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MPEP SEMINAR SERIES

Exploring Frontiers in Inclusive Market Development

FACILITATION: HOW MUCH DOES CONTEXT MATTER?

AUDIO TRANSCRIPT

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Contents

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PRESENTATION

Jeanne Downing: Good morning, everybody. I'm very excited about our seminar this morning. We have Bill Grant from DAI, who has been – I thought it was 30 years, but I guess it was only 28 years – at DAI. *[Laughter]* And Bill has been involved with value chains and USAID's value-chain approach for a number of years. And of course the predecessors of subsectors and so forth that a lot of us have also been involved in.

But it's also interesting that Bill has been working with the infra-P approach these days as well. He's been working with the Swiss SDC. And I think that today we're going to look at some of this combination of USAID's approach vs. the infra-P approach.

We also have Marina Krivoshlykova. I practice. I didn't get it right. And Marina has been at DAI for over a decade. And she has been managing a project of DAI's. That's a MSME Cambodia project.

And this project was lauded as one of the early facilitation projects – very successful facilitation projects that was working in a very difficult country, a difficult enabling environment, a very poor country, and yet really successfully facilitation private-sector development.

So what Bill and Marina are going to talk about today is facilitation. Now, we've had numbers of presentations on facilitation, but they're going to tackle a really interesting question, and that is how do you facilitate in different context? And we hear this from our colleagues all the time, about there are some countries where people say there is no private sector. I don't know about that. Or a very weak private sector.

Other countries where facilitation with a light approach or a light touch is much easier. So how do you adjust your facilitation strategies to these different context? How do you do facilitation when there's a very weak private sector?

So with that, I'd like to turn it over to Bill and Marina.

Bill Grant: Thank you very much, Jeanne. Jean and I actually did our first assignment in 1990, doing the very first subsector studies under the GEMINI project in Lesotho, so we go back a ways.

We have what we hope will be a fun presentation today, and also fairly thought-provoking. In talking about facilitating systemic development, we are trying to make markets work to reach significant scale and impact through crowding in as many market actors as we can and getting the private sector to really drive the process, but also to get our target beneficiaries to adopt these new approaches to increase their productivity and income.

But systemic development is a little bit like venture capital. You make many investments. You try many things. A few will pay off really big, if they work well, while others may just pay off a little bit, and some will fail. I think we need to be very rationale and recognize that many things will fail.

But I found over the years that much of the success has to do with the market context within which we are working and how well we as facilitators are able to adapt to that context.

Today's session looks at the process of adoption of technologies and forming approaches that can greatly increase the productivity of small farmers from three different market contexts – some with easier market conditions, some with much more difficult market conditions – from Cambodia to Nigeria to Mozambique – and funded by three different donors. So we have a surprise funder, who we'll hear about in a minute too.

We're going to show you a very short Ted video, which we think captures very quickly the essence of the work we're trying to do. Marina will start us off with a discussion of the role of facilitation in speeding the adoption of new technologies. And then a quick example from a case study about our MSME program in Nigeria – in Cambodia, sorry.

I will then talk about a contextual framework and provide examples from two other countries that require very different levels of engagement in the implementation.

Let's see.

Video: *[Applause]* So ladies and gentlemen, at Ted we talk a lot about leadership and how to make a movement. So let's watch a movement happen, start to finish, in under three minutes, and dissect some lessons from it.

First, of course you know a leader needs the guts to stand out and be ridiculed. *[Laughter]* but what he's doing is so easy to follow. So here's his first follower with a crucial role. He's going to show everyone else how to follow.

Now notice that the leader embraces him as an equal. So now it's not about the leader anymore. It's about them – plural. Now, there he is calling to his friends.

Now, if you notice that the first follower is actually an underestimated form of leadership in itself. It takes guts to stand out like that. The first follower is what transforms a lone nut into a leader. *[Laughter] [Applause]*

And here comes a second follower. Now it's not a lone nut, it's not two nuts – three is a crowd and the crowd is news. So a movement must be public. It's important to show not just the leader, but the followers, because you find that new followers emulate the followers, not the leader.

Now here come two more people, and immediately after, three more people. Now we've got momentum. This is the tipping point. Now we've got a movement. *[Laughter] [Applause]*

So notice that as more people join in, it's less risky. So those that were sitting on the fence before now have no reason not to. They won't stand out. *[Laughter]* They won't be ridiculed, but they will be part of the in-crowd if they hurry. *[Laughter]*

So over the next minute you'll see all of those that prefer to stick to with a crowd, because eventually they will be ridiculed for not joining in. And that's how you make a movement.

But let's recap some lessons from this. So first, if you are the type, like the shirtless dancing guy, that is standing alone, remember the importance of nurturing your first few followers as equals. So it's clearly about the movement, not you. *[Laughter]*

Okay, but we might have missed the real lesson here. The biggest lesson, if you noticed – did you catch it? – is that leadership is over glorified. Yes, the shirtless guy was first, and he'll get all the credit, but it was really the first follower that transformed the lone nut into a leader.

So as we're told that we should all be leaders that would be really ineffective. If you really care about starting a movement, have the courage to follower and show others how to follow. And when you find a lone number doing something great, have the guts to be the first one to stand up and join in. And what a perfect place to do that but Ted. Thanks. *[Applause]*

Marina Krivoshlykova: Although the video that we've just seen is really about leadership and how to start a movement, it also shows the process by which the adoption of new ideas takes place. And that is the essence of what we as development practitioners are trying to make happen.

