for radio programmes about business, Uganda<sup>29</sup>**

**Type of systemic effect:** Crowding-in

The ILO's FIT programme in Uganda promoted the growth of programmes about small business

24 Oakley, R. and Proud, E. (2013)

25 The Springfield Centre and PrOpCom (2013)

26 See also Posthumus, H. and Wanitphon, P. (2015)

27 Nippard, D. (2012)

28 Herr, M. et al (2012)

29 Anderson, G. and Hitchens, R (2007).



issues on private FM radio in Uganda, in order to provide entrepreneurs with information to make decisions, and to give them a voice to influence government decisions affecting the business environment. The programmes proved to be sustainable once donor support ended, and have subsequently been copied and replicated within the industry. At the end of the study period, around one-third (38) of radio stations in Uganda were running at least one regular small business broadcast, where none had existed prior to intervention.

### Example 9: FSD Kenya’s support for financial sector deepening<sup>30</sup>

**Type of systemic effect:** Significant change in behaviour among suppliers

The Financial Sector Deepening programme in Kenya implemented a wide range of interventions at three levels: policy and regulatory (macro), sector support services (meso) and retail capacity (micro), in order to increase access to financial services for poor people. An evaluation of the programme concluded that there was strong evidence that the impact pathways targeted by the programme were working, and that there was convincing evidence of a shift in the culture of the financial services sector to become more focused on reaching poor clients. A key example of this shift is the fact that bank accounts with no minimum balance fees or monthly ledger fees, an innovation piloted by Equity Bank with the support of the programme, have now become the most common model in the market.

### Conclusions on the evidence of systemic effects

The nine cases presented above illustrate different examples of interventions making a significant change in the way a market system works. Table 2 summarises the examples of systemic effects given above, and illustrate that these occurred in several different countries at varying stages of development, in different sectors, and with impacts witnessed at different scales including local, regional and national levels.

**Table 2: Summary of systemic effects**

Programme, intervention and country	Sector	Type of systemic effects	Scale
Katalyst maize supply intervention, Bangladesh	Agriculture	Crowding-in	Regional
Oxfam bee-keepers, Ethiopia	Agriculture	Development of infrastructure that supports the market system Information sharing among producers	Local
ENABLE BMO support, Nigeria	Multi-sector	Increased capacity of producers to influence policies, rules and regulations	Regional
RAIN livestock inputs, Ethiopia	Agriculture	Crowding in Significant change in behaviour among suppliers	Regional
PrOpCom, Tractors, Nigeria	Agriculture	Crowding-in Significant change in behaviour among producers	Regional
Katalyst, e-Agriculture, Bangladesh	Agriculture	Crowding in	National
Katalyst, health training, Bangladesh	Health	Crowding in Better regulation	National
FIT, business radio, Uganda	Multi-sector	Crowding in	National

30 Stone, R., Johnson, S. and Hayes, J. (2010)

<b>Programme, intervention and country</b>	<b>Sector</b>	<b>Type of systemic effects</b>	<b>Scale</b>
FSD Kenya, financial deepening, Kenya	Financial services	Significant change in behaviour among suppliers	National

The strength of the evidence presented for these claims is assessed in more detail below. There are also limitations in what the documents say about these effects; in particular they present a positive picture, and do not discuss possible negative impacts that may have occurred. Nonetheless, they do appear to illustrate that market systems approaches can be successful in positively influencing the ways that market systems work.



## 6. Evidence on improved access to services, growth, and poverty reduction

The nine examples are now described further to assess the impacts that interventions had on improving access to services for poor people, promoting economic growth, and reducing poverty.

