



**USAID**  
FROM THE AMERICAN PEOPLE

# Organisational Capacity: Why the Value Chain Approach May Fail



Ka-Hay Law

Engineers Without Borders Canada

engineers without borders  
ingénieurs sans frontières  
Canada

June 25, 2009

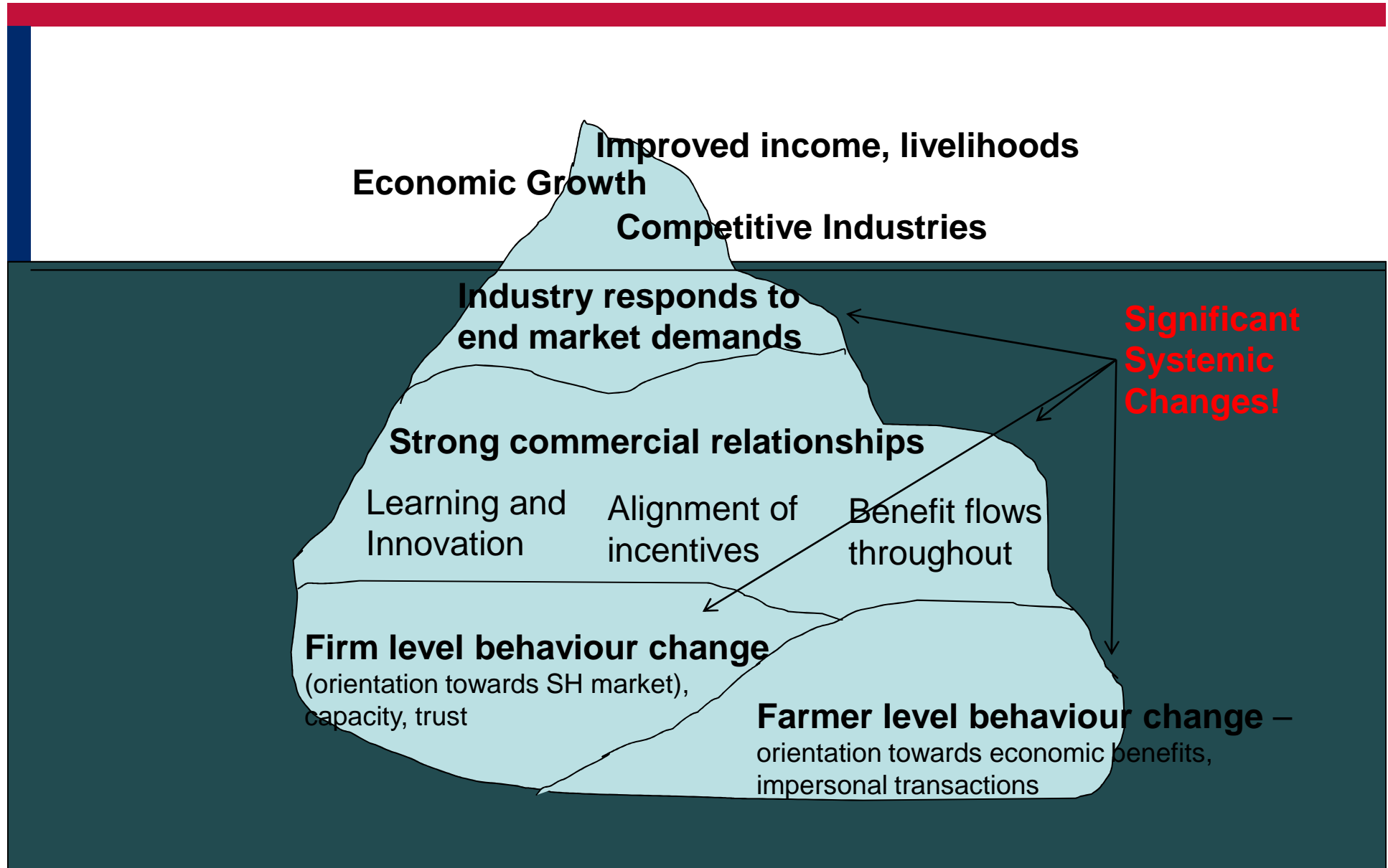
# EWB CANADA

- In Canada
  - 35,000 members
  - Advocacy, Public Outreach, Engineering
- African Programs
  - More than technology design
  - Improving quality of implementation
  - Agriculture Value Chains
    - Improving organisational capacity

