

# > Market Facilitation in Aid-intensive Contexts



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## > Market Facilitation in aid-intensive contexts

### What is it about?

**The 'us vs. them' type:** projects try to facilitate system changes using a systemic approach, while projects using direct delivery approach readily hand out money and giving away services for free

**The 'partnership competition':** many projects using systemic approach competing with each other for the same, limited, pool of actors/partners

#### Why should we care?

- Proves challenging the engagement of actors (from governments to the private sector enterprises, target groups and civil societies)
- Risk of sustainability: a) ownership, b) durability of impacts
- Risk of scale → 'island of success'



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## What can be done?

- ❑ Different strategies: challenges, good practices and implications
- ❑ The focus of this session

PIND (Nigeria):  
The Partnership  
Initiatives in the Niger  
Delta (Chevron)

HELVETAS (Western  
Balkans):  
Youth employment  
projects (SDC)

Experience from SDC:  
Donor coordination

Reflection from DFID:  
possible next steps to  
enhance effective donor  
coordination



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# > Market Facilitation in Aid-Intensive Contexts

Youth Employment Projects in the Western Balkans

Nathalie Gunasekera



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## ➤ Market Facilitation aid-intensive contexts



- Prevailing donor-culture focused on providing direct assistance
- Creates market distortion
- Impacts the sustainability and scale of project interventions
  - Example: RisiAlbania's experience in the agro-processing sector

➤ How can projects ensure that available donor funding contributes to long-term, sustainable changes in the market system?



# ➤ Emerging Coping Strategies

## A) Influencing how project partners make use of available donor money

- MarketMakers, Bosnia and Herzegovina
- First mover: shape the partner's financing model to reduce the risk of donor-dependency
- Hands-on approach: advise the partner on how to use donor support without compromising its long-term strategic vision or sustainability

## B) Influencing donor spending behavior

- EYE, Kosovo
- Information-sharing: use information and knowledge as leverage
- Seek involvement: foster a strong rapport with relevant stakeholders

## C) Finding a niche area to intervene in

- RisiAlbania, Albania
- Uncharted waters: focus on (sub-)sectors that have not yet caught the interest of donors



# > Key takeaways

## Donors as Market Actors

- Donors influence the market systems we are operating in

Therefore,

We need to develop strategies to engage with donors

- Assessing their interests, incentives and capacities?
- Build them into the project's work from the start





