

MICROLINKS



Facilitating Systemic Change: Insights from Feed the Future Programs in Rwanda, Senegal, Ghana and Zambia

September 8, 2016

Speakers: Olaf Kula, *ACDI/VOCA*
 Ben Fowler, *MarketShare Associates*
 Elizabeth Dunn, *Impact LLC*
 Dan White, *ACDI/VOCA*
 Alex Diouf, *MarketShare Associates*

Moderator: Kristin O' Planick, *USAID*

Olaf Kula, ACDI/VOCA



Olaf Kula is Senior Vice President for Private Sector Engagement at ACDI-VOCA. He has over 30 years of experience in 45 countries, and provides technical support to ACDI/VOCA's worldwide activities in enterprise development, trade, agricultural competitiveness, rural financial services, and microfinance. He also provides intellectual leadership and practical solutions for ACDI/VOCA's research in value chain approaches to accelerate growth and poverty reduction. Prior to joining ACDI/VOCA, Mr. Kula consulted for the World Bank, USAID, UNDP, European bilateral donors, and World Trade Center organizations.

Ben Fowler, MarketShare Associates



Ben Fowler is a Principal Consultant for MarketShare Associates. He works to facilitate the development of inclusive market systems in Africa and Latin America, and specializes in the set-up and implementation of learning systems that support program improvement. Ben has published guidance on how to use the value chain approach to alleviate food security and benefit vulnerable populations. He has consulted for entities including the World Bank Group, McKinsey & Co., KPMG and DFID.

Elizabeth Dunn, Impact LLC



Dr. Elizabeth Dunn is a research economist specializing in market-based solutions to poverty, with emphasis on inclusive market systems, value chains, smallholder agriculture, and micro- and small enterprises. As principal investigator for the Leveraging Economic Opportunities (LEO) Project, her work supports improved monitoring, evaluation and learning for inclusive market systems development. Dr. Dunn shaped global evaluation practice for value chain programming through her technical role on the AMAP Project. She earned a Ph.D. in Agricultural Economics at the University of Wisconsin-Madison, served on the graduate faculty in Agricultural Economics at the University of Missouri for 10 years, and founded Impact LLC in 2000.

Dan White, ACDI/VOCA



Daniel White is the Technical Director for Agriculture at ACDI/VOCA, where he contributes to the scaling research stream under the Leveraging Economic Opportunities (LEO) MOBIS task order. With more than 10 years of experience in private sector horticulture and donor-funded agricultural development projects, White has managed and designed projects on agricultural productivity, training and behavior change, and research and learning in Iraq, Lebanon, Angola, Mozambique, Zambia, Tanzania and Indonesia. He has focused particularly on the interplay between agronomic, economic, and social determinants of agricultural production and exchange practices.

Alex Diouf, MarketShare Associates



Alex Diouf is an Analyst with MarketShare Associates, based in Senegal. He is an expert in research, monitoring and evaluation of private sector development programming, and led the case study field work in Rwanda and Senegal for this activity. He is skilled at applying the DCED Standard for Results Measurement and provided long-term M&E roles for CRS in Central Africa, and Plan and IRD in Senegal, among others. His consulting clients have included the World Bank, Adam Smith International, GiZ, FAO, and USAID. Alex will serve as a contributor during the webinar, answering questions and providing technical inputs which revolve around the four cases.



USAID
FROM THE AMERICAN PEOPLE

Facilitating Systemic Change: Insights from Feed the Future Programs in Rwanda, Senegal, Ghana and Zambia

