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FACILITATING SUSTAINABLE CHANGE

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Facilitation: The Essence of the Approach
Alan Gibson, Springfield Centre

It's a word you can't have anything against. It's motherhood and apple pie. We're talking about facilitation in value chain systems but we could also say market systems or making markets work for the poor.

An example: different experiences in Uganda

2 Projects

Project A: 1999--; US$2.5m/3 yrs; est. av. $0.5m/yr

Project B: 1999-2007; ~US$1.2m

Goal

Increase info for rural MSEs "*Info is a long term strategic public good*"

Establish sustainable, effective info for rural MSEs

Outreach

Peak of 7-8m listeners

7m regular listeners

Sustainability

Initially 10 stations but dissemination cut as funding cut to $50k/yr. Other activities remain donor funded:

24+ stations with MSE independent programmes; emerging new programmes & support services: no donor funding

Two projects the same size started at the same time and both were concerned with the information problem and both sought to work with mass media – radio. The goal of Project A was to increase info for rural MSEs. The goal of Project B was to establish sustainable, effective info for rural MSEs. Project A paid directly for quality radio program and bought air time and in the end reached 7-8 million listeners. Once the donor funding ended, the radio programming stopped. Project B started working with one radio station with no direct donor funding but provided services instead. Radio programs continued beyond the life of the program.

Two projects had different rationales; they had a different understanding. Project B looked at underlying causes and sustainability. Project A had no plan for the long term and had no engagement with local actors. Project B worked to ensure long-term provision of services and worked with radio stations to see the incentive of engaging a broader audience to get more listenership and get more money from advertising. They also worked with other actors in the radio market system. Other radio stations saw the benefits and copied the model. Over time the business model changed.

Why facilitation?

Scale and sustainability

Systemic change

Facilitation approach
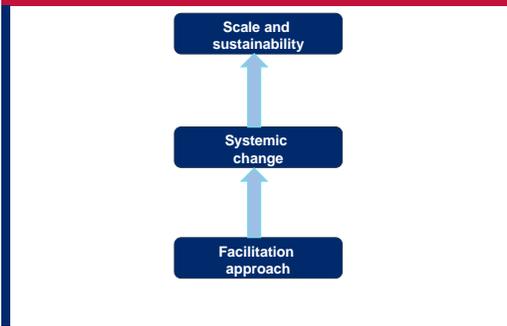
The rationale for facilitation was based on candid learning from development implementers that we were not achieving the scale and sustainable impact we had hoped. Where there were successes, implementers were engaging market systems. Facilitation is meant to bring about wider systemic change to have scale and sustainability.
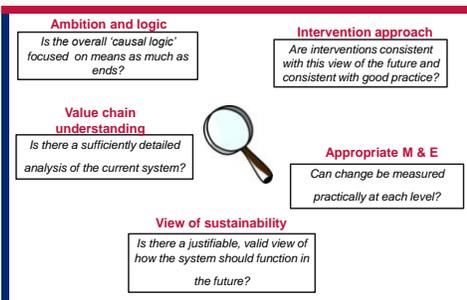
The essence of the approach

Rationale and objective	The explicit objective of more effective and more inclusive systems and of the facilitating role of development agencies
Framework for analysis	A lens through which we view the world to help us identify and diagnose constraints and opportunities for systems development
Guidance for action	A set of principles and practices that guide intervention design and implementation consistent with objectives and understanding

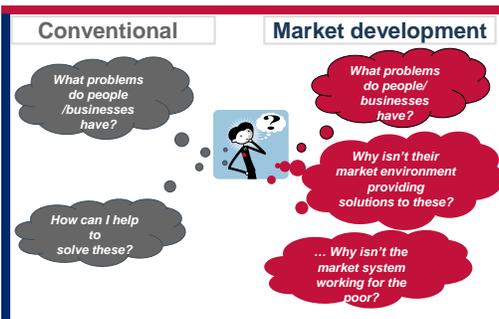The objective is bringing about wider systemic change – not to treat symptoms.