### **Example 1: Katalyst maize supply intervention, Bangladesh**

**Type of impact evidenced:** Income growth, with slight poverty-reducing effects

Maize production in the Rangpur area grew by 140 per cent during two years, a level which outstripped growth rates at national level, and in all but one other area of the country (which in any case was the traditional centre of maize production in Bangladesh). The study estimated that around 5,000 farmers directly benefitted, with winter crop incomes typically increasing by 75 per cent - 100 per cent, depending on whether farmers switched from other crops, or planted on fallow land. However, benefits largely accrued to farmers with middle and high incomes, as poor farmers were assessed to include only 5 per cent - 10 per cent of all beneficiaries. Indirect and induced effects of growth in incomes for the primary beneficiaries may have generated some other benefits for poor people in the target area.

### **Example 2: Oxfam's support for small-holder bee-keepers, Ethiopia**

**Type of impact evidenced:** Income growth, with poverty-reducing effects

Beneficiaries achieved an increase in incomes of between 200 per cent and 400 per cent, and productivity increases of up to 400 per cent. Increased incomes have enabled smallholders to invest in education and other services. Formation of unions of cooperatives expanded the number of collection and processing centres, provided market information, and helped to increase farmers' negotiating power. Women's participation also increased during the project, with female co-op members growing by 25 per cent during the intervention. No assessment of the impact on poor people is given, but bee-keeping was chosen as an area that landless people in particular would benefit from.

### **Example 3: ENABLE's support for business membership organisations, Nigeria**

**Type of impact evidenced:** Contribution to income growth for poor people

A case study identified five major cases of pro-poor business environment reform that the BMOs supported by the intervention had contributed to. These included:

- Increasing the threshold for a tax introduced by the Central Bank of Nigeria. The study estimated that 161,000 micro-enterprises in the Lagos area had been kept out of the tax net. However, it is not possible to assess from the document whether this benefit to small traders was offset by other factors, such as a reduction in tax revenue.
- Reform of a government subsidy scheme for fertilisers that had delivered very little and had distorted the market. The document estimates that improved access to fertiliser would benefit 1.2 million smallholder farmer and 175,000 women, increasing farm incomes by up to 40 per cent. These approximate estimates appear to have been calculated using broad rule-of-thumb estimates however, so should be treated with caution.

### **Example 4: RAIN's intervention in the market for livestock inputs, Ethiopia**

**Type of impact evidenced:** Improved access to services for poor people

Key objectives were to help pastoralists gain access to the services of community animal health workers, and to grow incomes for the latter group. Over a two year period, average incomes for these community workers from pharmaceutical sales increased by 16 per cent, and from non-pharmaceutical sales by 28 per cent. This suggests the intervention had indeed reached its goals of making their services viable and attractive for pastoralists. Impacts on buyers of ser-

vices (pastoralists) are not recorded, but it is suggested that increasing availability of services and falling prices benefitted them.

#### **Example 5: PrOpCom tractor market intervention, Nigeria**

**Type of impact evidenced:** Income growth, with poverty-reducing effects

A quasi-experimental study was used to estimate the effect on incomes for a treatment group of farmers who used tractors, and a control group who did not. Operational costs for the treatment group were estimated as being £12.38 lower per farmer per hectare during the peak agricultural season. This suggests that farmers' income would be higher and levels of poverty lower than would otherwise have been the case. The project targeted smallholder beneficiaries who were predominantly poor (of whom only 8.5 per cent were women). No assessment of further poverty-reduction effects from scaling up of the intervention is made in the document. However, the description of systemic effects (in particular, crowding-in effects - see above) suggests that there would be a further reduction in poverty as the leasing model for tractors, and tractor use itself spread beyond the initial area for the intervention.

#### **Example 6: Katalyst's e-Agriculture intervention, Bangladesh**

**Type of impact evidenced:** Improved access to services for poor people; Income growth with poverty reducing effects

The number of information services available from community information centres rose from eleven to twenty-seven during the review period. It is also estimated that there were around 92,500 unique beneficiaries in the year immediately preceding the study. The fact that beneficiary numbers grew quickly also suggests that the services provided were valued. No direct estimate of the gains to users of the service is made, but examples are presented for six individual farmers who obtained information on how to counter pest, disease and animal health problems. These farmers realised gains in the range of US\$12 – 240 from obtaining information. The study estimated that around three fifths of beneficiaries were poor, with around than 10 per cent being extremely poor.