# > Market Facilitation in Aid-Intensive Contexts

The Case of Aquaculture Sector in the Niger Delta, Nigeria

James Elekwachi

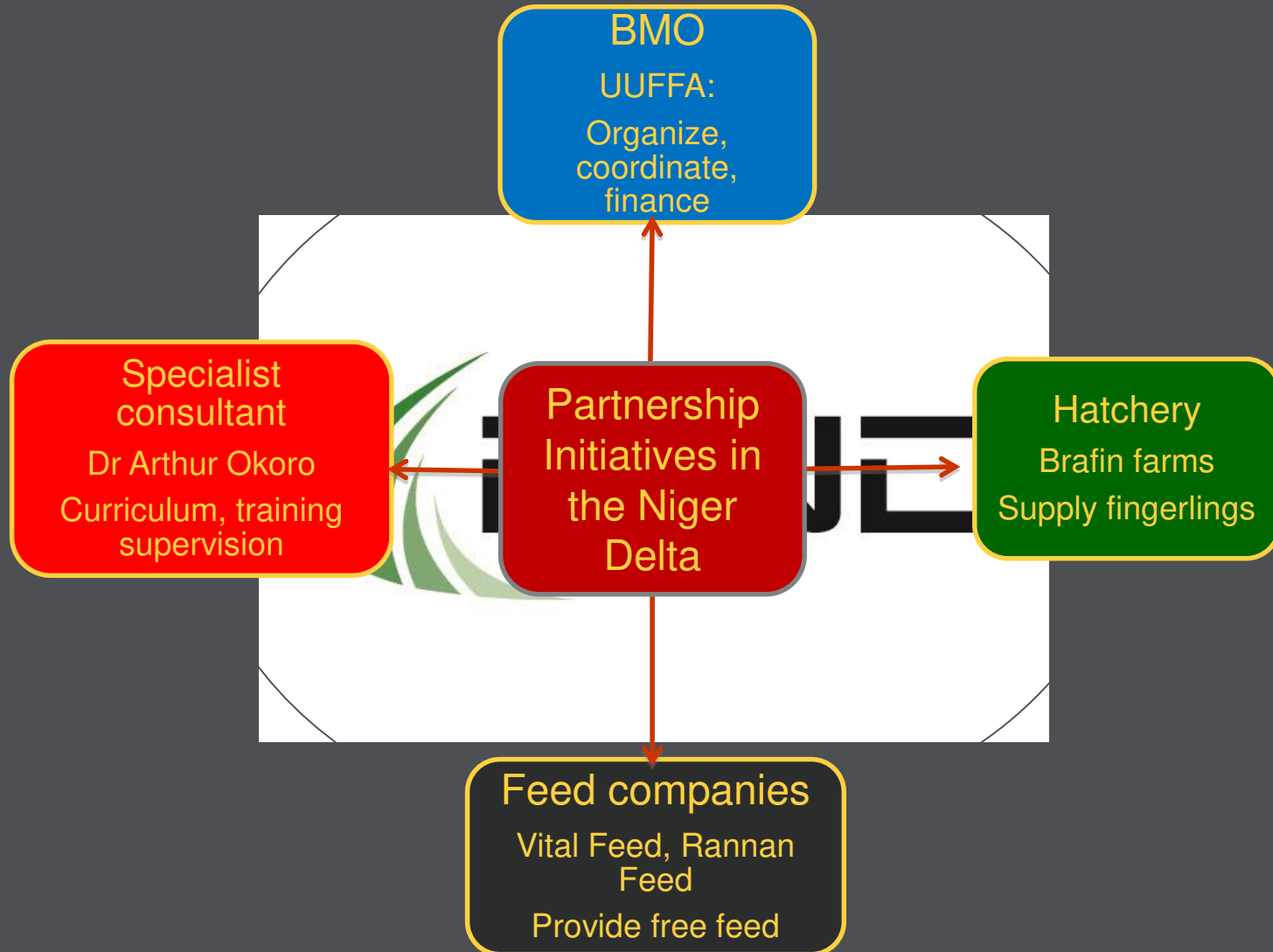


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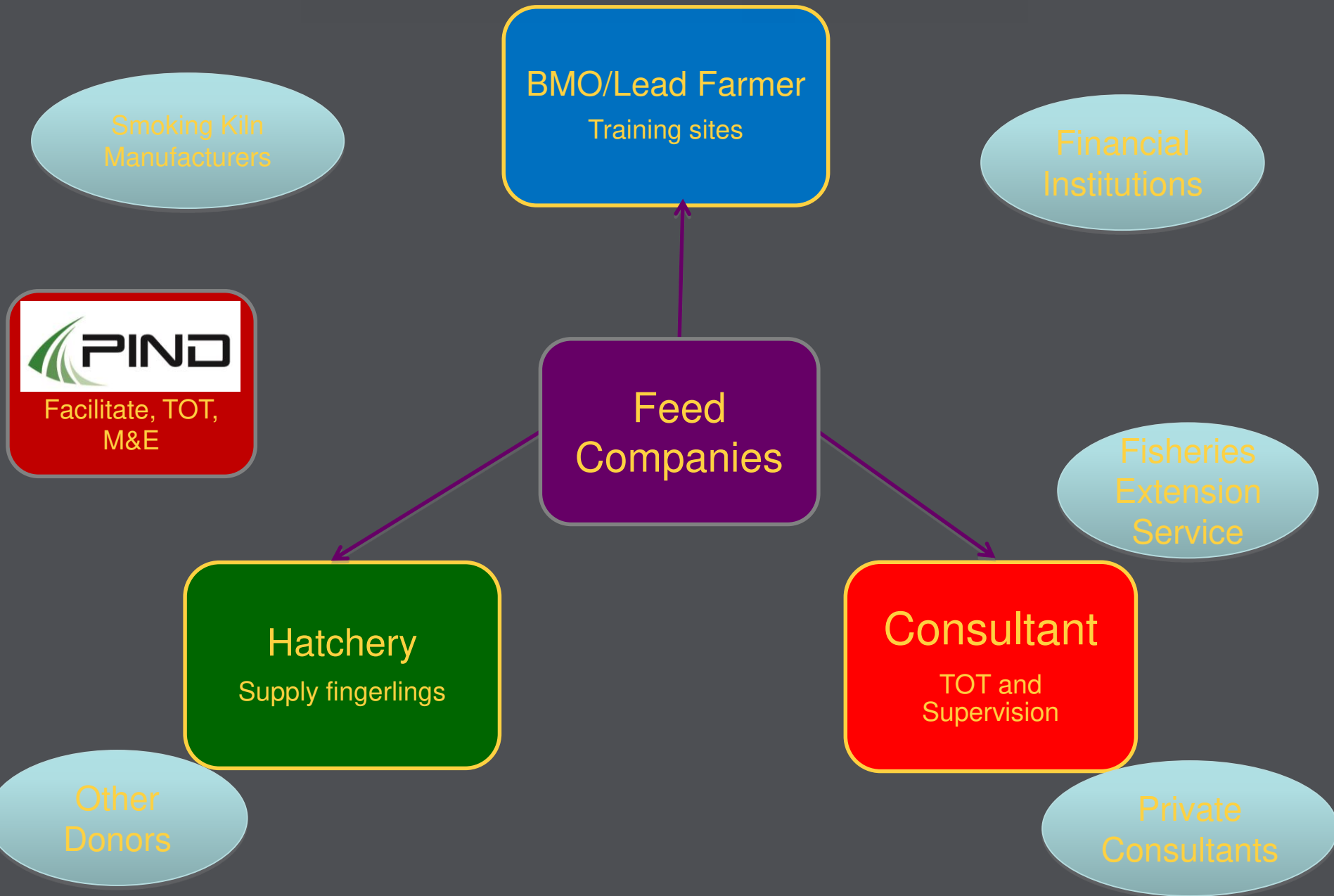
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# Partnership Initiatives in the Niger Delta (PIND)