# MEET...



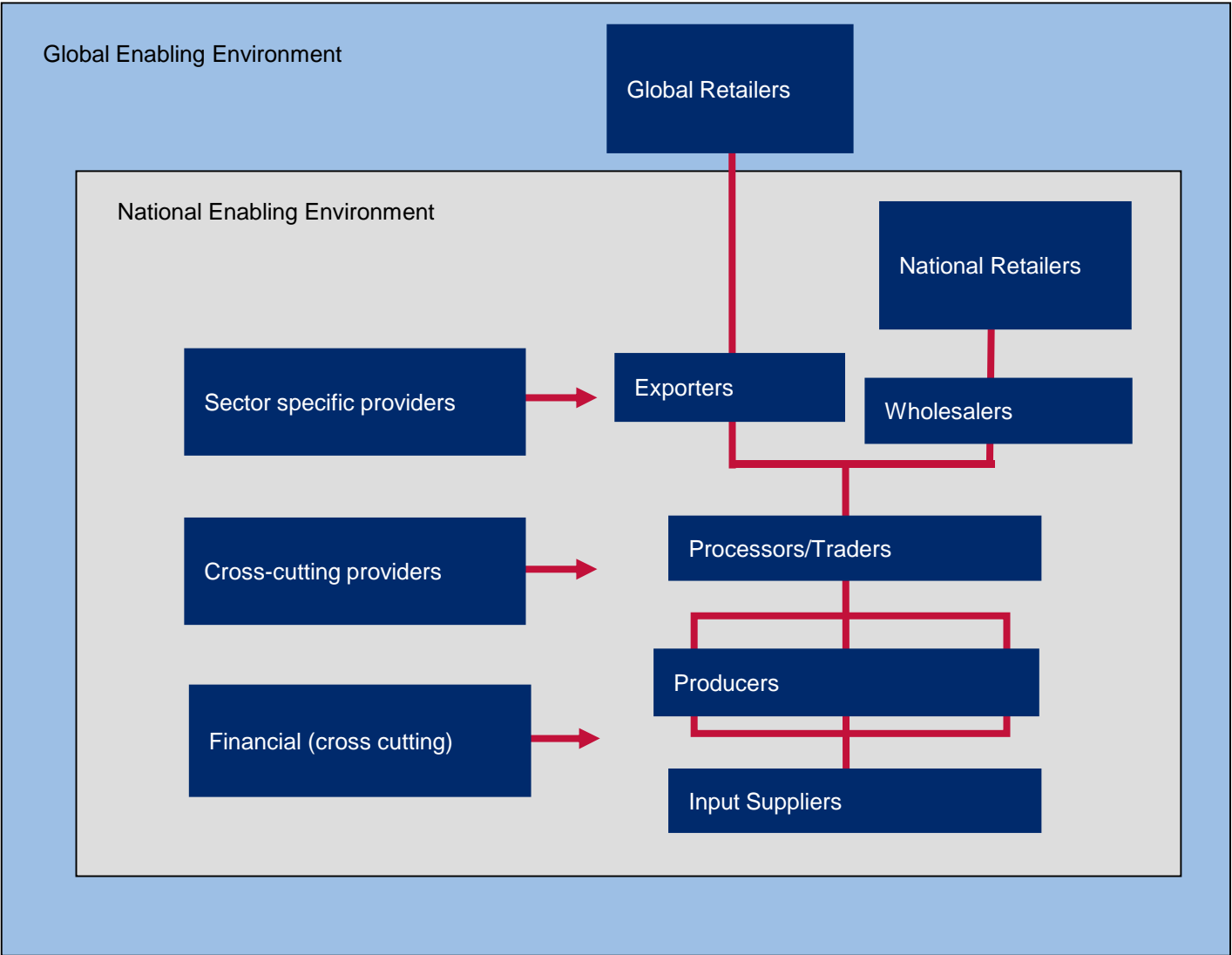
# WHAT WILL BE REQUIRED? DIVING A BIT DEEPER



# OUR HYPOTHESIS

$$\text{Sustainable Change} = \left( \begin{array}{l} \text{Value} \\ \text{Chain} \\ \text{Approach} \end{array} + \text{Market Facilitation} \right) \times \text{Organisational Capacity}$$