#### **Example 7: Katalyst's health training intervention, Bangladesh**

**Type of impact evidenced:** Improved access to services for poor people

There was a seven-fold rise (22 to 149) in the number of registered health training workers, and a four-fold increase in training providers' seat capacity. The study makes a good case that the programme made a significant contribution to achieving these. Health training courses have opened up employment opportunities from predominantly poor or lower-middle-income households living in rural areas, and for whom a medical profession represents the chance to raise their family's income. The increase in the supply of trained health workers might also be expected to have an impact on health outcomes in due course.

#### **Example 8: The FIT programme's support for radio programmes about business, Uganda**

**Type of impact evidenced:** Improved access to services for poor people

Around one-third of radio stations in Uganda were running at least one small business radio programme at the time of the study, where none had existed prior to intervention. Audience research showed that 74 per cent of adults (7 million people) were regular listeners to one or more of these programmes. 96 per cent of these listeners stated that programmes benefited their businesses, enhancing access to knowledge and information and influencing policy, legal and regulatory processes.

#### **Example 9: FSD Kenya's support for financial sector deepening**

**Type of impact evidenced:** Improved access to services for poor people, though it is uncertain to what extent this helped to reduce poverty

The programme implemented a range of interventions at the macro, meso and micro level.

There is strong evidence that the financial services sector changed as a result, becoming more focused on reaching poorer clients. Although there is evidence of access to services increasing, there was no clear evidence that this had a further impact on incomes and vulnerability.

## Conclusions on the evidence of improved access to services, growth, and poverty reduction

The impacts described above are summarised in Table 3. This illustrates income growth effects in four (possibly five) out of nine cases; and improved access to services in five cases. Impacts in terms of poverty reduction was also described in four cases, though in two of these any effect was likely to be slight, as poor people were a small minority of overall beneficiaries.

**Table 3: Summary of impacts on growth, improved access to services and poverty reduction<sup>31</sup>**

Programme, intervention and country	Sector	Other impacts observed
Katalyst maize supply intervention, Bangladesh	Agriculture	<ul style="list-style-type: none"> <li>Income growth</li> <li>Slight poverty reduction effects</li> </ul>
Oxfam bee-keepers, Ethiopia	Agriculture	<ul style="list-style-type: none"> <li>Income growth</li> <li>Poverty reduction</li> </ul>
ENABLE BMO support, Nigeria	Multi-sector	<ul style="list-style-type: none"> <li>Possible income growth effects</li> </ul>
RAIN livestock inputs, Ethiopia	Agriculture	<ul style="list-style-type: none"> <li>Improved access to services for poor people</li> </ul>
PrOpCom, Tractors, Nigeria	Agriculture	<ul style="list-style-type: none"> <li>Income growth</li> <li>Poverty reduction</li> </ul>
Katalyst, e-Agriculture, Bangladesh	Agriculture	<ul style="list-style-type: none"> <li>Income growth, with some poverty reduction effect</li> <li>Improved access to services for poor people</li> </ul>
Katalyst, health training, Bangladesh	Health	<ul style="list-style-type: none"> <li>Improved access to services for poor people</li> </ul>
FIT, business radio, Uganda	Multi-sector	<ul style="list-style-type: none"> <li>Improved access to services for poor people</li> </ul>
FSD Kenya, financial deepening, Kenya	Financial services	<ul style="list-style-type: none"> <li>Improved access to services for poor people, though an uncertain impact on poverty reduction</li> </ul>

### How robust is the evidence presented in each document?

Before concluding it is important to ask how convincing the impacts described in this and the previous section are. A discussion of how the nine examples size up against the principles for robust research discussed earlier (see Table 1) is included in Annex 3. What this review reveals is that while the nine examples have been undertaken using a credible research process, in some cases they illustrate weaknesses when reviewed against the principles. The research approach taken in several of the studies could have been more transparent for instance, and there are also some areas in which validity (i.e. confidence about the conclusions drawn) could have been strengthened.