Just as the followers emulate the first followers and the leader, this is how change often happens, and development also, which is when a small group – it's usually a small group of risk takers and innovators that adopt new ideas, and then others copy once the risks get lower and they see that the new technologies work.

While the first innovators may be the most business savvy and entrepreneurial ones, they usually see the advantages of adopting new practices. They see the competitive advantage that it would give them.

But others eventually join when they can no longer afford not to join in, because they will be losing their competitiveness if they don't follow the practices that have given advantage to others.

As we see in this slide here, different groups adopt new ideas as different paces. And it is in different contexts. Depending on the context, this may happen rather quickly, or it may take time.

While in this video that we've seen, change happened very quickly and organically, in environments where we work in, usually you need a facilitator to help catalyze change and speed up the adoption of ideas. Basically, somebody needs to start a concert that would draw in the crazy shirtless people, and others would follow.

So what facilitators must do is first and foremost understand the context in which they work; understand the market system; and most importantly, why the market system may not be working and what are the incentives of different actors and different players involved.

The facilitator then identifies this small group of early innovators and adopters that can lead the change, and basically prove and demonstrate to others that change works and others could copy and follow eventually.

As we show in three case studies that we'll discuss today, these early adopters can be both project beneficiaries – farmers that adopt new technologies, as well as service providers, or other value-chain actors that may be willing to try a new business model, or start performing a missing function in the market system.

Then facilitators usually bring these innovators together and get, eventually, crowd and others to start following and adopting the same behaviors.

For facilitators, as we've seen in the video, it's important to keep that space, to preserve the space for competition open so that others can easily join in and follow, so that there are no monopolies that facilitators don't favor one particular actor, and there is open competition for others to follow.

Following must be easy. It must make sense. And so there should be a clear value proposition for everyone why they would be adopting the new technology. So the adoption should not be enticed or forced through subsidies or other incentives.

And the movement must be public. So it's a role of a facilitator often to communicate, share the news, so that others learn about something that may not always happen on its own.

So depending on the context, these adoption process by different groups may require facilitation that is more light touch or more heavy hand. And this is what we'll focus on in our case studies today.

The first example that I'll be talking about is the Cambodia SME project, which is an example of our light touch facilitation. MSME 1 and MSME 2 ran from 2005 to 2012. It was about $25 million project that worked in nine different value chains across 17 different provinces in Cambodia. But to illustrate the SME facilitation strategy, we'll really just be looking at one specific example in this line value chain.

When the project started and the team did its value-chain analysis in 2006, they found that although the market for pork was growing, productivity was really low. And primarily that was because of the very high mortality. About 50 percent of piglets would die before they reached maturity. And that was the result of the lack of good quality input supplies.

Suppliers just basically carried substandard, outdated, diluted products. And the farmers not only didn't have access to good quality products, but they also really lacked the knowledge of how to recognize diseases, how to treat and prevent them. And because these risks were really high, the investment and value chain in commercial pig raising was really low.

In another challenge overall in the country was just the lack of trust and lack of communication between farmers due to the legacy of conflict there. Producers just weren't used to talking to each other or sharing ideas.

So MSME facilitation strategy focused from the begin on trying to build market-based relationships between the front actors and the value chain, and to work both in the supply and the demand side at the same time.

The team started by identifying a small group of innovators and risk takers, which were basically framers willing to invest in growth. Usually these were about 20 to 30 farmers in each geographic area where the project would work. And they called them leading fuel, although really that didn't imply that these were the largest or the most advanced farmers. These were just the ones more entrepreneurial and innovative.

Although the value chain analysis was done and the team already knew what the problems were and what the solutions would be, they invest quite a bit of time in facilitating informal interest groups among these lead farmers to get them to talk to each other, basically to review that they share common problems.

And once they started discussing this more freely, the project convinced two input suppliers did carry good quality products to basically come in and do a free presentation and a free training to farmers.

At that time there were four input suppliers that carried such good quality products, but after two months of discussions, the project finally convinced two of them to try this.

Before MSME, the input suppliers just never have done any direct marketing or outreach to farmers, and they weren't interested in working in rural areas.

So once the project brought these two groups together basically without offering any subsidies, except for just offering meetings base for the training. And suppliers used their own training materials, their own presentations, and the team didn't entice farmers to come in to training in any way. The idea was to try to draw the most entrepreneurial ones so that they would self-select. And eventually actually more people – as a rule, more people showed up for this training than they were invited as the word got out.

The project also welcomed all input suppliers to do this kind of training to SME clients and never favored any one supplier in particular. Actually, there was a time when one of the two companies demanding the preferential access to SME clients and wanted the monopoly, but the team refused to do that, then gave equal access to everybody.

As part of its model, SME also invited other actors along the value chain to these trainings, so it wasn't just farmers and input suppliers, but everybody was invited, such as traders, veterinarians, local rural input suppliers, village livestock agents, and others.

So the team rolled out this model eventually to each of the provinces that the project worked in, which was 17 by 2012. And as a result, if we look at the crowding that happened, it happened at two levels.