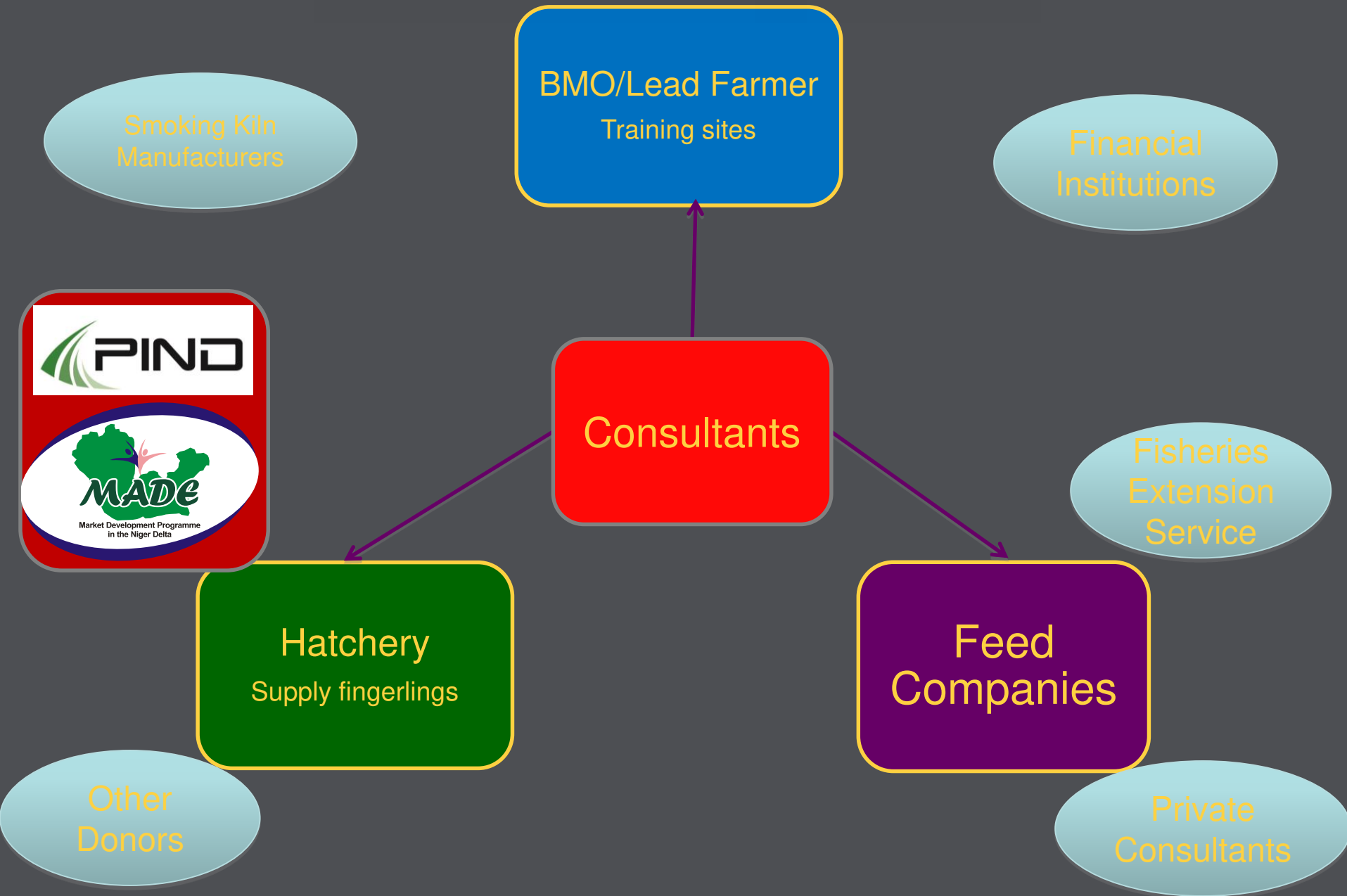
## Demo Pond for Increased Productivity



# Demo Pond Scale-up Model



# Demo Pond Scale-up Model





# CHEVRON-DFID-USAID in Nigeria

- Build on each others experience, share assessment reports, scale up successful pilots
- Cost savings in combined staff training
- Spreading resources (geographic, grants)
- Combined quarterly strategic/technical meeting
- Sharing of office location, internet and security



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# Effective Donor Coordination

## CHEVRON-DFID-USAID in Nigeria

- New USAID projects in the ND (LEAD, SACE)
- USAID MARKETS2 applying market systems at the tactical level
- The challenge: market actors/partners preferring donors with larger grants



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> THANK YOU

In three groups: based on the presentations and using your experiences (20 minutes):

- a) Identify two relevant questions for further discussion in the plenary
  
- b) Suggest follow-up mechanisms/processes how the issues could be deepened and broadened



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## > Further information

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