However, these points tend to confirm what has already been illustrated in Section 2, that is, that while the evidence documents are not perfect material for a rigorous review.

<sup>31</sup> The impacts described in each case varied according to the circumstances of the intervention. As discussed in the introduction, this variety makes it difficult to make comparisons between the cases, and to assess their relative value for money. None of the studies attempted to assess the aggregated values of benefits for instance.

This is to be expected given the circumstances in which they were produced. As noted, the documents were commissioned and written for a range of sometimes quite diverse purposes. It is not surprising then that they do not always reach the bar for all the principles for assessing robustness, because they were not written with this test in mind. In addition, while the weaknesses identified show that the studies could be more robust, these weaknesses are not significant enough to reject key findings from studies. This suggests that where findings show market systems initiatives achieving positive systemic change, helping poor people access services, generating jobs and income, or reducing poverty, then these findings should be given credence, at the very least in terms of illustrating approximate scales of effect.

## 7. Conclusions and recommendations

This review was commissioned as part of BEAM Exchange's wider work to collect evidence on market systems approaches, analyse what it shows, and share this with the community of donors, researchers and implementers working in this field. Given the uncertainty within the community about impacts, the review focused on assessing the overall validity of the approach, and the issue of the kinds of impacts that market systems initiatives achieve.

The content for this review comes from the first seventy publicly available documents, identified through a structured search process. This initial evidence base is made up of a diverse set of documents, which were commissioned and researched by many different organisations for a range of purposes. As a result, the evidence base for the review is slanted in particular ways, and does not present a random or representative sample of all programmes using a market systems approach.

Nonetheless, the evidence base does provide a valuable resource for assessing the market systems approach. It consists of seventy well-researched documents, which present the analysis and conclusions of at least seventy-eight different researchers. This is a considerable body of evidence in its own right. Furthermore, many of the studies were also been published by major donors in this field, such as SDC, DFID and USAID. While not representing the official views of these organisations, it can be assumed that they were subjected to donors' quality assurance procedures before being published, which also lends them some weight.

The evidence documents present a rich and varied description of what programmes using a market systems approach have done, in a wide range of sectors and countries. They also contain a significant degree of reflection on what did not work, often manifest in the documents as reflections or lessons learned. Most of the documents present case studies on individual interventions, rather than impact evaluations of whole programmes. As such, they cannot be taken as illustrating the impact of the whole programme they belonged to. However, there is a good argument for using the documents to assess the impacts that a market systems approach is capable of delivering, when it works well.

What then does the review reveal about the impacts of programmes using a market systems approach? Nearly all the documents describe successes achieved at the level of an intervention. Around a third of the documents illustrate ways in which programmes changed the way that market systems work, and/or described improvements in poor people's access to services, or economic growth that benefited them. A quarter of the documents described reductions in poverty resulting from the intervention. While this last figure (a quarter) might seem low, it is important in this context to note that very few documents were ex-post assessments undertaken after the end of the intervention. Given expectations that it takes times to change a market system, the picture of impacts emerging first at intervention level, and only subsequently changing the market system and reducing poverty reduction, is one that would be expected.

The review has identified evidence of initiatives contributing to making market systems work in a more pro-poor manner in different ways. These include crowding-in other businesses into the market, promoting the development of infrastructure that benefits many actors, improving regulations and government policies, and positively influencing the way that buyers and sellers behave. Moreover, these impacts have been identified in a broad range of sectors, not just in the field of agriculture, the traditional focus of the market systems approach.

The review has also identified convincing example of systemic impacts occurring in rural, peri-urban and urban contexts, and at local, regional and national scales in a number of different countries. It is notable that the nine examples considered in detail show impacts in countries with different levels of development, including Nigeria, Bangladesh, Ethiopia, Uganda, and Kenya.

