

MICROLINKS



Adaptive Management in Practice A Market Systems Application in Bangladesh

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PRACTICAL APPLICATION OF ADAPTIVE MANAGEMENT PRACTICES



AGRICULTURAL VALUE CHAIN (AVC) ACTIVITY

- Five-year project: 2013 - 2018
- Funded by USAID/Bangladesh Feed the Future
- Objective: To improve food security in Bangladesh by strengthening agricultural value chains through applying a market systems approach
- Focuses on Southern Delta of Bangladesh
- Resulting in increased access to and availability of diverse and nutritious fruits, vegetables, and pulses in local and national markets and improving food security.

PRACTICAL APPLICATION OF ADAPTIVE MANAGEMENT PRACTICES

SO, HOW
WERE THESE
RESULTS
ACHIEVED?



RATHER THAN DISMISSING THE VALUE CHAIN APPROACH ...
THE PROJECT'S SHIFT TO A MARKET SYSTEMS APPROACH
BUILT FROM THE VALUE CHAIN APPROACH



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THE PROJECT'S SHIFT TO A MARKET SYSTEMS APPROACH

BUILT FROM THE VALUE CHAIN APPROACH



VALUE CHAIN APPROACH

- Actors and functions connected by a series of value-addition transactions from production to consumption of goods and services and support services, such as sector-specific and financial services.

MARKET SYSTEMS APPROACH

- Addressing the underlying reasons, incentives, and biases for how and why businesses, people, and networks (i.e., the system) have not adapted to come up with a solution themselves. The approach considers the capacity and resilience of local systems, and systemic constraints to functions that affect multiple value chains.

ADAPTATIONS IN ANALYSIS

VALUE CHAIN ANALYSES

- Basic benchmarking analysis for each value chain function to determine the performance gaps within the value chains that will allow them to function more productively. Includes the steps and added value functions that each crop moves through as it transforms from inputs, to crops, and ends with consumer products.

MARKET SYSTEMS ANALYSES

- Analysis to understand the driving reasons why people, firms, networks, etc., self-organized to perform the way they do. Considers behavior patterns, flows of information and finance, relational networks, trust and dispute patterns, interconnectivity and patterns of influence between market and other social systems (i.e., political, civil society, communal/friends and family, etc.).



FOCUS ON BIASES AND INCENTIVES DRIVING BEHAVIOR

RATHER THAN TECHNICAL FIXES ...

- Technical fixes would not fix the underlying reasons, incentives, or biases for how and why the businesses, people, and networks (i.e., the system) had not adapted to come up with solutions themselves.

CHANGE BIASES & INCENTIVES

- The objective was to change the underlying biases and incentives in such a way that the agricultural market system evolved in a direction that is more transparent, clear, fair, consistent, and, therefore, inclusive.



FOCUS ON INCLUSIVE BUSINESS PRACTICES

- The project focuses assistance on market actors that appear to have interest in embracing inclusive business practices with farmers, and with each other - practices that are transparent, clear, fair, and consistent.
- The project recognizes that such business practices have the ability to drive the development of a market system that is more inclusive.



A KEY DETERMINANT OF WHETHER AN ACTIVITY OPERATES EFFECTIVELY ... IS THE NATURE OF THE USAID PERSON/TEAM OVERSEEING IT, AND THE ACTUAL PEOPLE AND RELATIONSHIPS INVOLVED



ADAPTATIONS IN INTERVENTION DESIGN & IMPLEMENTATION PROMOTION OF INCLUSIVE BUSINESS STRATEGIES



ADAPTATIONS IN INTERVENTION DESIGN & IMPLEMENTATION PRIVATE SECTOR ENGAGEMENT & THE USE OF SUBSIDIES INITIALLY OVER-FOCUSED ON TARGETS



Initially, the design of grants and interventions was driven entirely by reaching target beneficiary numbers. This yielded interventions centered on broad farmer trainings, direct procurement of equipment, and general operational grants to market actors that were not able to move the needle in terms of a market systems impact.