Once leading farmers started buying the new products and investing their own funds in the new medicines and vaccines, and once their investments paid off in about six to seven months, others saw the results and started copying that behavior and started also investing in the new products.

Farmers had money to invest, they just didn't have the confident before to invest in animal raising, because of the disease. And once they've seen that the new practices worked, the risks were reduced, and investment grew.

As the demand for inputs grew, then the non-pan-based input suppliers basically saw a market opportunity and actually started doing their own outreach without MSME introductions. They started using this model on their own.

Local input suppliers started carrying good quality products, buying them from them once the non-pan-based ones. And as the market overall grew and there were more opportunities in input supply, new companies started input supply businesses. So eventually there were 14 such national level suppliers that went into this business and started using the same model of doing this kind of training.

As other results, productivity increased due to reduced pig mortality from 50 percent to 10 percent. The average number of pigs per pig-raising farm increased from 2 to 46. And overall the whole value chain grew as more and more farmers started raising pigs commercially, from a few 100 early on to over 4,000 in the end.

We've also seen kind of as the entire value chain grew, more input suppliers and service providers started getting into this business. There were 85 new service providers that started up 40 artificial insemination service providers and 45 feed suppliers.

Interest groups that MSME helped set up, facilitate early on, eventually started meeting on their own without project involvement, and some of them even registered as formal organizations when they needed to advocate to the government for specific issues.

So MSME's really an example of a textbook facilitation. But some of the key factors made it possible. One was that there was a critical mass of entrepreneurial farmers that were willing to invest in growth, that were willing to try new ideas.

There were also input suppliers present who just didn't realize that there was this market opportunity. And also the fact that the whole market for pigs was actually growing. There was demand.

Another critical factor was the team – the project team really invested heavily in training the team of facilitators, training the team in facilitation principles. And they really adhered to these principles almost religiously, such factors as market first, no subsidies, sustainability.

But as we all know, these ingredients are not always in place – not in every environment, not in every context. So I'll turn this over to Bill now, who'll talk about two other case studies and how context played a role there.

Bill Grant: Thank you very much, Marina. I mean, Jean introduced Cambodia as being a very difficult place to work, and yet what we heard is that you had a number of service providers, you had strong demand for pigs. I mean, not to say the entire country might be difficult, but there were certain value chains were there were strong opportunities.

So the context was actually fairly favorable. And if we think about where we work, we often times get very weak market context, and then those evolve into much stronger market contexts. And I think there are a number of criteria that come into play that we need to be thinking about as we go to analyze the context.

First and foremost is kind of the economic growth and purchasing power. I mean, Cambodia was growing very rapidly at that point in time. So it did create a dynamic environment. The population density, how difficult is it to reach people was fairly high.

Political economy – negative – the very negative government influence. But in this case they were able to kind of work around it, because if the political economy wasn't affecting the swine industry directly.

The presence or dynamism of interconnected systems and other service providers, they weren't in the rural areas, but they were there. And then the ability to link to the end markets. So can you get your product to end markets?

And then social cohesion. This is wide range of factors, and we'd like to kind of think about them as kind of the beginning of the framework that we like to use to help us think through what approaches to take.

Now, as you move along this continuum from a very weak market context, to develop into a stronger market context. And as we start to think about how we should do our facilitation, we should take all these into consideration.

So what we have is on the left-hand side, where you have a weaker market context. Oftentimes the facilitators require a much heavier hand. They must invest a lot more upfront to make the activities work.

They must really understand the problems and they must build relationships. They need to invest more money, probably inciting people to get into it. When Marina said good facilitation, no subsidies. Sometimes if you want to get that shirtless crazy guy out there dancing in the first time, you may have to pay him. But you have to be very conscious of what you're doing when you pay him.

Oftentimes in a weaker market context, you need to address many functions along the value chain at the same time. You can't just hit one. You have to hit a range of them, because even if you get production up, if they can't sell it, it's not going to work.

And so we really need to operate on both the supply and demand sides. And it has to be very thoughtful engagement. As you get over to the internal lighter touch, once again you always need to understand the context. But there most likely going to be many more lead partners to work with, stronger supporting system, the value proposition – the ability to make more money more quickly, or to gain greater social status – is much more evident.

And it oftentimes requires much less financial investment on the part of the facilitator to make it work. And you'll oftentimes get a much more rapid engagement and uptake by the people.

I'd like to introduce very quickly the partnership initiative for the Niger Delta. This is a Chevron-funded foundation. It was part of a $50 million initial corporate social investment from Chevron. And actually one thing I forgot to say is we have this, but also we have a table which kind of lays out the different markets and social contexts for each of the different projects that we're looking at. So as you hear about the context, you can start to position them.

And PIND's focus on working in the Niger Delta in Nigeria to folks on socioeconomic development across the Niger Delta. So rather than just focusing on the areas where Chevron is working, it's broad-based across the entire region.

We all know that Nigeria is a very difficult place to work. I'd say it's a graveyard of development projects. And government started companies very little that has kind of been driven from the outside has left much of an impact.

And the Niger Delta covers the nine oil revenue-generating states – Nigeria with a population of 31 million people, and for more than 15 years had a very serious conflict going on. So nobody was really investing. Nobody was engaging in economic development activities. There's a lot of peace instability, a lot of conflict mitigation.