This evidence review therefore strongly indicates that a market systems approach is a valid one for promoting economic development, improved access to services, and poverty reduction. There are of course qualifications to this finding. Benefits accrue not just to poor people, but of-

ten also to middle income or wealthier groups; it often takes time for impacts to be realised, and a certain amount of trial and error is required. There are however enough credible examples to conclude that it is possible to intervene to make markets work better for people living in poverty.

A detailed review of nine study examples against DFID's criteria for assessing the strength of evidence shows that their basic findings are reasonably sound. However, there are several weaknesses in the evidence base more generally, and there is plenty of scope to address these to provide stronger evidence and to help programmes learn from each other. Many potentially useful documents were excluded from the BEAM evidence database because of a lack of methodological information: i.e. clarity about how the study was designed and undertaken. Some of the studies lacked full information that would allow a detailed assessment of internal and external validity to be made.

In order to provide a stronger and more nuanced account of impact, we recommend that future studies:

- **Investigate and discuss unintended outcomes**  
Many evidence documents identify positive outcomes for market systems initiatives, while pointing out the challenges that had to be overcome to achieve this. It is important however that attention is also paid in future to investigating and discussing unintended outcomes.
- **Consider the potential negative outcomes**  
Given the complexities of change in a market systems context, it is also important to consider the potential for negative outcomes, particularly for poor people who are not the direct beneficiaries of market changes.
- **Disaggregate and analyse gender differences in results**  
More detailed consideration must also be given to how impacts affect men and women differently.
- **Be explicit about methodology**  
Studies should be explicit about the methods they use, and should also pay attention to data quality issues, including sample sizes, sampling frames, statistical significance and how the issue of bias has been addressed. Where appropriate, these details should be summarised in a technical annex which shows the 'workings' from which study findings have been derived.

It is vital that impact assessments should be safeguarded and shared with the wider community in this field (some of the evidence documents refer to impact assessments which appear not to have been published or which are now untraceable with the lapse of time). This can be achieved by sending them to the BEAM Exchange team [[evidence@beamexchange.org](mailto:evidence@beamexchange.org)] so that they can be reviewed and uploaded to the BEAM Evidence Map.



# Annex 1. Process for selecting and profiling evidence documents

Stage	Description
Stage 1: Setting objective and scope	Defining aims and what the evidence documents are to be used for
Stage 2: Setting the inclusion criteria	<p>Establishing specific inclusion criteria to identify relevant material for review.</p> <p>BEAM takes a threefold strategy to populating the evidence base, and will work in two phases: initial identification of sources (Phase 1) and work to update the map on an ongoing basis (Phase 2).</p> <p><i>Phase 1</i></p> <ol style="list-style-type: none"> <li><i>Internet search:</i> A search conducted by BEAM team members based on pre-defined search strings, including academic, donor, LinkedIn, relevant knowledge and learning platform, blog, and partner websites.</li> <li><i>'Eye-ball' elimination</i> of some documents coming up on the search string. Documents were excluded for instance if the implementer seemed to be providing a majority of services rather than playing a facilitation role.</li> </ol> <p>Following this initial identification of evidence documents, additional evidence will be sourced via with BEAM's networks:</p> <p><i>Phase 2</i></p> <ol style="list-style-type: none"> <li><i>Crowd-sourcing:</i> A campaign using BEAM's networks and community, asking people to contribute pieces of evidence.</li> <li><i>Snowballing:</i> A search through key informants and contacts in implementing organisations for further documents including unpublished ones.</li> </ol>
Stage 3: Developing a strategy for populating the evidence base	<p>The retrieval will happen in two phases:</p> <ol style="list-style-type: none"> <li>An initial first effort will aim to capture as many evidence documents as possible that are currently published.</li> <li>After the first effort, the database will be continuously fed with newly published evidence reports by the BEAM team, and on the BEAM website we will ask the community to contribute new documents.</li> </ol> <p>During the screening phase, the collated evidence documents will be assessed against the inclusion criteria. It is important that all documents that are found are included in the screening phase.</p>
Stage 4: Retrieval	<p>Screening will be done in two rounds. The first round will review titles and abstracts using the inclusion criteria. Where insufficient information is available in the abstract to assess relevance, the full text will be downloaded. The second round of screening is then based on the full text of the documents, using the same inclusion criteria.</p>
Stage 5: Screening	<p>All evidence documents will be categorised according to the defined criteria.</p>
Stage 6: Evidence characterisation	