LEO

Leveraging Economic
Opportunities



USAID
FROM THE AMERICAN PEOPLE

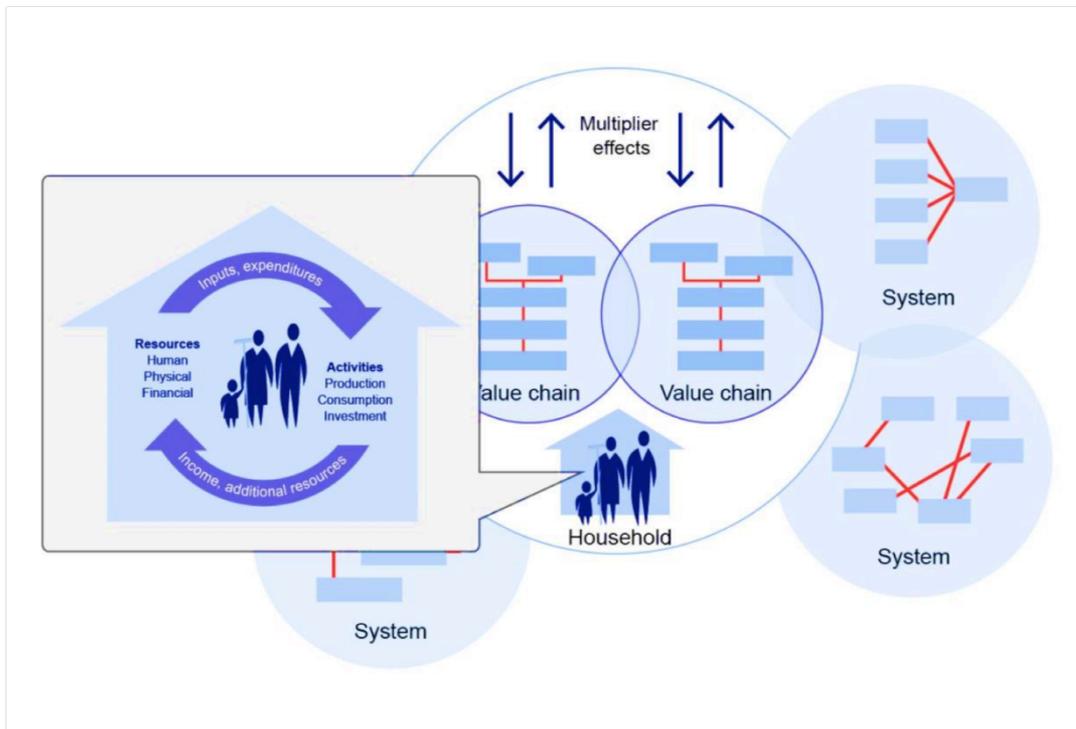
Welcome & Agenda

- Welcome speakers
- Background on these case studies
- Review agenda for the webinar



USAID
FROM THE AMERICAN PEOPLE

Market System



Actors & networks in interconnected systems:

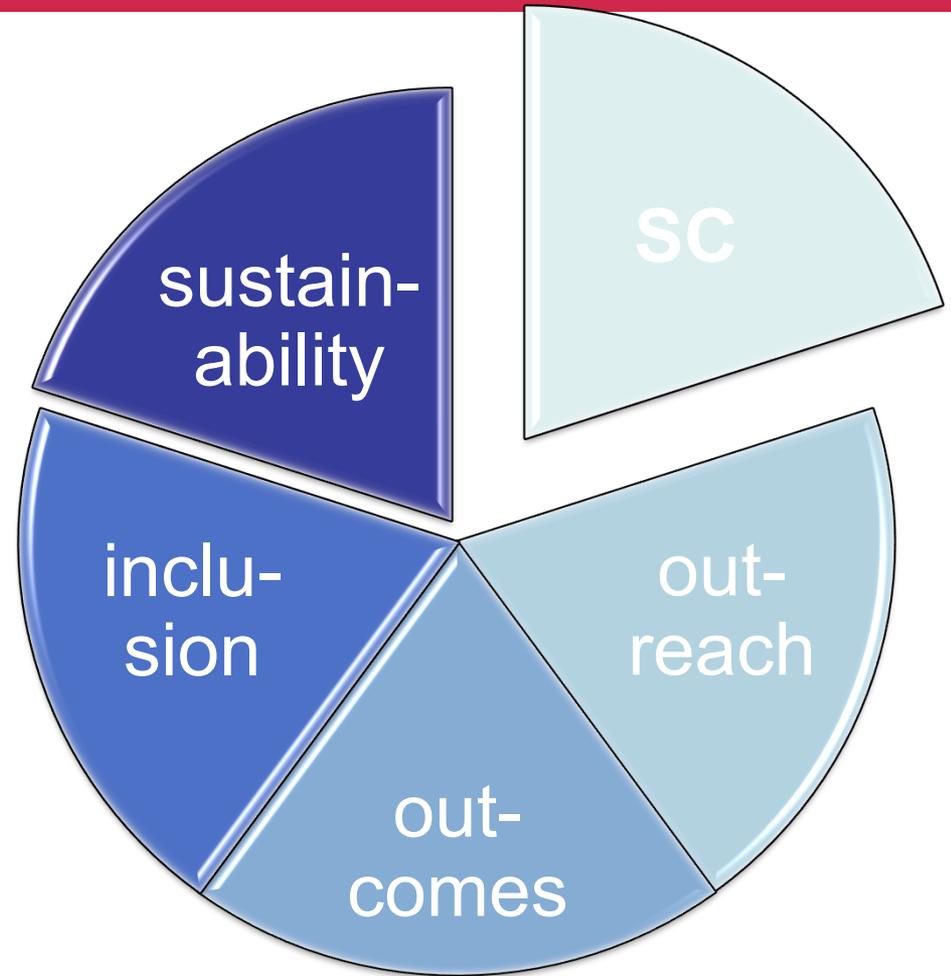
- **value chains**
- households
- input markets
- economies
- phys environ/
agroecology
- polit., social,
ethno cultural
- health, educ.