But everything was in a real giveaway mode – all the NGOs, all the CSOs were giving stuff away; government was constantly giving things away. So very little was actually being done to try to drive the economic growth side of it.

So in 2010 there was an amnesty and all of a sudden an opportunity opened up to move in, and Chevron jumped on this and created the Niger Delta Initiative, which is the U.S. counterpart to the partnership initiative for the Niger Delta.

And PIND adopted an M4P approach on making markets work for the poor, focusing on economic growth. But recognizing the environment, it also had strong components on peace building, capacity building, analysis and advocacy – so not just the economic growth, but making sure that the entire enabling environment was more appropriate for sustainable economic growth.

As I mentioned, the political economy in the Niger Delta is very difficult. Oil companies have been creating and fostering a giveaway mentality, and so the people tend to be passive. They don't jump up and do things on their own.

But Nigeria is also a very dynamic market. It's a big country – 175 million people. They've just re-evaluated their GDP – nice when you kind of say all of a suddenly oil is no longer 50 percent, but only 30 percent of your GDP that you jump to now the largest economy in Africa. And so there are things that are happening and it's quite dynamic.

And throughout the country there are some very large service providers and companies that are engaging. So we might call this actually a medium market context to work within.

PIND carried out a number of analyses, selected a few value chains to work in, one of which was the aquaculture sector. And working with – they carried out the analysis in talking to farmers and understanding the problems. What kept coming up from everybody was the price of feed is too expensive. Feed is too high.

And so government was saying, "Well, how can we subsidize the cost of feed to bring down this cost?" Because feed was the biggest single cost involved in producing fish.

And so as PIND started to work with the local market actors, they went and were concentrating on one association that was near their headquarters, but also happened to have a very large concentration of fish farmers.

And this was the aquaculture sector's high growth and big, strong demand. There has been this culture, as I mentioned, of handouts from IOCs – the International Oil Companies – and government. There was a lot of distrust between the market actors. There's very weak information sharing. A lot of conflict, actually, between ethnic groups and neighboring communities. If one group saw somebody getting ahead, they might come in and actually attack and destroy the assets of the other.

There are also a strong lack of skills to increase productivity. The farmers had not had much good extension. There were very few services coming to reach them, because we'd been in this conflict environment. And government extension systems really were not working.

However, as I mentioned, there were good service providers in other parts of the country. One of the most important factors of fish raising is good feed. And there were a number of big feed companies that were selling primary poultry feed, but they were beginning to see the market opportunity in aquaculture and fish raising. So they were getting into this in other parts of the country, but not yet aware of kind of the growth opportunity in the Niger Delta.

And there was a very low level of understanding of kind of the economics of the market system. So the farmers were saying, "Well, we need to figure out how to get the price of feed down." But when we actually looked at it, it wasn't the price of feed was too high. It was that the productivity was very low. So they were consuming two to three times as much feed as they should have been to grow the fish. And obviously if you're buying three kilos of feed instead of one kilo of feed, you're going to be paying a lot more.

And they wanted to understand how to do this. The association said, "Well, we want to do demonstration ponds." And under a traditional and more typical – and had always been done in IOC, somebody would have come in and developed the demonstration ponds and put them in place. And then within a few years it would have collapsed and nothing would have worked.

So we took a few lessons and went back and looked at how to do this in a more sustainable manner. We got the association to want to drive it. And it took working with them for about six months and getting them to understand that what the economics of it were, how much it cost to run this. And then we went and started talking to the other market actors, the fingerling providers, the feed providers, and getting them to buy into this process so they would actually pay for it.

And with the feed companies in particular, since we wanted them to give the feed away for free initially, and the feed actually then grows into fish, and we could sell the fish and make money. And the association would get money and they'd be able to pay for this entire demonstration activity themselves rather than being dependent on somebody else.

And after three or four months of meetings with the feed companies, as in Cambodia, two of them said, "Okay, we'll try." So we kind of dragged a couple of those shirtless dancing guys to make this work.

But there was still a big problem, but nobody in Nigeria really had a good training program to run a demonstration pond. So PIND invested in developing the training manual and making sure that the demonstration pond worked well the first time.

Well, the result, after the six-month demonstration – takes six months to raise your fish up to one kilo – worked very well. The results: There were 80 farmers who had been trained and they had about a 45-percent increase in their profitability.

One of the things that had also been observed was the amount of feed consumed went down. But this was total feed used by the farmers. However, much more feed was purchased from the commercial providers.

So instead of people making their own feed and buying local feed of poor quality, the large feed companies were now selling more. And so some of the feed companies documented this to the two who were there and said, "We've actually increased our sales of feed through this demonstration activity."

So taking those results and going out and marketing them again to all the feed companies in Nigeria, we have gotten them to now say they want to take on this activity, because there are 15,000 fish farmers in the Niger Delta. And they see they opportunity to actually drive, one, the growth of their feed business, but also to make it more profitable and increase the total number of farmers by leading.

So the feed companies are now the ones who are engaging directly with the business membership organizations. PIND is still involved in training up the feed company staff so they could lead these activities.

Some of the feed companies are going directly just to a lead farmer if there's no larger association or good cluster of ponds to work with. So the feed companies are now at the middle of this process and are driving it. And one of the important things that's also happening is we're bringing in a number of other market actors.