ADAPTATIONS IN INTERVENTION DESIGN & IMPLEMENTATION PRIVATE SECTOR ENGAGEMENT & THE USE OF SUBSIDIES

TARGETED CORE BUSINESS CHANGES IN FIRMS

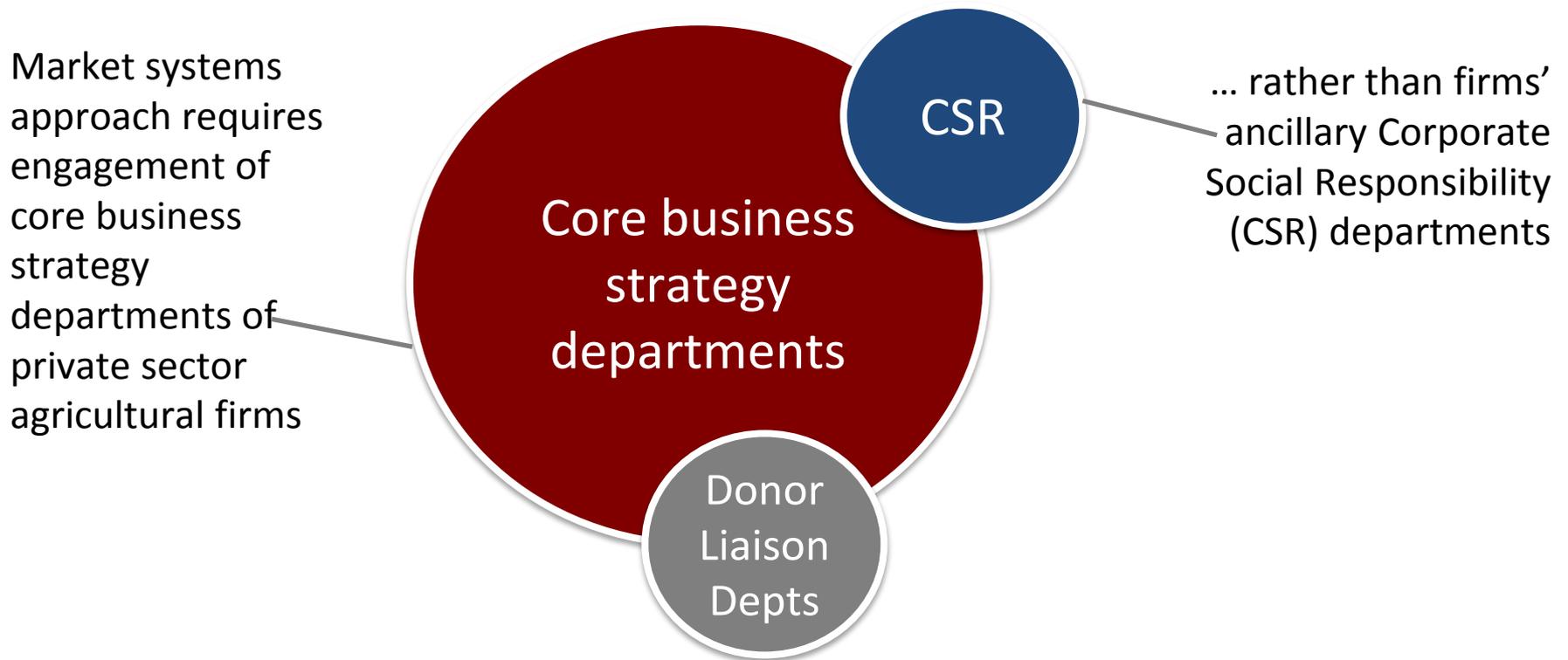


... or interventions become isolated from the core business of these firms

ADAPTATIONS IN INTERVENTION DESIGN & IMPLEMENTATION

PRIVATE SECTOR ENGAGEMENT & THE USE OF SUBSIDIES

TARGETED CORE BUSINESS CHANGES IN FIRMS



... or interventions become isolated from the core business of these firms

ADAPTATIONS IN INTERVENTION DESIGN & IMPLEMENTATION

STRENGTHENING SERVICE PROVIDERS FOR THE PRIVATE SECTOR



- The development of a robust business service provider sector, to support private sector agricultural firms, was an important strategy, as these firms provide ongoing support services to the agricultural sector way beyond the life of the USAID activity.
- The project promoted ongoing, healthy competition between service delivery firms, to incentivize continual improvement of service delivery to the sector.