USAID
FROM THE AMERICAN PEOPLE

Systemic Change

Systemic change is one of multiple dimensions for evaluating market systems interventions





USAID
FROM THE AMERICAN PEOPLE

Components of Systemic Change...

- ...changes in structure or dynamics of systems
- ...changes in norms and behavior
- ...changes in networks and connections
- ...changes in flows and feedback loops

Systemic change...

- ...can have positive or negative effects
- ...can occur with or without an intervention
- ...is a trajectory in a dynamic system



Questions for market systems development projects?

- How do we identify system actors motivated to disrupt the status quo by introducing change within a system?
- How does inclusive change spread from origin to adopters?
- What are the factors that affect the rate at which change occurs and the rate at which said change is taken up by other actors?
- How do we measure progress from the introduction of a change to the point at which the introduced change becomes systemic? What are the observable steps in the adoption and replication process, and;
- For how long and with what percentage of a population do we have to reach before change has become systemic (overcome forces of the status quo) and we can move on to the next thing?



USAID
FROM THE AMERICAN PEOPLE

Senegal Naatal Mbay



LEO
Leveraging Economic
Opportunities



USAID
FROM THE AMERICAN PEOPLE

Goal: Improve farmers' incomes & productivity

Approach: Facilitate revamping of pre-existing rice contract farming system to have the following features:

- Data-based decision-making
- Reference price established based on quality standards
- Acceptance of in-kind payment
- Increased credit & insurance supporting transactions

History & Conditions:

- Established, large farmer coops and apex orgs
- Recent shift to greater government intervention after long period of inaction



USAID
FROM THE AMERICAN PEOPLE

Key findings:

- Strong buy-in to price discovery process, in-kind repayment and financing
- Buy-in around data mgmt. function still unclear
- Some elements cannot be easily imitated
- Imitation by financial institutions
- Potential replication in other crops

Takeaways:

- ‘Purposeful redundancy’ helps to spread norms
- Fractional selling facilitates farmer buy-in



USAID
FROM THE AMERICAN PEOPLE

Ghana ADVANCE II



LEO

Leveraging Economic
Opportunities



USAID
FROM THE AMERICAN PEOPLE

Goal:

- Increase the competitiveness of select value chains.
- Improve value chain actors' access to markets and finance.
- Reach over 113,000 smallholder farmers by end of 2018.