So we have, because there is a surplus of fish now in some areas, we're bringing in smoking kiln manufacturers. The financial institutions haven't been lending for production, and yet it's a very profitable business. And so bringing them in to observe and watch more closely, getting private consultants, and getting the government extension workers involved. So they're now participating in the training of trainers as well, so they can do their jobs better.

And very importantly – and this is really one of PIND's main approaches – is to crowd in other donors, to get other people to pick up these approaches and replicate them. And so USAID and DFID are both now replicating this model in other parts of the Niger Delta.

As I mentioned, the Niger Delta is 31 million people – makes it probably the fifth or sixth largest country in Africa. By itself, infrastructure's not that great, so it's difficult to get around. So it's very good to have a larger number of people trying to replicate these activities.

So in a sense what we did was we had to convince the feed companies to get out there and start dancing. And now we have additional companies that are crowding in. And they're finding, in talking to them, they say, "Well, we need to do this to maintain a competitive edge. If we don't do this, we're going to lose market share. So we want to get out there and invest." There's a real incentive for them to do it, and there's a strong incentive for the farmers to now purchase more feed.

Maybe they're purchasing the per-unit kilo at a higher price, but they're using less on their day-to-day consumption, so they're making more money.

The second activity, second country that we want to talk about is Mozambique. Mozambique came out of a civil war in the mid-'90s. It's a very big country. I mean, it's a three-hour plane ride from the south to the north. So that's like going from here to almost to Denver. So it's a very big country, very low population density.

And the north is a very poor part of the country. It's expensive to move product. Agricultural markets in the rural areas are dominated by very low productivity. And there's a lot of trader-led marketing, which is very much a win-lose proposition.

Lots of low trust between the communities; very low skill levels between farmers; service markets are virtually absent. So coming back to the place of is there anything to work with?

And one of the bigger characteristics in Mozambique, but in particular in the north, is that the government, while it has limited capacity to drive development, has been playing a very active role in the purchase and distribution or delivery of heavily subsidized inputs, seeds, and fertilizers.

This is actually been compounded by a lot of the NGOs who are purchasing seed and then distributing it. Very rarely are they trying to get it into a commercial channel so farmers can access the seed when they want to from commercial providers.

And so they've been complementing this for three extension services. So what we have is an environment where kind of the political economy is one of handouts and waiting for other people to provide the services.

So as a result, the Swiss had designed a program where they wanted to make the markets work, but they recognized just that there was very, very weak market context. So they wanted to start with taking a strong lead firm and having that lead firm drive the environment.

After doing some analysis, the poultry industry was doing very well in Nigeria. There'd been a number of initiatives that had helped to ban imports of expired poultry from South America, which then led to much more demand for locally produced poultry, and there were some very big hatcheries up in Nampula in the north.

But in talking to them, the hatcheries said, "Well, we don't have any problems with our poultry side. We're able to sell all the day-old chicks and all the chickens we can raise. What we have is a problem on the feed side." So moving into a completely different system, but driven by the poultry industry.

One of the large hatcheries, King Frongo, had decided that they wanted to get into getting much closer to the farmers. They were able to get plenty of maize, but they didn't have access to enough soya, and soya was the main protein to be added into the chicken feed. And so they had a choice there. Their initial statement was, "Well, we want to set up a 3,000-hectares farm and grow this ourselves." But they knew that would be very impractical and take a long time, so they approached the project and said, "We would like to set up an outgrower scheme, and how can we do this together?"

So the Innovagral Project, which was a nine-year program that this was started, so they're very patient – a little bit like Chevron. Chevron's in Nigeria for the long haul. And the Swiss know that it's going to take a long time to make this work.

So the Innovagral Project engaged with King Frongo and their subsidiary that was busy setting up the outgrower scheme to figure out to do this, and they carried out the studies together, designed the program together. King Frongo invested over a $1 million in setting up things from their side.

But they were building siloes and making capital investments. They didn't know how to set up the outgrower scheme. And so the project came along and took on a much larger part of that, helping them to set up the farmer groups, get them organized, training the King Frongo extension staff, helping give them advice, working on group organization, et cetera.

So this was getting set up, but as we put this together, what we discovered was that the market systems that were needed, as we mentioned earlier, credit extension services equipment inputs were missing.

One of the interesting things about soya was that there had been a very large program from the Gates Foundation to help promote soya, which had been implemented by TechnoServe Inclus, and so they had been a very supply side heavily driven pushing the production, but there had been a big uptake, because there was a dynamic market for it, and very strong interest in it. But there were no market systems there to continue the supply of seed and things.

So this was a case where there had been – without any market systems, there'd been a strong investment – excuse me – already by some other donors to begin to lay the foundation of this program. And as we got down to the analysis, it really was around the productivity of the farmers.

Big as even King Frongo has a choice. They can import cake from Brazil or they can buy soil locally. And so the cake being produced, the soya in Mozambique had to be competitive with world market prices, which meant that the yields had to increase. And they were producing at about ten percent of world average yields in northern Mozambique. So a lot of farmers are doing. They were making money, but very low yields, and so the focus was "How do we really increase the productivity of the farmers?" And it came back to seed, because the quality of the seed they had was weak.