Key questions in a facilitation 'lens'

Ambition and logic
Is the overall 'causal logic' focused on means as much as ends?

Intervention approach
Are interventions consistent with this view of the future and consistent with good practice?

Value chain understanding
Is there a sufficiently detailed analysis of the current system?

Appropriate M & E
Can change be measured practically at each level?

View of sustainability
Is there a justifiable, valid view of how the system should function in the future?

These are all closed questions, with yes or no answers.

The question, "Is the overall causal logic focused on means as much as ends?" is important because if we don't have the goal of bringing about systemic change then we are not trying to achieve scale and sustainability. The causal model is always the same.

A focus on systems requires different questions

Conventional
What problems do people /businesses have?
How can I help to solve these?

Market development
What problems do people/ businesses have?
Why isn't their market environment providing solutions to these?
… Why isn't the market system working for the poor?

We need to look at the information, networks, and services that people have access to and figure out why they are not working. We need to ask ourselves if we know enough about the value chain systems and why they are not working.

Value chains are market systems
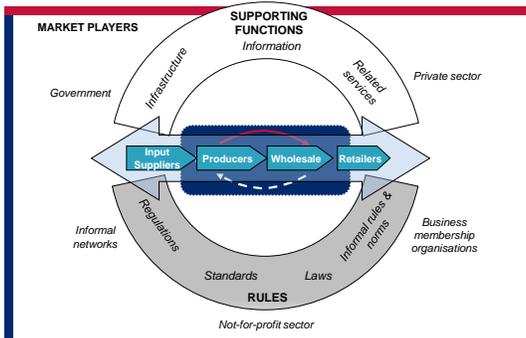
If we are serious about scale and sustainability we have to look at the other things around the value chain that make that system work, instead of just on the value chain itself. So instead of introducing someone to the right person to make a market linkage, it is important to provide access to the right systems to ensure they can find the contact of the right person themselves. Our role is to understand why the value chain system is not working. We are thinking of value chains as multi-funcitonal systems including the supporting functions. So we also need to look at other actors, public, private, membership orgs, etc.
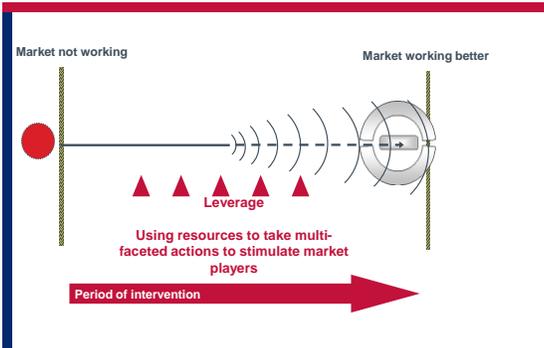
Value Chains are market systems
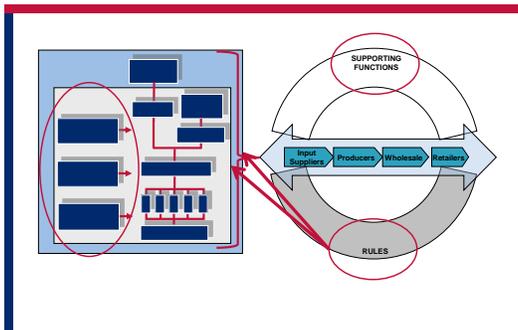
Agriculture can't be thought of as a linear flow – inputs are a market system in their own right and we need to understand that. Sustainability is not often taken seriously, but this is an approach that takes sustainability seriously. Sustainability is what differentiates development from relief so we need to think of how the value chain system is going to operate 10 years in the future, without the development implementer.

Facilitation is about 'crowding in'

It's about the transition from where value chains are not working to bring in other players and other actors through our interventions to bring about wider change. Markets only change with external shocks, so our job is to provide that external shock.