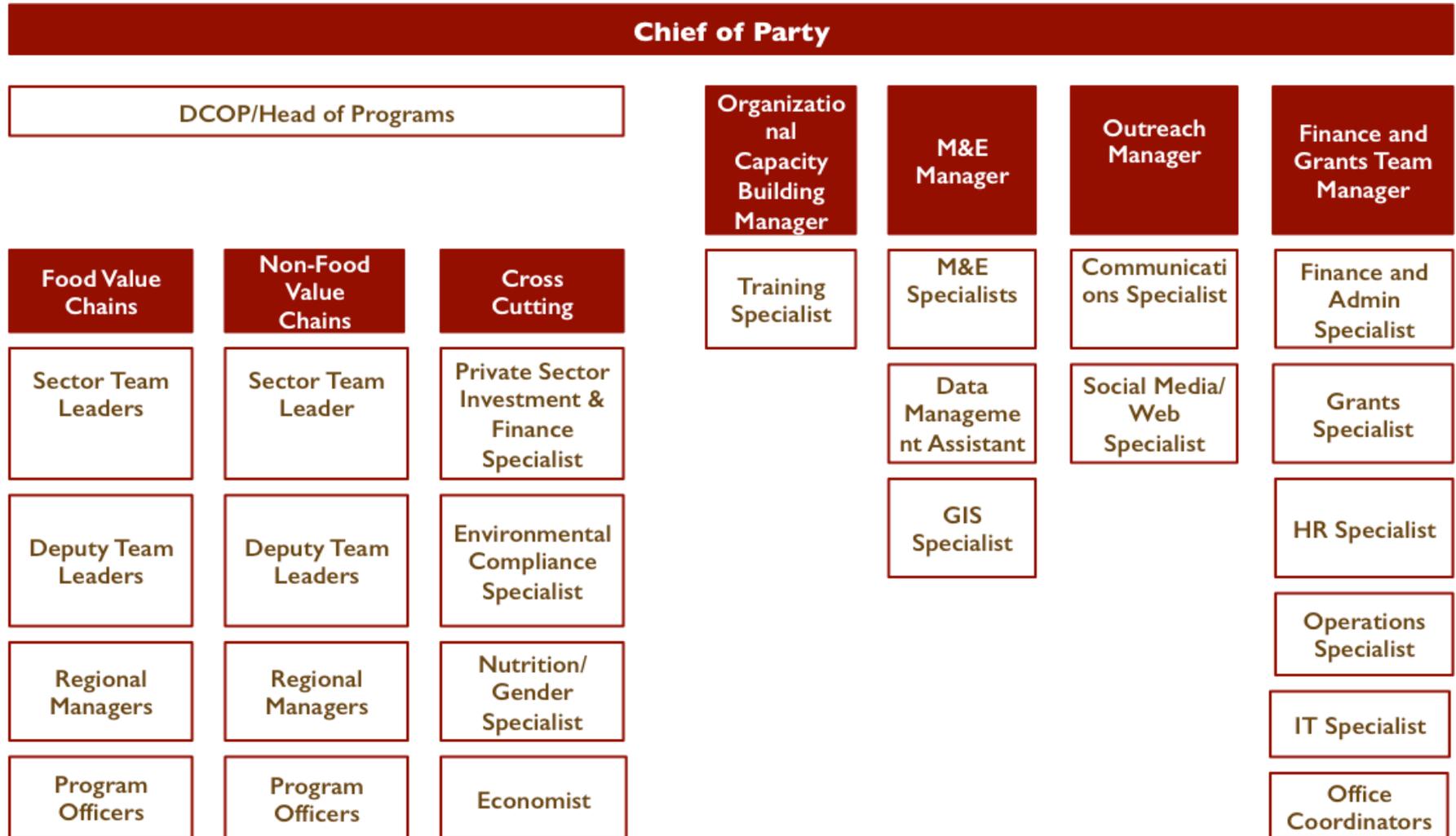
ADAPTATIONS IN INTERVENTION DESIGN & IMPLEMENTATION PROMOTING A CULTURE OF INNOVATION