## Annex 2. How robust are the nine example studies?

The nine documents described in sections 5 and 6 have been assessed against the principles for establishing that research is robust and reliable set out in Table 1 above (i.e. conceptual framing, transparency, appropriateness, cultural sensitivity, validity, reliability, cogency). A summary assessment against these principles is as follows.

### **Conceptual framing and cultural sensitivity**

All but one of the documents locate their analysis within the context of a market systems approach, often going into extensive detail on this issue. The exception is the of the Oxfam beekeepers study: this book chapter is consciously written in a less technical style than the other documents, so leaving a discussion of the conceptual framework out may have been a conscious choice. There is little discussion of the choice of specific methods or evaluation approaches that would be appropriate for identifying changes in a market systems context. It should be noted however, that while the nine studies were published in 2013 or before, much of the discussion on methods for assessing change in market systems occurred from 2013 onwards<sup>32</sup>. It is perhaps unfair then to fault study authors on this point. Overall, the studies are reasonably good at setting their discussion within an appropriate conceptual framework.

It is very difficult to assess to what extent design and implementation of the studies was carried out in a culturally-sensitive manner, as no document discusses this issue. Author names suggest that the large majority were westerners who did not come from the country studied, though they may well have had the support of local researchers, or have had extensive knowledge of the country. While the nuances of impacts on poor people might be missed through a lack of sensitivity, it might also be argued that some elements of systemic change are easier to identify even for researchers without a deep understanding of the local culture. For example, it would not have required detailed cultural knowledge to understand that the growth in business radio in Uganda from zero to 38 broadcasts in a short period of time was a significant systemic change. While lack of cultural sensitivity might be a weakness and precluded a nuanced understanding of impacts, it does not appear to invalidate the claims about systemic change, or the other impacts described above.

### **Transparency and appropriateness**

Five studies (tractors, maize, livestock inputs, e-agriculture, financial deepening) provide some details on the beneficiaries who were surveyed, and how and why they were chosen. In these cases this is sufficient to make an initial judgement about appropriateness, and possible areas of weakness, but not much more than this. The other four studies (health workers, BMOs, beekeepers, business radio) were based on the results of unpublished impact assessments, which are not in the public domain. The basis for findings is not always very transparent then, and illustrates an area in which future research in this area could be improved. However, although the studies have not provided full details, this does not in itself mean that the actual studies were poorly designed or implemented, or that the conclusions are not valid.

Understanding change at different levels of a market system will typically require a mixture of research methods. All the studies did in fact use a mixture of methods to assess systemic changes and other impacts, using quantitative and qualitative evidence, and using an approach that could be broadly described as contribution analysis. This was based on sources including primary research undertaken with market actors, programme monitoring data, and a range of other secondary information. In general terms the approaches illustrated in the documents are appropriate for market systems initiatives.

### **Validity and reliability**

Internal validity can be understood as undertaking research in such a way that outcomes can be reasonably attributed to the influence of an intervention rather than to other factors. External validity is the extent to which results from a sample are generalizable to a wider population.

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32 See, for instance: Ruffer, T., and Wach, E. (2013); Humphrey, J. (2014); Dunn, E., and Fowler, B (2014); Wach, E. (2015)

There are a number of aspects of reliability; a key one in this context is whether conclusions are drawn on the basis of different sources of evidence.