Potential interventions

What's more important than the "what" is the "how." Activities are ok as long as they are consistent with the long term vision.

Key considerations in intervention practice

- Diagnosis – is an understanding of what that market systems is and what it needs and we need to determine whether what we are doing is shaped by diagnosis. This means identifying the constraints, who we will work with to resolve those constraints and how we will work with them.
- Transactional – need a quid pro quo to ensure that the actors we are working with have a commitment in the engagement.

- Cautious about direct finance – direct finance should not be excluded but implementers should be aware that direct finance can set a precedent and can distort the market.
- Active with crowing in – Need to leverage.

Where does it come from ... and where is it going?
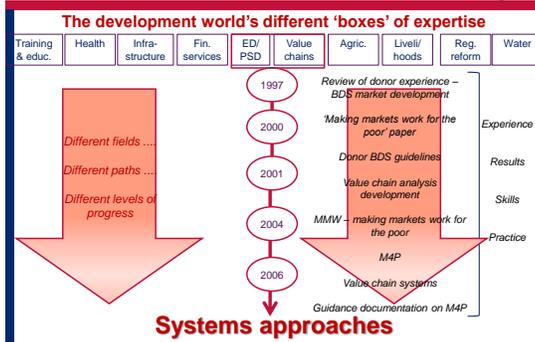
It reflects learning across different silos of expertise. Enterprise Development and Value Chain practitioners have consensus that market systems are important. But other silos are also now looking at market systems.

Future directions

This approach is being used to develop a new education system in Nigeria. The Market Systems Hub is there to support agencies and practitioners.

The future challenge

We need to be implementing longer-term projects. Facilitation is complex and it might be easier to give people things, but that's not what development is about.

QUESTIONS/COMMENTS

- **Q:** In many value chains, someone is benefitting from what is causing the problem. Trying to change that system can create conflict. How do you resolve those conflicts?
- **A:** Within the wider systems you have to understand the rules and norms, which includes power dynamics and conflicts, and then figure out how to intervene to address conflicts. You can only facilitate if you know how the market systems and power dynamics work. Then you can make a decision on whether you can intervene or not. For example, in Kenya there is a project focusing on transport but there are monopolies on transport in different areas and those monopolies are sometimes enforced by violence. So you need to determine if it is possible to safely intervene.

- **Q:** Are people adopting the approach of crowding in? Are they doing it well?
- **A:** Donors and practitioners are applying systemic change and there is concern that some donors or implementers are not doing it well. The challenge is to apply the framework rigorously.

- **Q:** Value chains operate within complex systems and we are working to achieve systemic change, so what exactly is supposed to be sustainable?
- **A:** We need to look at what aspect of the system that you are looking to change. The system is not static so it must be able to continue to evolve. It depends what change you are trying to bring about.

- **C:** It is very difficult to measure sustainability because we stop looking after the money ends. There are very few evaluations done 10 years after a project is completed. Now every project in USAID has to have a sustainability analysis that looks at a lot of systems. We focus too much on sustainability of our partners and not the sustainability of our activities and services.

- **Q:** If we are doing a good job, we are learning over time. Often projects look very different at the end than they did at the beginning. How do we measure sustainability in this context?
- **A:** Contractually, we need to be clear on the overall objective, but be flexible on the interventions.

- **C:** Nothing is as sustainable as a successful business. But systemic change is not just about a couple of firms, but changes to a whole system.

- **A:** One of the challenges is the evaluation system on facilitation programs. Systemic change is about process but the impact can be felt many years after the program ends.
- **A:** The logic of this approach is that impacts increase over time. We are going to have to be involved in analysis of the impacts over time.

Example from the Philippines
Marian Boquiren, SDC Asia

Facilitations pushes you to be innovative and flexible, which allows you to respond to the unexpected and anticipated changes in relationships, market system, and behavior.

