

> **The international conference of the
Latin American network for inclusive
market systems development**

Synthesis note

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The BEAM Exchange is a facility for knowledge exchange and learning about the role of market systems approaches in reducing poverty.

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Synthesis note

On 26 and 27 January, a regional meeting for the creation of the Latin American Network for Market Systems Development was held at the Andean office of the ILO in Lima. The event was organized by ASOCAM, BEAM Exchange and Swisscontact, with the collaboration of the ILO.

60 participants from 35 organisations (from government, academia, business, international and national NGOs, research institutes and bi- and multi-lateral organisations) from **11 countries** expressed their interest in being part of this regional effort, which aims to drive a transformative change towards more and better use of the inclusive market systems approach in economic development programmes in Latin America and the Caribbean.

The participants discussed the principles of the market systems development (MSD) approach, which emphasises the importance of treating poverty as a symptom of systemic failure and the need to gain a deeper understanding of its root causes. They reflected on the importance of considering the interests and needs of market actors and their power relations and of facilitating self-sustained change.

Three **experiences of the application of market systems approaches in the region** were shared:

- Mercados Rurales - Bolivia: a programme promoting access by rural families to markets for products, services technologies and inputs.
- Energy efficiency in brick-making - EELA: a regional project covering six countries that promoted technology providers.
- Nurturing the future – Honduras: a model of development and empowerment through rural savings groups with high participation among women and the private sector (Cargill).

From these experiences, the participants reflected on:

- The **potential of the approach**, including the usefulness of market systems analysis that helps to discover root causes of dysfunction; the strategy of engaging multiple actors and complementary interventions; the vision of sustainability (who does and who pays today and in the future); the dynamism and innovation of the private sector; the relationship to government policies at different levels and the impact on family incomes.
- The **challenges** of designing sustainable and scalable interventions using a facilitation strategy in a context of weak institutions, limited involvement by the private sector, the high turnover of government officials and policy instability.

The participants also worked in **thematic groups** organised around agriculture, youth and women's empowerment and employment, financial inclusion and capacity building. They discussed the main challenges of applying the approach and proposed concrete initiatives for the future work of the network. These initiatives referred to the need to:

- Systematise existing knowledge and experience.
- Analyse why some strategies have worked and others have not.
- Generate knowledge exchange and networking within the region and internationally.
- Promote debate and co-creation of initiatives and experiences.
- Use ICTs and other mechanisms to enable more dialogue, collaboration and exchange.
- Promote capacity building of MSD staff and training of MSD trainers.
- Generate credible evidence and influence strategic policy-makers working on both MSD and sectors/sub-sectors of critical importance to the region's economic growth.

The panel “One theme, several voices” allowed experienced participants to share different perspectives and experiences on the added value of the approach. **Chemonics**¹ talked about profitable enterprises for people and implementing organisations; **SDC** about the access of rural families to markets for products, services, technologies and inputs in Bolivia; **Habitat for Humanity** about the markets of land, building materials and services for low-cost housing; **ILO** about decent labour strategies in value chains; and **RIMISP** about the relationship of the approach to territorial development processes with cultural identity.

The panelists confirmed the relevance of promoting market systems approaches in the region through the formation of the network and suggested that this effort be aimed at building a space for exchange and learning to make market systems more inclusive.

The participants made the following strategic recommendations:

- **Network orientation:** it should become a specialised network focused on promoting a transformation towards the wider and better use of inclusive market systems; improving knowledge exchange, learning, research and debate; articulating regional efforts; catalysing innovations; gathering evidence of impact; focusing on the vision of the various actors and promoting the adoption of successful models.
- **Network structure:** should include various types of public and private actors; with a flat, simple and functional structure; and with a coordination team and contact points by country, theme and institution.
- **Network role:** it should integrate and enable the meaningful participation of its members so that they remain motivated and engaged. It should be able to communicate virtually. It should start with a group of the most committed organisations and grow organically from there.
- **Network financial sustainability:** should be based on several financing mechanisms, including: leveraging the internal resources of members and partners (synergy around planned events), finding sponsors for events, selling services (training, consultancy), organising exchange visits and business trips, catalysing efforts around strategic workstreams. SDC could be a donor of particular importance during the network’s inception and stabilisation phases, due to its presence and interest in the region.

Symbolically, the participants signed a manifesto of interest to join the network and agreed the next steps:

- Disseminate the results of the workshop amongst the participants and people who expressed interest but could not attend as well as strategic actors.
- Advance the design of the network’s structure and management mechanisms.
- Facilitate and catalyse activities proposed by members.
- Establish an online exchange space.
- Develop a work plan.
- Convene a webinar to discuss progress and plans.

For detailed information (in Spanish), please go to:

<http://www.esm4p.info/red-latinoamericana-para-dsm>

¹ Chemonics is a private consulting and implementing organisation owned by its employees.