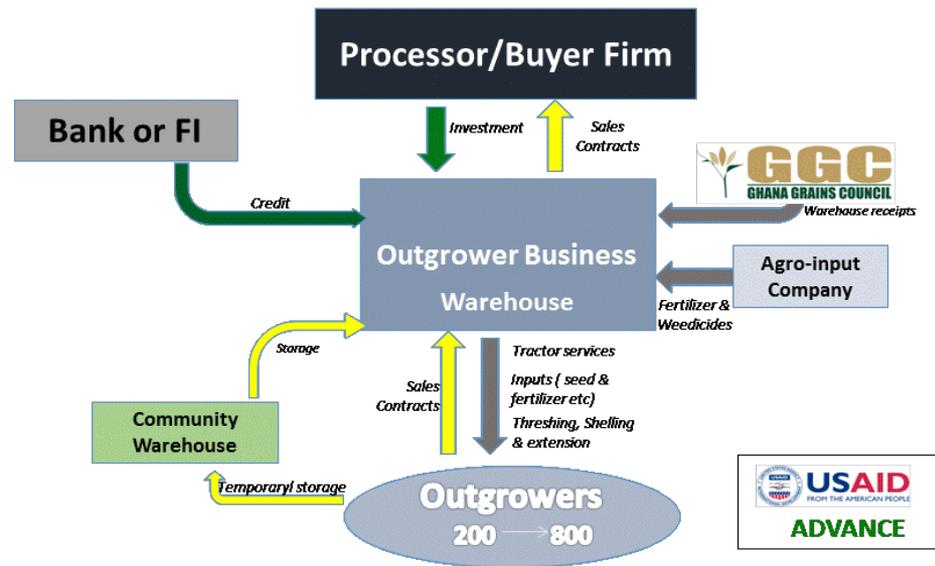
Approach:

- Outgrower Businesses.

Environment

- Weak farmer orgs.
- Competitive input and Financial services sectors

Outgrower Business Model





Findings

- Widespread adaption by project clients
- Widespread copying by non-project clients
- Out grower businesses competing to offer better services to smallholders.

Take-aways

- Competitive markets accelerates change
- Outgrower businesses accelerating innovation by farmers

<i>Evidence of Systemic Change Observed during field interviews</i>						
	Imitation	Buy-In Indicators				
Market Actors	Imitation	Satisfaction	Continued Use	Adaptation	Further Investments	Replication
Small-holder farmers						
	✓	✓	✓	✓	X	✓
Farmer Business Org.						
<i>Suglomali Nyori</i>	✓	✓	✓	✓	✓	✓
Outgrower business (OB)						
<i>Asawaba Farms</i>	X	✓	✓	✓	✓	✓
<i>Agro-Business Svcs. (ABC)</i>	✓	✓	✓	✓	✓	✓
Off-takers						
<i>Premium Foods</i>	X	✓	✓	✓	✓	
<i>Akate Farms</i>	✓	✓	✓	✓	✓	✓
Input Service Providers						
<i>Wumpini Input Suppliers</i>	✓	✓	✓	✓	✓	✓
<i>John Deere</i>	X	✓	✓	✓	✓	X
Financial Services						
<i>Sinapi Aba</i>	X	✓	✓	✓	✓	X
<i>Bonzali Rural Bank</i>	X	✓	✓	X	X	X
<i>Source: Field interviews and focus groups</i>						



USAID
FROM THE AMERICAN PEOPLE

Zambia Profit +



LEO

Leveraging Economic
Opportunities



USAID
FROM THE AMERICAN PEOPLE

PROFIT+: Producer Companies

Market System Objective(s) : Better access to input goods and extension to realize higher yields, productivity and incomes.