Project Scenario: Before, During, and Beyond

This was the first USAID IGP program implemented from 2003-2006. This particular component focused on upgrading open air markets by improving food safety and quality standards. The change was driven by the vendors and somewhat by local government with the latter becoming more active as they saw positive changes. The program met the targets—positive changes in the market system, improved practices of vendors. The team went back and visited the market in 2011, five years after the project ended, and found more positive changes in the market. While the project focused on fruits and vegetables, the activities had been extended to meat and fish. The change agents that the project had worked with lead the change process in other sections of the market and in neighboring markets. They also developed new change agents in other neighboring areas. Companies like Coca-Cola assisted in building stalls.

Project Scenario: Before, During, and Beyond

Their second IGP project, the Banana Agri-Chain Competitiveness Enhancement (B-ACE) project, was implemented from 2006-2009. The project focused on improving productivity across the value chain in response to the need to improve price competitiveness of the industry vis-à-vis other banana chip producing countries. This required an ability to maintain quality and comply with food safety standards. Farmers' yields increased by more than 50% and they were linked to traders and exporters under a mutually beneficial terms. Farmers also took up more functions in the chain. In 2011, two years after the end of the program, some communities were HACCP certified because the farmers continued to pursue the initiative. The

exporters also continued initiatives after the end of the project and at least three exporters have received HACCP certification . In the two projects, outcomes did not reach their highest levels during project lifetime but these are continuing even after the project ends and oftentimes better due to project facilitated shifts in the fundamental dynamics and market relationships within the value chain.

Building Capacity to Keep an Eye on Market and Impact
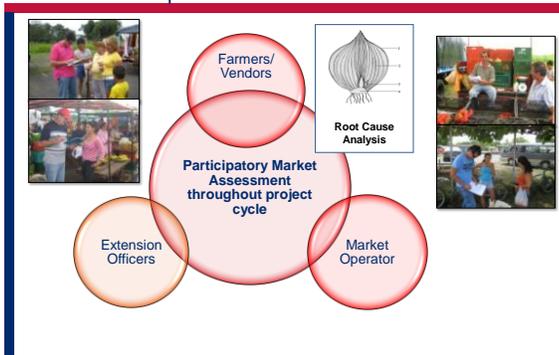
It was important to continuously gather market information to provide a snapshot of the situation. The projects trained local market actors to do the market assessment to transfer the concepts of incremental market research and transparent information flow. It's cheaper and they can do it on their own. They also did a root cause analysis which helps to shed light on the underlying issues. For example, in Papua New Guinea, value chain actors complained that the indigenous population was not reliable and VC analysis indicated that this was due to property rights issues and poor farm-to-market roads. Analysis during stakeholder workshops identified that a key issue was that the indigenous community placed higher priority on meeting social obligations than on their businesses.

Creation of a Shared Vision
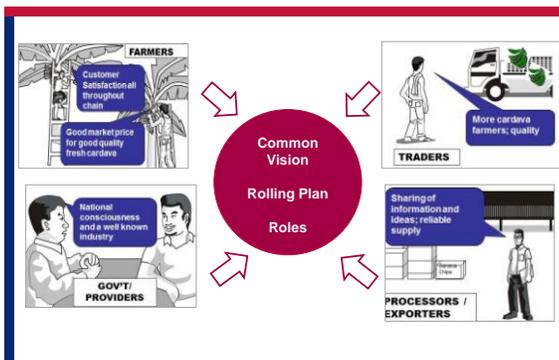

Creation of the vision helps players transcend existing mind sets and break away from fatalistic attitudes. SDCAsia encourages players to come up with a vision that reflects both self and group aspirations as this provides the motivation for collaboration .Coming up with a shared vision is easy, but nudging players to seriously pursue making the vision a reality is more difficult.