# VALUE CHAIN APPROACH FRAMEWORK

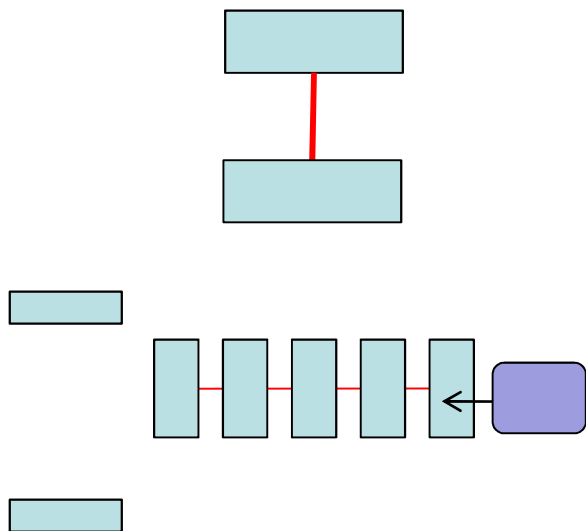


**1) System perspective**

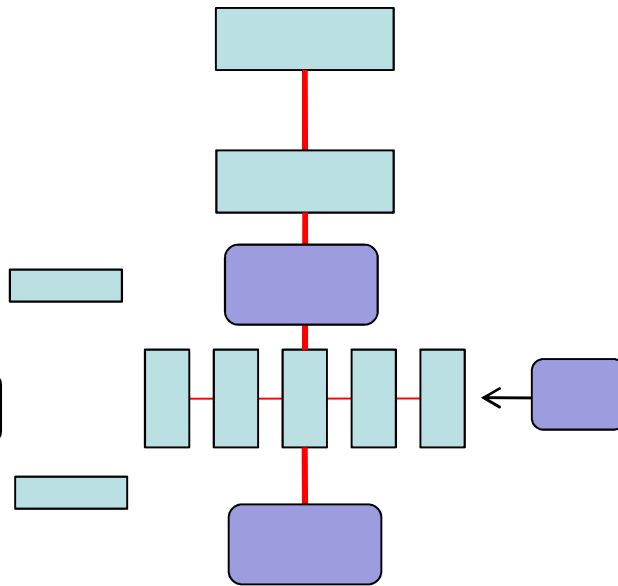
**2) End Market Demand**

# RANGE OF INTERVENTIONS

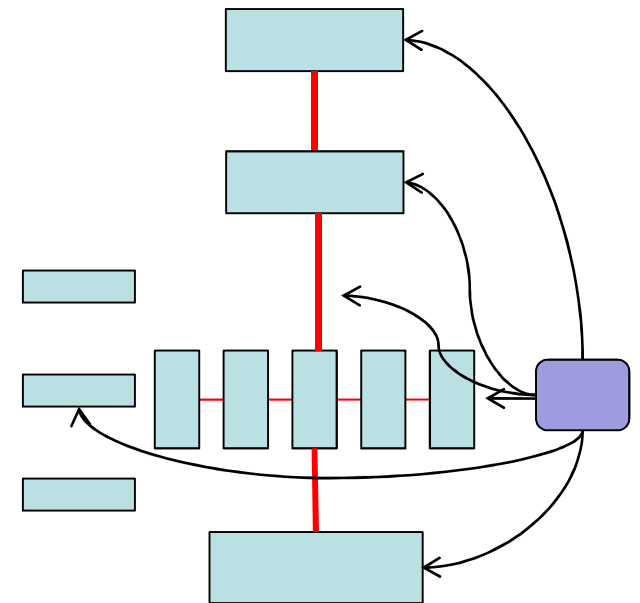
Type 1:  
Service Delivery



Type 2:  
Service Delivery &  
Market Linkage

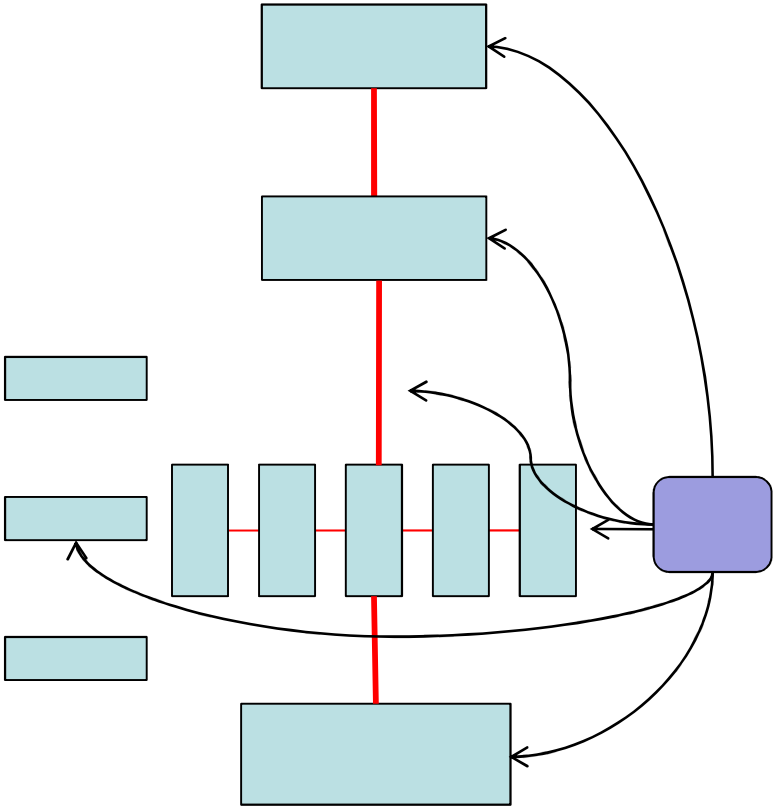


Type 3:  
Market Facilitation