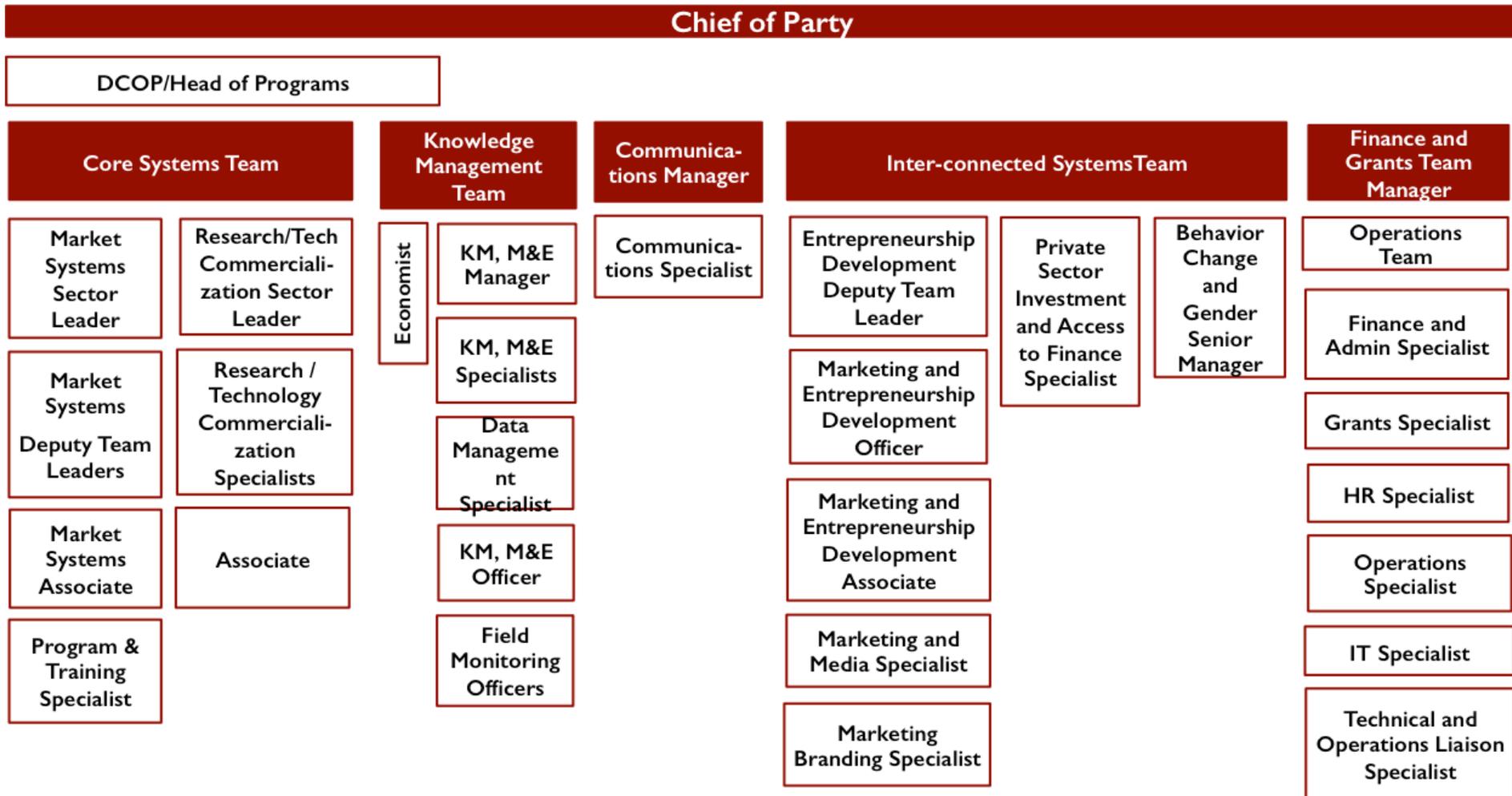
By showing market system actors how to market themselves ...
the project assisted them to bring more of their innovations, which had
not yet taken hold in the market, to the fore.