History & Conditions:

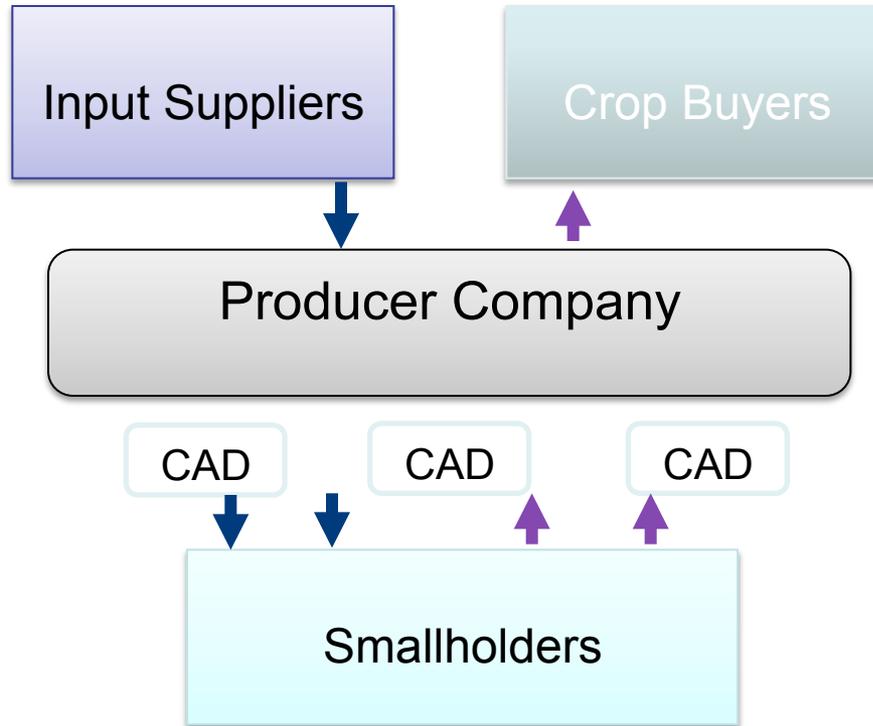
- Strong longer-term ag sector growth—lots of push from input suppliers to reach smallholders
- But, individual rural ADs still limited in growth potential on their own.
- Economies of scale required for competition beyond individual ADs.



USAID
FROM THE AMERICAN PEOPLE

PROFIT+: Producer Companies

Model:



Extension
Inputs

Crop
Commodity

Takeaways:

- No evidence yet of imitation, but still early
- Highly adaptable model → strong potential for imitation and duration



USAID
FROM THE AMERICAN PEOPLE

Rwanda Dairy Competitiveness Program II

LEO
Leveraging Economic
Opportunities





USAID
FROM THE AMERICAN PEOPLE

Goal: Increase the competitiveness and performance of the dairy sector to benefit smallholder farmers

Approach:

- Pilot milk retailer franchise system
- Support quality upgrading throughout the VC
- Support gov' t enforcement of quality standards
- Create a more efficient milk transport system

History & Conditions:

- Capable, powerful government that is credible
- History of enforcing standards in other sectors



USAID
FROM THE AMERICAN PEOPLE

Key findings:

- Shift in consumer purchasing to higher quality milk
- Imitation of retailer franchise system by another processor
- Strong buy-in by processors to quality testing (application to new retailers)
- Banks expanding lending to the sector

Takeaways:

- Supportive norms enable rule enforcement
- Supportive conditions vary (Kigali vs. rural areas)



USAID
FROM THE AMERICAN PEOPLE

Observations and Challenges

LEO

Leveraging Economic
Opportunities



Insights from the four cases

- All show evidence of systemic change
- All introduced innovation through private actors
- All introduced innovation through buyer-seller ‘bridges’.
- Senegal and Ghana are similar yet, the change process appears more dynamic in Ghana. Why?
- Zambia, drought affected adoption