So the issue was "How do we build the market for certified seed, as opposed to simply getting people more crop to plant?" And there was no certified seed available in the first year of the program, so the project imported it and then sold it to Acum, who sold it to the farmers. And one of the very interesting points was they sold it at twice the price of other seed on the market and they told the farmers they would only sell it to them if they planted it at double the density.

So the farmers were actually paying four times as much for their seed per hectare as they had in the past. And 1,000 farmers said, "We want to do this," because they recognized that their productivity was low. There'd been a lot of sensitization and they understood the benefits of improved seed.

But the problem was there was no seed. So in the first year since we imported it, we looked ahead at the second year and said, "Okay, let's get the basic seed out. Let's get the seed companies." There are Mozambiquan seed companies multiplying the seed so they can sell it directly to Acum, and the project is out of the middle, and then we can play a role just to help make sure that the payments happen.

That worked very well. The seed companies were selling to a big client. That was very easy for them to sell 20, 25 tons at a time. The problem was if they needed to go right to the farmers who were buying 50 kilos at a time. And that becomes a much more labor intensive process.

And so we did convince one company to try direct sales. So one of the three seed companies went out and sold directly to the farmers. And the farmers now have the choice to go beyond simply Acum, but to sell to other producers – sorry, other traders or poultry companies.

So this is ongoing right now. It's a like the MSME, which had nine years – nine-year run? Eight-year run? And ended a couple years ago. We are still at early stages.

But you see that it's taken three years to really begin to get this process working where the seed companies are now producing and trying to sell directly to the farmers. But we're still at the stage of having the shirtless dancing guy out there, and nobody's following yet.

But over the last – well, two weeks ago we had a big conference in Mozambique on the seed industry, and it's been raised as was one of the critical issues, with good buy-in from all the donors to this. And all of the seed companies were present, and two of the companies came up and said, "Okay, we want to figure out how we can start selling directly to the farmers as well." So we're now in the process of working with them.

So we've made it public. People are seeing that this can be done and they want to start to get into it. But we'll see if this works. It is a very weak market system, but we're really beginning to see the benefits flow through.

So what are our conclusions on context? I mean, we've seen kind of from a very weak to a medium-level context. I think one of the things

I didn't say in Nigeria was the first year we had to really show them, but then the second year they saw it and they adopted it fairly quickly, and they're now in the process of rolling it out.

But we as facilitators need to start with a vision of the market system that we think should be in place, really understanding what it's going to look like in the future, and have a good exit strategy in mind. How do we extricate ourselves from this activity?

And sometimes if you have to have a heavier hand and make much more investment in the beginning, that's okay. But you have to know how you're going to draw the other people in, because if you continue with a heavy donor-funded activity, and then you come to the point where, gee, you need to get out, you can't retrofit. It's very difficult to bring people back. So with like the fish association, Nigeria getting them to understand the issues and take ownership from the beginning.

Every value chain has a unique context, and we saw the case in Cambodia where the overall country context is very weak. But the context for the swine industry was actually quite strong. And so the facilitators were able to play off of that correctly, but they had to understand the elements that went into the context, the market demand, the political economy, and the social relationships.

But I think that we also must be pragmatic and recognize that there are cases where the basic market conditions don't exist, and facilitation might not be the right approach. We might need to have more investment upfront but we need to also be thinking how do we – what's our exit strategy to get out of it?

And so our style of engagement really depends on a range of factors – what are the existing infrastructure? Who are the organizations we can work with? Are there lead firms? What are the interconnected systems that we can engage with? Who are the farmers and beneficiaries? Are they commercially driven? Or are they much more subsistence driven? Is there an appetite for change?

If people want to change, it'll be much easier. I'm finding the lead farmers, those who really want to adopt quicker, is a very critical part of the starting point.

And having a clear value proposition. I think this is something that we very frequently ignore. What's in it for the actors and why should they do this? And are there mutual benefits? Because if one side is making money and the other side isn't, it's not going to work. Both sides have to make money and do better from this.

And I think the last point is an important one, is that very weak market systems require much more time and investment. And they also require a high threshold for failure. Oftentimes donors are like, "We want to succeed with everything." Things are going to fail. Let's let some things fail, but let's know why they are failing and let's learn from them.

I think that the emphasis on quick numbers is oftentimes a major problem we encounter, because trying to get those quick numbers forces us to spend more money more quickly, and that can actually crowd out more sustainable systems.

When I was in Nigeria in February, talking to the head of DFID there, he said, "Bill, I think one of our biggest problems is us, the donors, that we demand too many results too quickly and it's not realistic. And we need to lower our expectations and do this in a more sustainable and systemic manner."

Thank you very much. *[Applause]*

QUESTIONS AND ANSWERS

Jim Empkee: Hi, Jim Empkee from USAID. Thanks for the presentations. That was a really nice presentation and very interesting, fascinating projects you guys are working on.

I was wondering if you could say a little bit more on the Mozambique context. Setting up a seed system is a difficult proposition. And once you set up a seed system for a particular value chain, it's hopeful, or maybe likely that you will have some spillover effects and that you can get see into other value chains and really leverage the impact.

So maybe you can talk a little bit about sort of the reverse, not the context determining what you do on your project, but how you can use a project such as what you have in Mozambique to leverage the change and the context so that you can spread development more broadly.

Bill Grant: Thank you, that's a very good point. We started with soya and we really encountered the problem with soya. And then when we took this opportunity to the seed companies, they said, "But soya's not our main product. Our main product is maize. And we're interested in pigeon peas and we want to do a number of things."