# MARKET FACILITATION – IMPLEMENTATION TACTICS

**Market Facilitation** involves an action or agent that **stimulates** the market to develop and grow *but does not become part of it.*





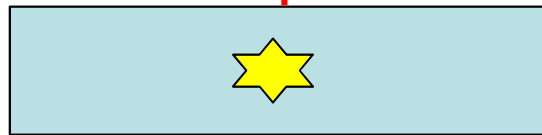
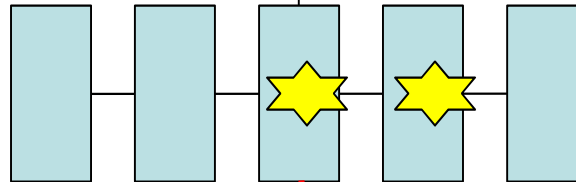
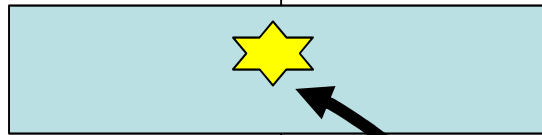
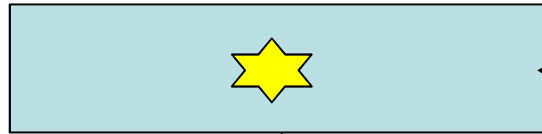
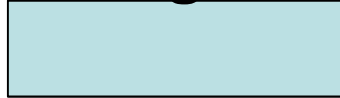
# 5 THINGS TO KEEP IN MIND