Marketing the Vision:
A Task throughout the Project Cycle
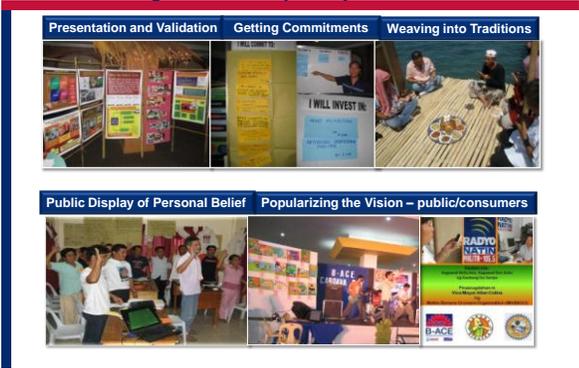
Need to sell the vision to the market actors including the consumers. This marketing has to continue throughout the project cycle.

Promotion of Common Understanding of
Standards and Shared Accountability

One of the project's main tasks is to help the players understand the entire value chain, their interdependence and interconnectedness. Trust is always an issue. The projects encouraged traders and exporters to show their operations to their farmer suppliers so they could understand the procurement and production system and see the effect of delivering bad quality. They also brought the exporters to see the farmers' fields.

Assistance to Potential Catalysts to Identify and Implement
Pro-poor Strategies to Growing their Business

Creation of supportive relationships anchored on a clear business objective rather than solely philanthropy-driven initiatives to ensure a medium- to long-term commitment.

Providing a safe space and environment for players (farmers to exporters) to share practices as well as identify areas for improvement (e.g., skills competition)

To ensure sustainability of trader's supply chain, he helped farmers implement better farming practices and access good seedlings

In filtering catalysts, an important aspect that SDCAsia takes into consideration—aside from having resources and skills—is the presence of a clear business purpose rather than philanthropy-driven initiatives to ensure a medium- to long-term commitment.

Facilitation relies heavily on the use of good interpersonal skills, the ability to express empathy, and a strong collaborative relationship between the project team & the target groups/VC players. The key tasks of the project team, as SDCAsia sees it, are: a) to facilitate self-realization; b) open the heart and mind; c) instill hope; d) build skills; and e) empower action.

The Capacity to Facilitate: It's an Emergent Process

Eric Derks, Tetra Tech ARD

- *The requisite context*

How do you burn through so much money ($35 m over 5 years) in a facilitative program?

- *Project model*

Project 1.0 had 450 field staff directly providing services to farmers. The thought was if you demonstrate it they will come. The project was working at many different levels of the value chain and achieved many targets. There was lots of uptake in new technologies and approaches.

- *Window of opportunity*

First phase met its targets. Then LEAD became a Feed the Future program. Because of this shift the program could integrate a facilitation approach.

- *Donor support*

The program has had 6 months to nurture donor support for facilitation and had to ensure there were realistic expectations because facilitation is an emergent process. The program was able to incorporate flexibility in adapting the approach based on ongoing learning.

- *Leadership style*

The first phase of the project was very hierarchical but now staff are being asked to learn and adapt through facilitation - and not work directly with farmers. Building the level of comfort of staff to try new things, some of which may not be successful is key.

- *Organizational management*

They are looking for a more flexible management structure.

- *Facilitation reflex*

Eric prefers the term ownership rather than sustainability. Stakeholders have to own the process before the project can engage with them. Facilitation is a creative process but it is helpful to set up parameters. Establish fairly tight principles. Make the clear end goals.

- *Still to come*

Want more learning networks with real examples from other projects.

QUESTIONS

- **Q:** There is a lot of emphasis in having a clear logical framework, but it's not as clear to see how that translates into impact that can be captured by M&E in achieving the wider systemic change.