So they began to say, "We don't want to just work with one commodity. We want to deal with seed, 'cause that's our business, is seed." We've also used this as the learning point to engage with the national seed service and to really raise the whole awareness of the seed industry in Mozambique.

And so actually the first three years of the program were focused on getting the soya example going, and some other work. But the second four years, our focus, the core focus is on actually building the seed industry as a whole.

So you're right, it's a great way to take one product, demonstrate the value proposition, show how to make it work, but then go and work – we've had to work very closely with the national seed service, which actually produces the basic seed. We're looking at the policy environment there to see how to improve it. There's a lot of tension between the government seed service that are the only ones that are allowed to sell basic seed in the country to get it out to the seed companies, and breaking down those barriers. It's a very conflictual relationship between the seed companies and the national seed service.

But that was the focus of this conference two weeks ago, and it actually has led to the setting up of a steering committee, with representatives of government, the private sector, and donors all working together. So it's a very good point, thanks.

Tom Timberg: Tom Timberg, and I noticed you referred in both the Mozambique and Nigeria.

[Crosstalk]

AV Tech: Is your microphone on?

Tom Timberg: Not only to the –

Tom Timberg: Is it on?

Female Audience: Yup, it's on.

Tom Timberg: Not only to the seed service, but working with the agricultural extension people in the delta. Other than the fact that you certainly want to be hostile to them, did that turn out also to be something where you could get them to perform a more positive role?

Bill Grant: The extension services in Mozambique are just weak. The government doesn't have the money, doesn't have the infrastructure.

In Nigeria, in the Niger Delta, there is actually a very large extension service. The Department of Fisheries has 15 extension agents who are working – this is in delta state alone – but they weren't effective. They didn't know what they were doing. I've been trying to get the team to understand, "Well, what's the problem? Is it that they're not there at the time the farmers are there, that they don't know what they're doing? How can we get them better engaged?"

But the director of the Department of Fisheries has engaged with us and they are sending, I think, eight agents to the TOT that we're doing. So there is a good buy-in from them. I must say that their initial reaction to the problem of the price of fish feed was, "Let's set up factories and we will produce fish feed more cheaply and we will see it more cheaply than the major feed providers to the farmers."

We've had a big advocacy campaign to try to not let that happen, because we know that all that will do – and they've got $5- or $6 million set aside to do – all that will do is lead to initial startup, subsidized sales. It will crowd the private-feed companies out of the business and then it will collapse, and then we'll have to start from scratch and get the private-feed companies in at a later point in time.

But the government is interested, but it has required a lot of engagement. The director of PIND in Abuja has been down many times to meet with the delta state government and with the Department of Fisheries to get them to engage appropriately. And in Mozambique the Director of Agriculture is very interested in the program, and he's a strong ally. They just recognize that they don't have the capacity. I mean, they have three extension agents to cover 250,000 farmers. So there's not much you can do with that in the northern part of Zambezia Province, where we're doing the soya production.

Angelina Gordon: Other questions?

Male Audience: Oh, thank you. My question relates to the context, in both the strong, medium, and weak markets. I think I understood right. You had some opportunity to choose your value chain and the selection of that value chain seems particularly important in the weaker markets, both in terms of how you might have this systemic impact by selecting; and also to pick on that is a little bit easier to move forward with, or has less facilitation challenges. And I like your thoughts on that, and especially in the context of Mozambique.

Bill Grant: Jeanne, do you remember with Steve Haglade in 1990 and Lesotho when the mission director said, "So how do we choose the value chains we should work in? And we had to come up with a good justification.

But it's really around where are the growth opportunities as your starting point. I can be a little bit extremist when I say if there's no growth opportunity, stay away from it. But it's oftentimes the donors want to invest in areas where the growth opportunities aren't that evident, because they're primarily subsistence crops that farmers are growing to eat, and it's very difficult to get market systems working effectively if people don't see it kind of a financial – they're not going to invest more if they don't see more finance, more money coming to them afterwards.

So the selection process is important, and I think this does get into the "Where does facilitation work best and how do you start?" And if you start with something that's got potential, then you can get the whole system to work, and the others will follow along behind. But I think that the selection process is a very important starting point.

And if you choose the wrong sectors – and I think we should be very frank, and when we choose a sector where it's not going to work, say it's not working. Let's cut our losses. Let's not pour more money down the hole. Now, we've done that in Nigeria with PIND. Nigeria's the world's biggest cassava producer and they're the biggest consumer of cassava.

The market systems just aren't working, and no matter – it's a subsistence crop primarily, and there are no major lead actors. IITA has spent money. I mean, the donors have poured millions of dollars down the drain. USAID, with Shell, has put lots of money into it. And nothing has really taken root.

And so let's back off. We can keep trying to beat our heads against the wall, but there's so many other things that can be done. Let's go where there are better opportunities, make it work, and then keep studying it, keep looking at it, and keep trying to figure out how to make it work.

The government in Nigeria, they made it mandatory that you had to – that the wheat companies, wheat mills, had to put at least of cassava into the flour. And basically the wheat industry, which is a $6 billion industry in Nigeria from imports primarily, said, "No, we're not going to do it."