## 1. Incentives

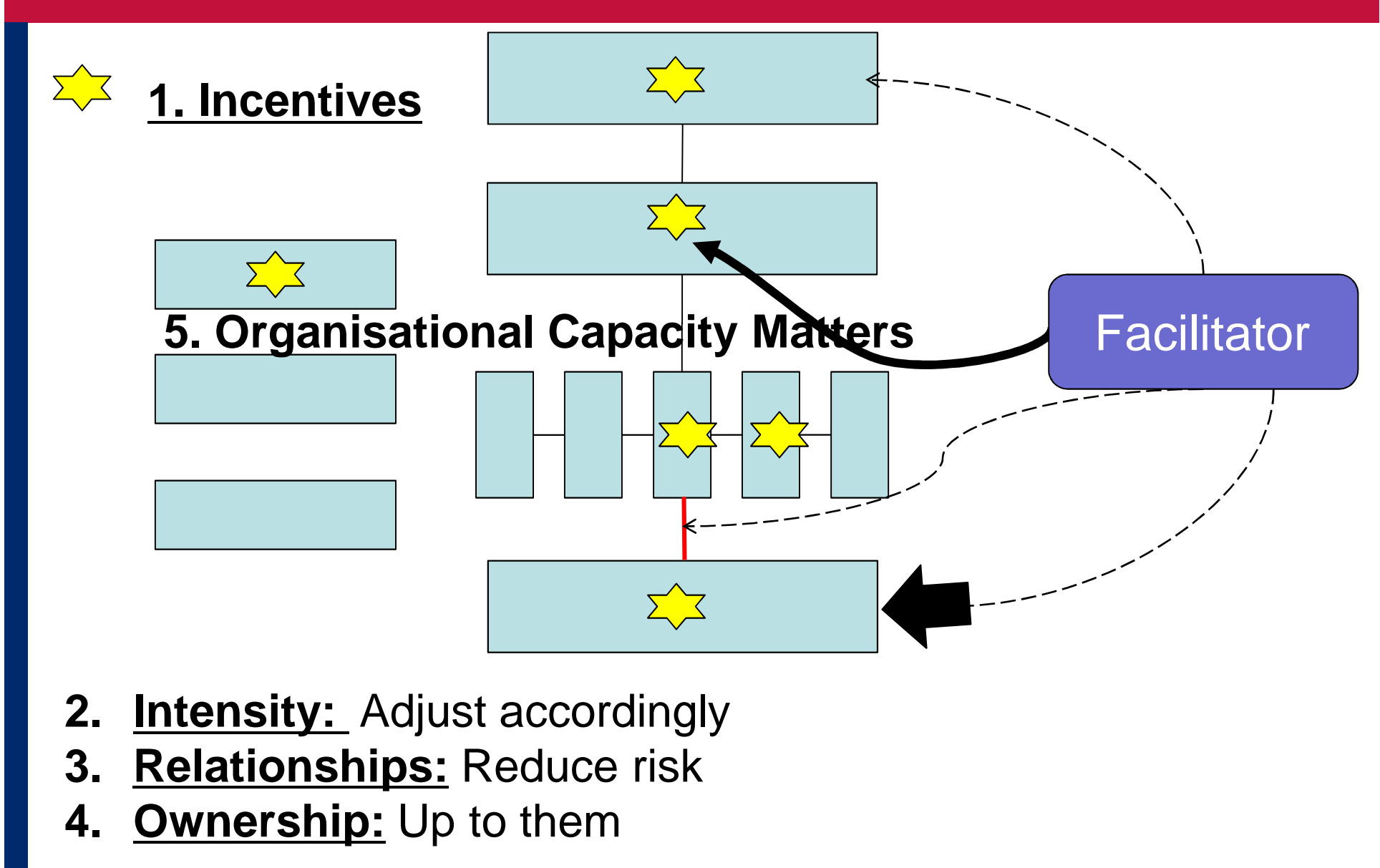


## 5. Organisational Capacity Matters



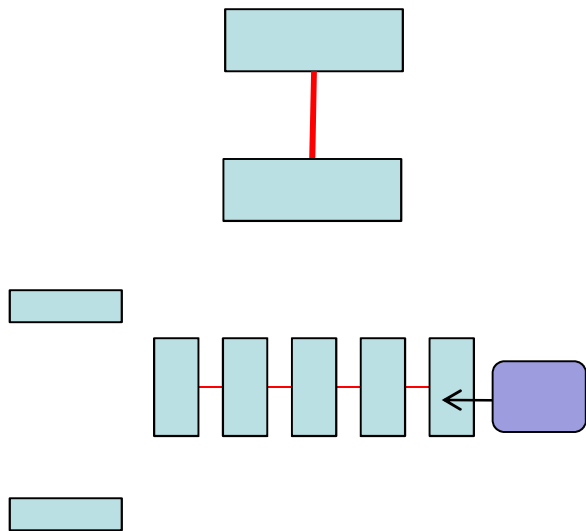
Facilitator

- 2. Intensity: Adjust accordingly
- 3. Relationships: Reduce risk
- 4. Ownership: Up to them

