MPEP Seminar # 13

Scaling Feed the Future Innovations Through Market Systems

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Scaling Up Feed the Future

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Scaling up – BFS New Approach

1. It’s not about more USAID money or resources; It’s about more **reach** AND **more impact**, especially leveraging partnerships and external resources.

2. It’s not (only) about how many numbers USAID can reach directly i.e. direct beneficiaries.

3. It’s about reaching a **critical mass** or tipping point to trigger spontaneous scaling and reach population scale with indirect beneficiaries; Numerator & Denominator.
5. It’s not about individual projects (though they are important instruments for learning)

6. It’s about supporting longer-term programs of engagement and building momentum (drivers)

7. It’s about facilitating private sector to drive the chain and public sector to support it; aligning politics and incentives for actors

8. Creating viable ecosystems (spaces) to support & sustain technology
Scaling up – Definition

1. **Impact of new technology packages** on poverty, nutrition and stunting (supported by strong ecosystems – public and private)

2. **Population Scale in the Zone of Influence**
   Numerator & denominator

3. **Sustainability**: Politically, organizationally and financially

Definition: Sustainable Impact at Population Scale in the Zone of Influence
Critical Mass, EcoSystems and Sustainability

Current Scale

Target Number or Critical Mass of Adopters

Pathways/Organizations for Going to Scale

Project-led Implementation

Sustainable Eco-System/Spaces

Sustainable Population Level Impact

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# of Adopters

## Innovation and Scaling Sequence

<table>
<thead>
<tr>
<th>Market Assessment</th>
<th>Create Partnership and R&amp;D</th>
<th>Pilot and Experiment</th>
<th>Achieve Critical Mass</th>
<th>Large Scale Adoption</th>
</tr>
</thead>
</table>
| Identify value chain gaps and market opportunities | - Identify promising partners  
- Create partnership  
- Agree on risk sharing and co-investment  
- Co-create designs | - Investment from partners  
- Rapid prototyping  
- Demonstration & continuous improvement  
- Early Adopters  
- Business Strategy formulated | - Sales and commercial results  
- Reputation effects  
- Positive Feedback loops | - Spontaneous diffusion and adoption  
- Higher levels of investment  
- Potential market entry  
- Product Innovation |

**Time**

**Trigger**

**Uptake**

**Commercialization**
What’s Working: Adoption with Impact

1. Large #s exposed to new technology, high adoption rates, increases in yields & incomes
   - Partial and/or sequenced adoption common, unclear who adopts what, when, and why.
   - Variation in yields, particularly cereals, again unclear why

2. Significant multiplier effect of adoption by indirect beneficiaries, anecdotally 3-5x or better

3. Successful creating and strengthening of input supply at retail distribution in ZOI

4. Creation of extension knowledge in communities in lead farmers, VBAs, to lesser extent, dealers
Challenges: Adoption with Impact

1. Ability to move from subsistence to commercial to commercial value chains often tiered by resources

2. High yielding seeds come in tech packages of fertilizer, GAP, often require much greater K and L investment >
   - need access to credit and risk mitigation
   - MFI and DCAs some times not affecting rates, terms, guarantees and not addressing risk

3. Affordable access to inputs (and output markets) geographically uneven, esp. in remote areas where roads are poor and transportation costly

4. Ongoing dynamic, extension support difficult to make sustainable, esp. without large push or pull organization

5. Given variance in yields and I/O prices, unclear for which farmers/adopters there is a business case
What Needs Improving

1. Build on existing efforts towards multiple approaches to different demographics, e.g. commercial hort. vs. gardens
2. Pilot MFI loan instruments tailored to smallholders e.g. sequenced credit release, including seed/crop/livestock insurance; provide TA to MFIs, address policy constraints
3. Better coordination of DCAs and MFIs with value chain programs and their beneficiaries
4. Shift to more strategic geographic approach based on access to inputs/markets and profitability, bundle or partner with irrigation investments
5. Extension: incentivize linkages to agri. research institutions; experiment with mobile, ITC; bundle with vet
6. Greater focus on business case; redo and use CBAs as regular learning tool for problem solving and/or targeting
What’s Working, What Needs Improving

1. Variable presence of large private sector organizations to push or pull scaling or to hand off
   - In some countries and sectors, e.g. Bangladesh and Kenya, aqua/horticulture, large buyers or input producers working well
   - Staple cereals markets often fragmented, low margins and strong potential for side selling, makes Pull strategy challenging

2. More learning needed, have suggested bundling with more commercial crops

3. Adopt two track strategy or whole household approach
   - ST focus on intermediate solution of critical mass to trigger spontaneous adoption, in-village expertise, input supply
   - LT build/strengthen large input/output actors, e.g. AGRA/SSTP and seed companies, buyers
USAID Processes in Evolution

1. Approaches being developed or dusted off that balance need for numbers and accountability with learning, scale and sustainability

2. Indicators of progress/success building/strengthening a market system and value chain e.g. input supply, extension, private sector ownership and drivers

3. Phased, “pay for success” portfolio approach that sequences – experimentation and learning, evaluation, scaling

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Thank you!

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