Table 2: Ease of doing business

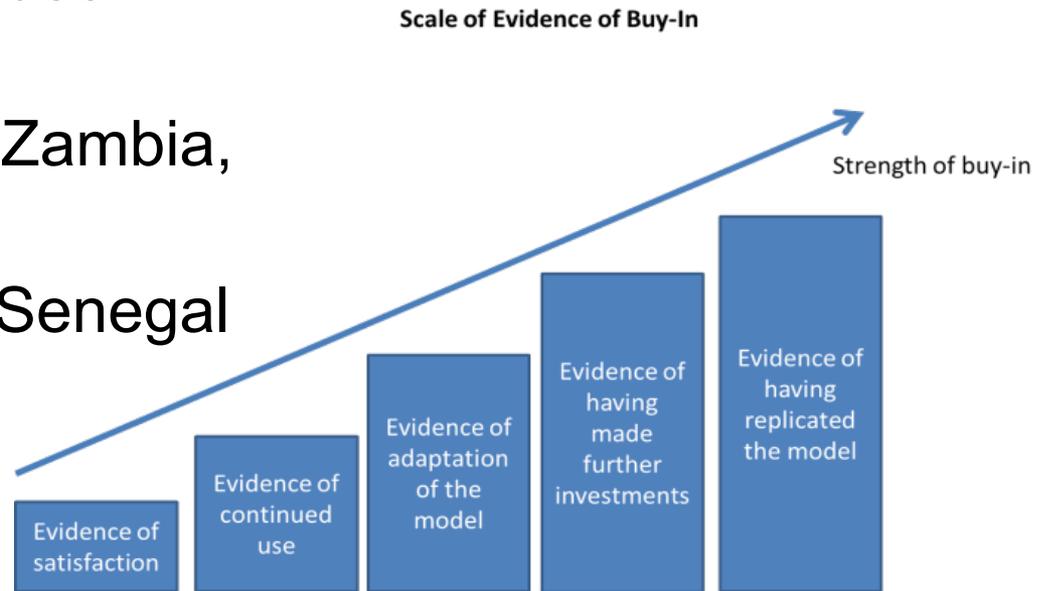
Country	<u>Ease of Doing Business Rank</u>
Rwanda	62
Zambia	97
Ghana	114
Senegal	153

Source: www.doingbusiness.org/



Insights from the four cases: measuring progress

- Not all projects are in the same phase (Rwanda is newer)
- Satisfaction, continued use common to all
- Adaptation common to Zambia, Senegal and Ghana
- Further investments in Senegal and Ghana
- Replication widespread in Ghana



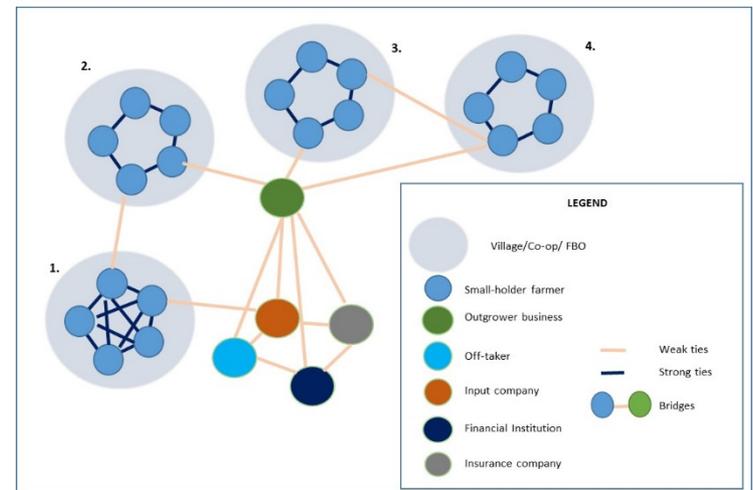


USAID
FROM THE AMERICAN PEOPLE

Challenges for market systems development programs

- Dependency on subsidy
- Differences in the Enabling and Physical environment affect rate of adoption
- Policy change can rapidly affect adoption
- Bridges between groups more important than intra-group diffusion
- When is enough, enough?
- How do we build a change process?
- How do we measure success?

Figure : Strength of Weak Ties and Bridges



Questions and Answers

MORE THAN MICRO

[microlinks.org](https://www.microlinks.org)

**Comment on
today's topic:**

<https://www.microlinks.org/facilitating-systemic-change-insights-feed-future-programs-rwanda-senegal-ghana-and-zambia>

**Leveraging
Economic
Opportunities
(LEO):**

<http://www.acdivoca.org/projects/leveraging-economic-opportunities-leo/>

Tweet tips!

twitter.com/microlinks

Post resources!

facebook.com/microlinks