Experimental approaches try to ensure internal validity by comparing results for a treatment group that participates in an intervention, and a control group which does not, but is in other ways similar to the treatment group. The one study (tractors) that depends heavily for its conclusions on a quantitative (quasi-experimental) method compared changes in operating costs for treatment and control groups, suggesting strong internal validity, assuming that the groups were similar in other respects (little detail is provided to show this though).

The characteristics of qualitative approaches mean they need to use different measures to strengthen internal validity. There are a number of ways of doing this, including for example, trying to rule out other causes of observed changes, using multiple sources of data, or looking deliberately for negative cases that disprove a hypothesis.

All of these strategies are in fact found in the other eight studies, although in varying degrees. The most consistently technique used is triangulation, i.e. bringing together a range of data sources to draw overall conclusions, which all of the studies exhibit. The widespread use of triangulation also tends to strengthen an assessment of the nine examples against the principle of reliability. In addition, there are also good examples of looking for negative cases, particularly in relation to the extent of impacts on poverty. Reviews of the maize, health workers and financial deepening interventions for instance are quite open about limitations in poverty reduction effects. The latter two studies are also good in testing rival hypotheses for observed changes.

Measures to assess external validity in quantitative approaches typically depend on determining that the sample is indeed similar to the overall population, and that results for the sample have enough statistical power to be taken as representative of the whole. The same underlying principle applies in qualitative research. For instance, does a programme of key informant interviews with suppliers account for a sufficient share of the market for their views to be taken as an accurate picture of changes?

In terms of external validity, the tractors study is not always clear about the overall size of the beneficiary universe for farmers. It is therefore not possible to say what sample size would be required to deliver externally valid results<sup>33</sup>.

The other eight studies primarily used qualitative methods to make judgements about the contribution of the interventions they described. It is difficult to make in-depth assessments of the external validity of these studies, due to the sometimes limited information provided on issues such how much of the market did interviews with key informants account for. Having said this, the external validity of the results of surveys will tend to be strong where there are relatively few market actors, or where a single actor accounts for a large proportion of the market. This was the case, respectively, in the Uganda radio study, where the number of stations identified as crowding into the market was a large proportion of the overall total, and in the e-agriculture study in Bangladesh, where Airtel, a dominant player at national level, copied the services piloted by the programme.

The validity issues highlighted in the preceding paragraphs show that some of the studies could have been stronger in this regard. Future work could remove some doubts about validity by being more explicit about how they addressed this issue. At the same time, it is also important to state that a brief review of the issue in the nine examples studies has not identified gaping holes which cast significant doubt on their conclusions.

## **Cogency**

Cogency in this context can be understood as having a clear, logical thread that runs through a study, linking the conceptual framework to the data, analysis and conclusions. All of the nine studies are well structured, coherent, and cogent in this sense.

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<sup>33</sup> The study explaining how this research was carried out (Posthumus, H., and Wanitphon, P., 2015) explains the significant practical challenges in getting a representative sample, such as the need for researchers to spend thirteen hour days following tractor operators in remote areas of northern Nigeria.

## **Conclusions about the robustness of the results**

This brief review confirms the general comments about the evidence base as a whole set out in Section 2. That is, that the documents do not present all the information required for a rigorous technical review. There are some weaknesses in terms of transparency, and in some areas validity could have been strengthened, or at least doubts removed by having a clearer sense of how the studies were undertaken. This reflects the point already, that these documents were commissioned and written for a range of purposes. It is not therefore surprising that they do not reach the bar on all the principles for assessing robustness, because the authors did not think this necessary for the purpose they were produced for. At the same time, the weaknesses that can be identified do not appear to be significant enough to rule out their findings. This suggests that where findings show market systems initiatives achieving positive systemic change, helping poor people access services, generating jobs and income, or reducing poverty, then these findings should be taken seriously, at least in terms of illustrating approximate scales of effect.

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