

Market Systems Development: Is this it? “Litmus Test” Questions for Practitioners

The Market Systems Development (MSD) methodology has evolved over the past two decades. Unfortunately, the lens we use to determine whether or not a program is “MSD” has not. This brief presents a set of ‘litmus’ questions practitioners can use to assess for themselves whether or not their program is MSD (or not). It is the second- part of a three-part series on MSD Fundamentals developed by the Canopy Lab with support from independent consultants Mike Klassen, Kelsey Bachenberg and Samira Saif.

Key Litmus Test Question: Is the program designed to reduce poverty by achieving systemic change?

There are many definitions of systemic change, but at its core it means a change in the underlying dynamics and structural elements of a system. To this definition we add scale, sustainability, and resilience of impact, as per the DCED definition. The expanded version of this litmus test question is: *Is the program designed to change the underlying dynamics and structural elements of a system in order to achieve poverty reduction in a way that is sustainable, resilient, and capable of reaching scale?*

Program Level Questions



- Has the program defined the system(s) it is intending to influence?
- Does the program have an explicit systemic change objective? Does the program depict a vision for the desired performance/dynamics of the system and key desired behavior changes of system actors?
- Did the program seek to identify the underlying causes of undesirable market outcomes based on robust market analysis and root cause identification? Were the *causes* of the disadvantages facing target groups explored (i.e., deeper systemic/structural issues)?
- Was the program designed in order to achieve the defined systemic change objectives by explicitly addressing the identified underlying causes?
- Does the program incorporate explicit mechanisms to facilitate continuous iteration and adaptive management in implementation?



Intervention Level Questions

- Is the intervention designed to influence the behaviors of a large number of system actors, as opposed to only the one(s) with which it directly interacts?
- Is the program/intervention designed to impact a diverse range of beneficiaries outside those explicitly targeted?
- Is the intervention designed so that benefits will continue past the end of the program without further external assistance? Does the program/intervention design take into account the incentives, networks, and assets necessary for partners to perform key services/functions in the long-term?
- Does the intervention seek to avoid, to the best of its ability, performing the role of a market actor by employing facilitative approaches wherever possible?