ADAPTATIONS IN MANAGEMENT OF STAFF

DIVERSIFYING THE TEAM PROFILE & RESTRUCTURING THE TEAM



ADAPTATIONS IN MANAGEMENT OF STAFF DIVERSIFYING THE TEAM PROFILE & RESTRUCTURING THE TEAM

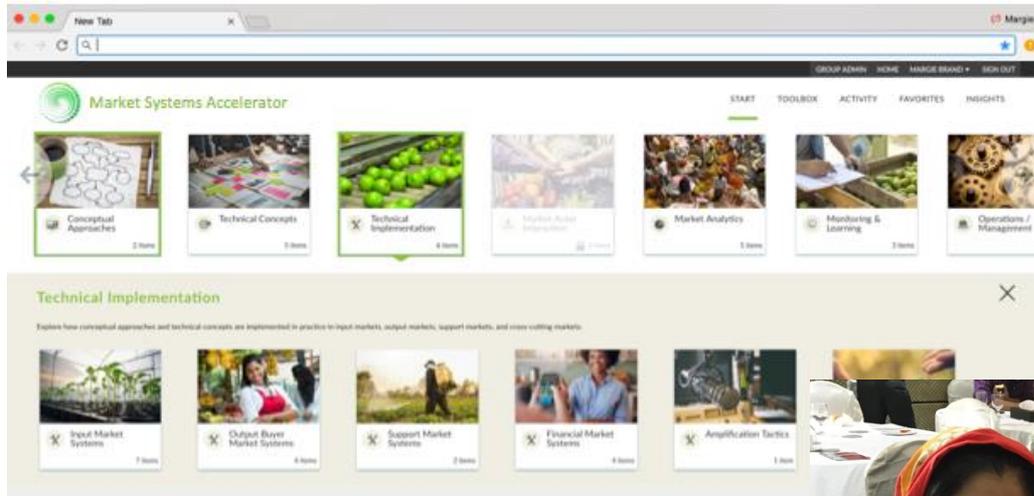


ADAPTATIONS IN MANAGEMENT OF STAFF IMPROVING PROJECT STAFF MARKET FACILITATION SKILLS



It was challenging for the project team to learn that, once firms started to change behavior in a way that would benefit the broader market system, it was time for the project to start working in new areas with that firm, with other firms, or in another part of the market system.

ADAPTATIONS IN MANAGEMENT OF STAFF IMPROVING PROJECT STAFF MARKET FACILITATION SKILLS



ADAPTATIONS IN OPERATIONAL MANAGEMENT

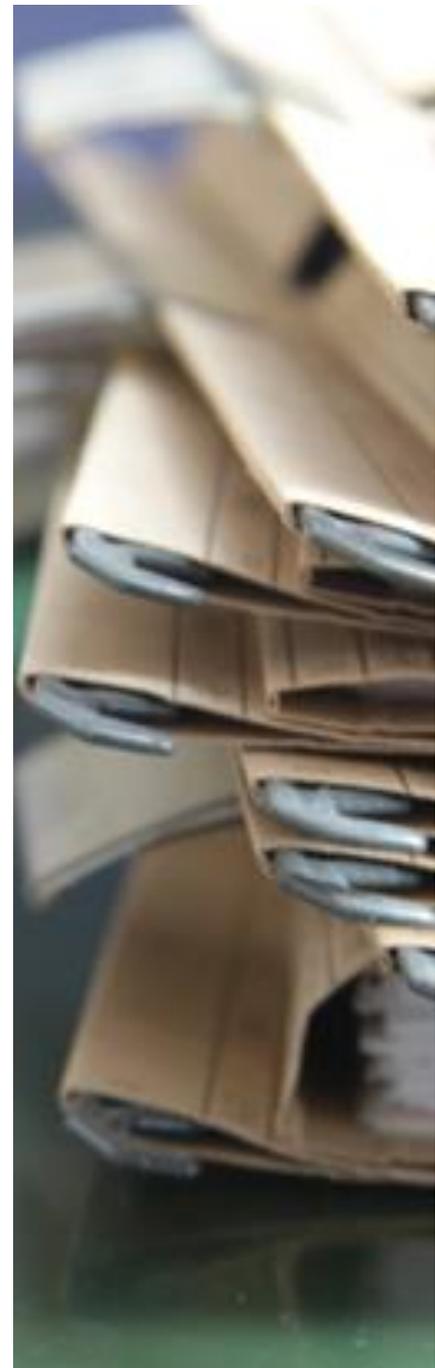
GRANTS PROCESS & DOCUMENTATION REQUIREMENTS

BLANKET ACTIVITY ANNOUNCEMENT (BAA)

- Helps the project position itself, not as a donor activity, but as a partner for development.
- Allows the project to connect and form long-term relationships with strategic contacts at agribusinesses that have the greatest potential to catalyze systemic change.

ADAPTIVE MARKET ACTOR AGREEMENT (AMAA)

- Adaptive management, in practice
- Allows firms and the project to learn from initial piloting and test cases, and monitor the ongoing interventions.
- Together, they shift focus and funding towards the interventions that are achieving positive change, and can adapt or end interventions that are not producing results.



ADAPTATIONS IN OPERATIONAL MANAGEMENT

ADAPTIVE CAPACITY THROUGH QUARTERLY PORTFOLIO REVIEWS

Adapt, Drop, Expand

One of the most important actions during the Quarterly Portfolio Review is “Adapt, Drop, Expand”. Requiring every team to identify one intervention that needs to be shifted, one that is not working and needs to be dropped, and one that should be expanded, has been the most useful aspect of this process. It messages that the team should always be adapting and shifting technical focus towards interventions with the most momentum.

ADAPTATIONS IN M&E MEASURING SYSTEM HEALTH



- people and firm behaviors
- networks structures and qualities
- exchanges and flows (i.e., flows of resources and information)

MORE THAN MICRO

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