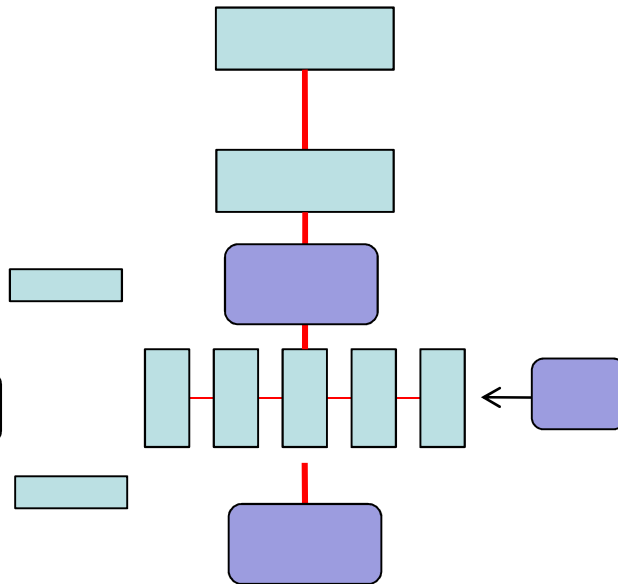


# NEW TYPE OF ORGANIZATION

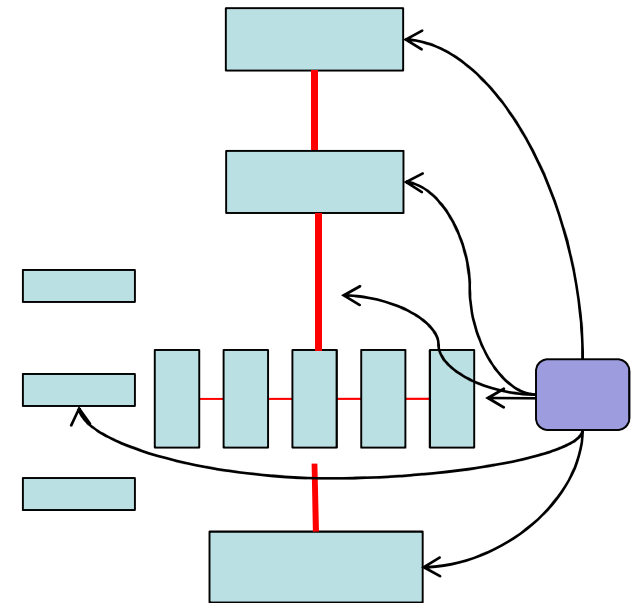
Type 1:  
Service Delivery



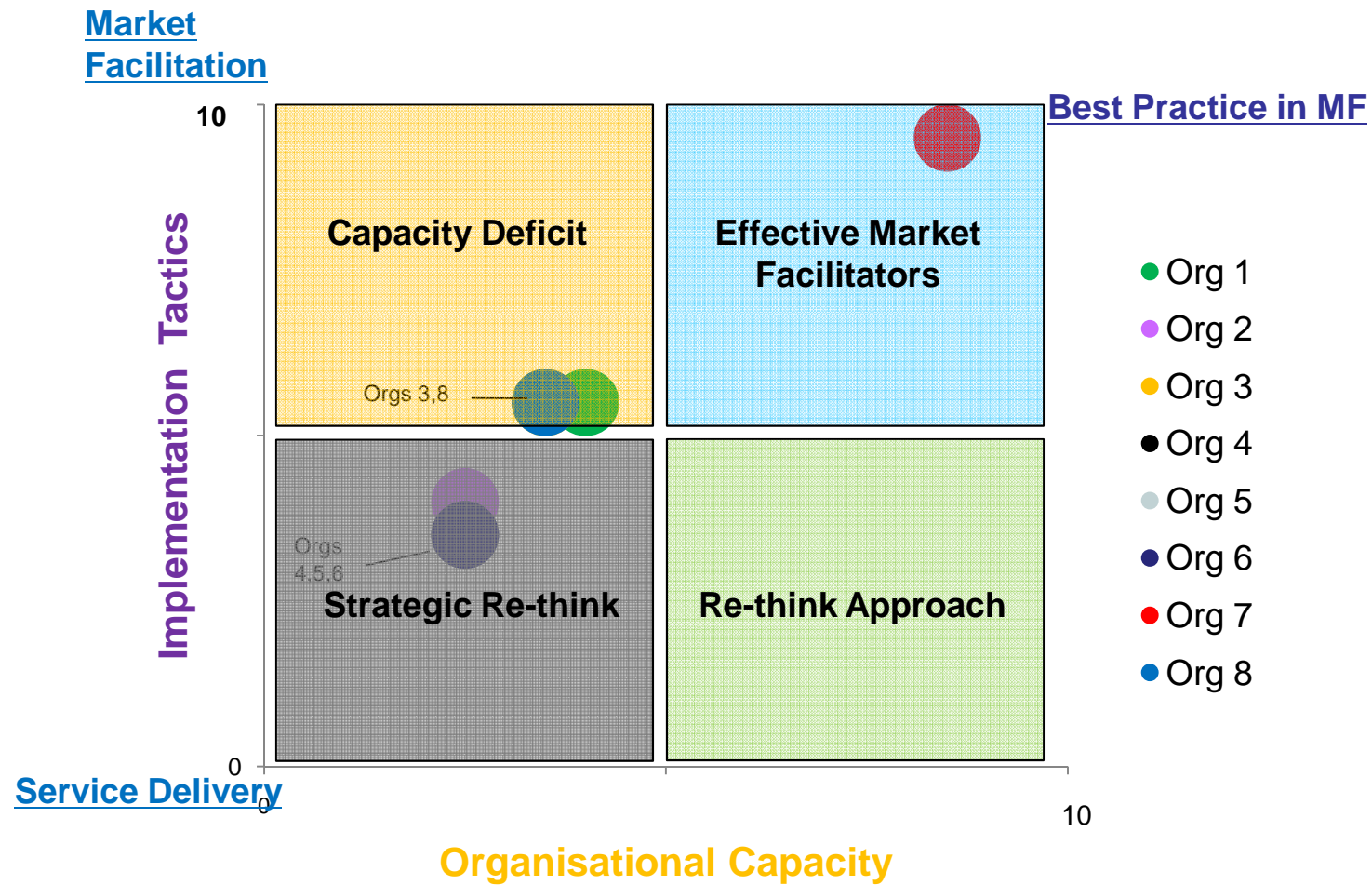
Type 2:  
Service Delivery &  
Market Linkage