- **A:** One issue is the amount of time available on the project, particularly in complex environments with lots of challenges. One approach is to be sure that there is sufficient analysis to ensure that we understand what the problems are, what the underlying constraints are and what activities could address those constraints. Incorporating learning activities to ensure that there are ongoing learning experiences.
There is some nervousness about using the word evidence because it seems this is being used for quantitative analysis only and with these activities it is difficult to repeat the same circumstances to test it. We need tools to break down the complexity. Results chains can be used to look at impact within a sector.

- **Q:** How is USAID handling the flexibility required to implement facilitation programs?

- **A:** USAID is attempting to change mindsets for the entire bureaucracy. It's not about changing the contract. USAID had a workshop looking at the theory of change and then looking at results chains and how indicators can be used to measure direction of change and momentum of change, etc. The workshop also discussed learning across programs. There are three missions that are interested in engaging on learning. There is interest and momentum.

- **Q:** How do you make this concept real to the staff and the local implementing partners?

- **A:** The results chain was effective in helping to share these concepts with staff and partners. It takes it from abstract ideas to activities and impacts. Also at each step and each little activity, think through why you are doing that activity and how it fits in with the framework.

Donors' Perspective
Jeanne Downing, USAID
Tony Pryor, USAID
Alan Gibson, Springfield Centre

Tony Pryor, USAID
- USAID is trying to get more technical expertise and get into the field more and have hired many new staff in the last 18 months.
- USAID is also trying to limit the number of indicators for implementers.
- By the end of 2013, 80 countries will have strategic plans in place that are at the IR level. USAID is also looking at how to build in learning and adaptation. The strategies are supposed to be living documents that evolve by asking strategic questions every year.
- Other government sectors don't assume that they have the answers but for some reason in development we assume that we do know the answers.
- A year from now USAID could look like a new organization.
- There is some concern from people who work with numbers that we can't move the goal posts. The other side is those (OTI) that believe that you should be able to always maintain flexibility. There has to be a middle ground.

Jeanne Downing, USAID
- There is increasing interest in talking about systems and complexity, which is heartening.
- USAID has the opportunity to leverage broad systemic change as the country strategies lay out broad systems and present the desired changes. Also all of the donors are supporting CAADP which also focuses on systemic change.
- There are a small number of people at USAID that are interested in facilitation, but many people don't know about it. This administration is focusing on innovation and facilitation is an innovative approach. There is a need to get broader dissemination throughout the agency and to disseminate information on facilitation to the Hill. People in the mission are less interested because they want to be sure they have the control they need to make sure they get the numbers that they are required to have.

Alan Gibson, Springfield Centre
- The politics of aid varies from one country to another so it is difficult to make generalizations. Technically, more agencies are becoming interested in facilitation and market systems. It is at the heart of DFID's approach as well as that of SIDA and AusAid. But these agencies also have the capacity to contradict themselves.
- One challenge is turning facilitation into operational plans and action, but this is manageable. The bigger challenge is being able to explain the approach in 30-seconds to people within these organizations. The message needs to be about scale and sustainability. This is a concept that doesn't bring change based on the size of the check, but rather by the approach. We need to get the

message out that this approach can bring about substantial change. The bigger task is therefore about convincing people that this approach is what development is all about; if we have true to our ambitions of scale and sustainability, this is the approach we must pursue.

QUESTIONS

- **Q:** Do we not have enough data to show that market facilitation gets to scale?
- **A:** Jeanne noted that a paper has been written on 6-7 facilitation projects that have data on the number of households reached, significant change in yields, etc. There is a perception that the numbers (results) are not good on facilitation projects. We need to explain that the numbers are low in the beginning but they grow, and they grow on their own without further intervention. We also need to emphasize the contrast between the drop-off in impact after a non-facilitation project ends versus the on-going impact of a facilitation project. It seems that it may take around three years for the impact of a facilitation project to catch up with the impact of a non-facilitation project.

- **C:** Part of the challenge of winning people over to the facilitation approach is that the systemic constraints are often intangible – policy, trust, etc. And we don't know how to address those challenges.