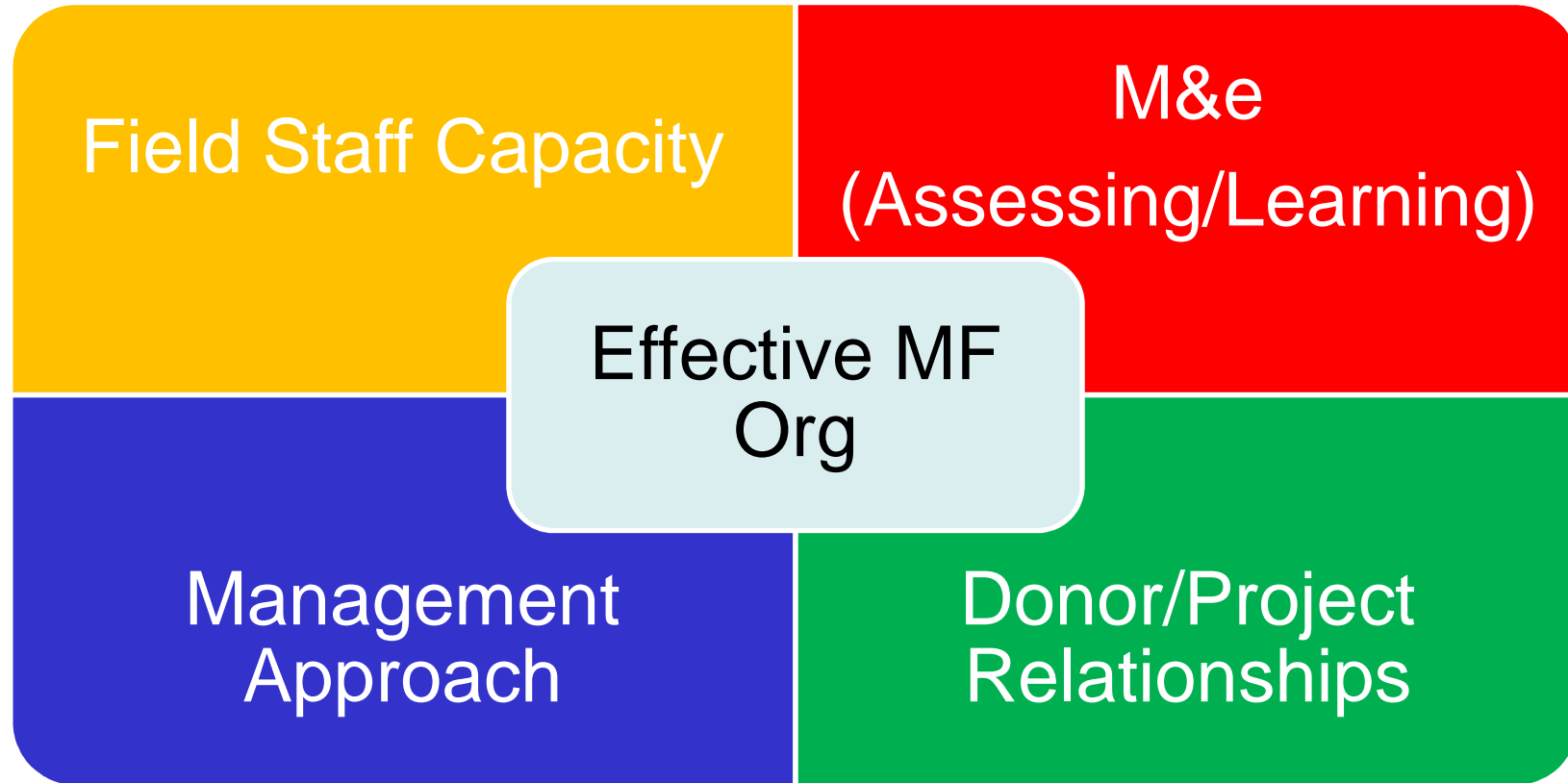
Type 3:  
Market Facilitation



# ORGANISATIONAL CAPACITY ANALYSIS

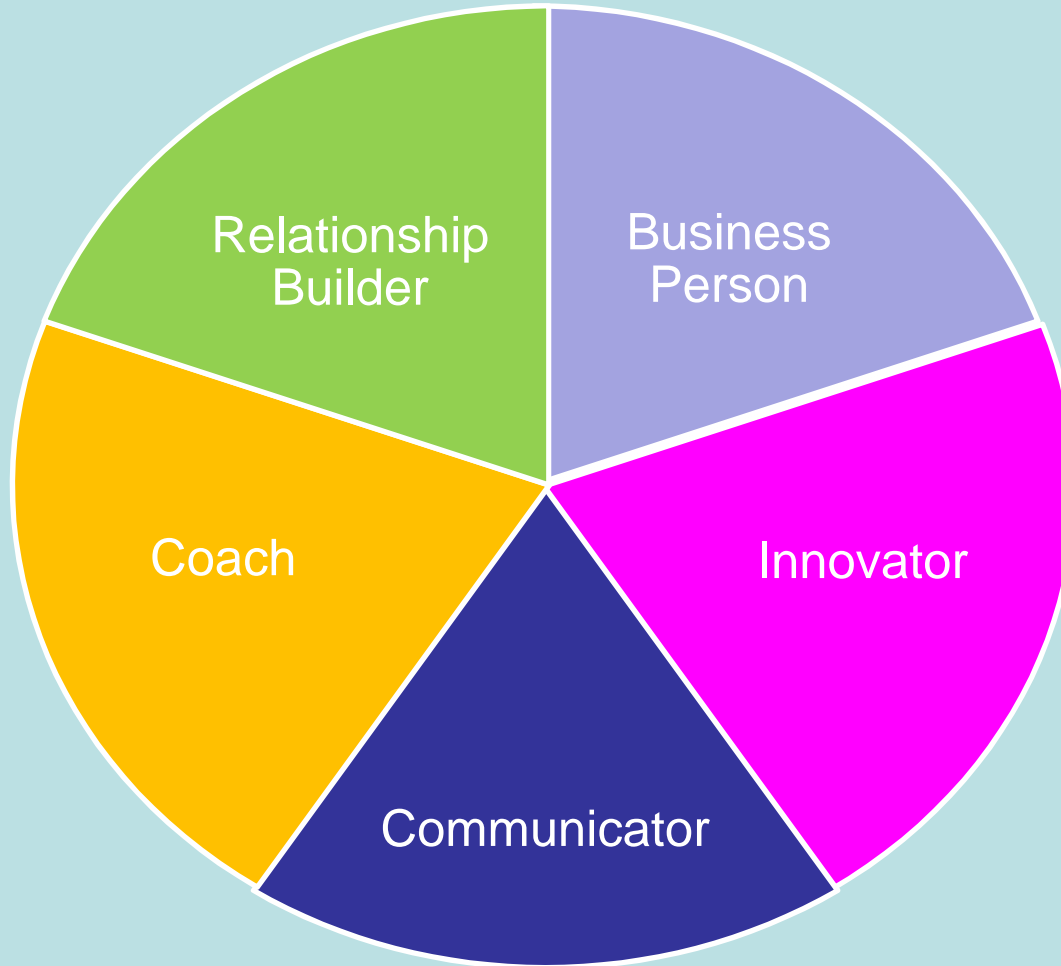


# EWB LEARNING ON ORG CAPACITY



# FACILITATORS PLAY MANY ROLES

Dynamic  
Market  
Conditions



Coach

Relationship  
Builder

Business  
Person

Innovator

Communicator

# EXAMPLE: PROFIT ZAMBIA INPUT INDUSTRY

Results: ~ \$1M USD in sales through rural agent network



# PROFIT ZAMBIA ORGANISATIONAL CAPACITY: THE UNTOLD STORY





# 1. PROFIT INVESTED IN FIELD STAFF

Capacity = Vision + Knowledge + Skills + Judgement

- **Pathway Tool**
- **Staff Training**
- **Valued field level tacit knowledge**
- **On-going Feedback Loops**





## 2. M&E AT PROFIT = Knowledge Management

### *System geared for Learning & Adjusting*

1. **Indicators** – Behaviour change
2. **Tools/processes** – Adjusted as required
3. **Capacity** – Ongoing investment
4. **Organisational culture** – Supported by Management

**Resulted in ongoing adjustments of interventions that responded to market demands**

# IN SUMMARY...

- Value chains approach → conceptual framework
- Market facilitation → set of tactics
- Organisational capacity matters
  1. Invest in people
  2. Learning and Adjusting is essential
  3. Expect uncertainty and adjust

# OR IN A MORE ENGINEERING WAY...

$$\text{Sustainable Change} = \left( \begin{array}{l} \text{Value} \\ \text{Chain} \\ \text{Approach} \end{array} + \text{Market Facilitation} \right) \times \text{Organisational Capacity}$$



**USAID**  
FROM THE AMERICAN PEOPLE

**THANK YOU!**

Please visit [www.microlinks.org/breakfast](http://www.microlinks.org/breakfast)  
for seminar presentations and papers

Ka-Hay Law  
ka-haylaw@ewb.ca

June 25, 2009