I mean, take $600 million dollars out of the pockets of the ten richest people in Nigeria? They're going to fight you. And so that whole approach didn't work. And so understanding the political economy and the dynamics will help you choose your opportunity as well, and where the growth opportunities are.

Joy Chen: Hi, we have about 50 people on webinar, and Andrew Hack asks for you to explain more about the role of, and describe, the staffing and other resources engaged, and how you engaged to facilitate these interesting outcomes for the swine value chain case.

Marina Krivoshlykova: So the was done by the team of the long-term team of the project, and the team invested a lot of time upfront into sort of internal buy-in for these facilitation principles. We had the chief of party who has really had a vision for how he saw these principles work, but the local team wasn't always familiar with these principles, having maybe worked for other projects that used other approaches.

So there was a lot of kind of internal teambuilding and just understanding the principles, training, and really going through each intervention and discussing it. And there were some ideas I think that were brought up by the team that maybe didn't always make sense, so discussing it and kind of going through these principles, I remember the team had like the big flyer in the room with, like, seven or six facilitation principles that everybody understood very well.

And I think, as I said, they really followed it quite religiously by the end. But I think it was not outside training. It was mostly internal teambuilding.

Angelina Gordon: Other questions in the room?

Male Audience: At first, I can't thank you for the presentation, because I now have to revise a chapter that I'm work shopping next week in Seattle *[laughter]* with at least three different things that I've learned. No, seriously, it's been very interesting.

My question and covert comment is about exit strategies. And this may be because I come out of the education sector, and this may be increasingly difficult the further away you get from the easy metric of the bottom line.

But my experience has been that exit strategies and sustainability plans are mostly smoke and mirrors, and we write them for donors and make promises that we can't keep. So when we design Farmer Voice Radio, we had the principle that we wouldn't need an exit strategy, 'cause we wouldn't have an entry strategy in the sense of paid facilitation. We took the value proposition right to the radio stations and to the extension services and we said, "We want you to give us more airtime and we won't pay for it. We want you to give us more extension officers. We won't top off their salaries. And this is your value, this is why you should do it." And it's worked 80 to 90 percent.

But I see that in a high-touch market related project like you've described, or say what the Gates Foundation does with vaccine development in some cases, I can see maybe it works there. So my question, finally, is first, when you have these high-touch context, is it real? And what percentage of those exit strategies in general, not just your projects, do you think work?

Bill Grant: That's a good question. I think radio is a really interesting one. We had a really interesting case in Kenya, and as you know, Gavin

Anderson has done a lot of work with radio around the world, and the point you raise is about the context. How do you afford the context? How do you get the context?

The radio companies, the radio stations, are willing to – typically they want you to pay to get your context out. But if you could turn that around into a business opportunity for them, where it becomes they are able to get sponsors to pay them, not you pay them, but get them get sponsors to pay them, and another program that I evaluated in Kenya did that.

And they started with one radio station and they created a news magazine. And they got into it kind of backwards, because they had developed a whole training curriculum and they paid the radio station to do it, and then they went out and did market research to see if people had learned about it.

And what they found was there's a real market. There are people that listen to the radio and they want to learn things. And so they invested quite a bit to teach the radio station how to put together a 60-minutes type of formats with interviews and getting content.

And then they went out to say, "Okay, where does the content come from?" And Kenya has 100 different donor projects that are there, all of which have information they want to get out. So they set up a mechanism where they could identify those providers of content and go to them. And they set up an interactive radio program.

So it actually was started with the exit strategy in mind, and not only was it after they – then they spent probably $300,000.00 doing it, so it was not cheap. But then it was then copied by four other radio stations and they were selling the sponsorships to the fertilizer companies.

The last one of these I came to, there was a comment about the maize industry in Kenya, how well it had taken off. And the chief of party on the USAID maize project had said, "Well, actually, this radio program was the biggest thing to help us out, because our farmers learned more about how to grow properly and where to get the right inputs."

So I think you can do it, but you have to really figure that out from the beginning. You need to figure out what your model, what's the viability, because if you're paying for the development of all the content and feeding it into the radio station, then you're still there.

And when you stop providing content, the program will die. So they need to have a sustainable mechanism for the content. So it doesn't always work. Another DFID staff person in Nigeria said, "Bill, DFID's got five projects here and of all the interventions that they done –" this is not the projects, but the interventions "- he says I think only two and a half have really worked well."

But those two have worked really well. They reached millions of farmers and tens of thousands of women producers. So when it works, that's the venture capital. It can work very well, but it's not easy to do.

Hope that answered your question.

Male Audience: It does, thank you.

Angelina Gordon: Other questions in the room? We'll take this gentlemen here first.

Male Audience: Hi, I was wondering if you might be able to talk a little bit about how context can move beyond the – or how that will affect how an intervention that you make inside a value chain, how that intervention actually moves beyond into a more generalized systemic impact.

And then as part of that, recognizing that the first movers that you're talking about, that are usually going to affect what direction that change goes in, how that ultimately can also shape the impact that you make on your end beneficiaries.

Bill Grant: Can you repeat that last part? *[Laughter]*

Male Audience: Yeah. So when you think about first movers a lot of times are – if you think about how the first mover usually is less risk adverse, they're oftentimes not going to be reflected – like they're not actually coming from your traditional beneficiary group, and their self-interest is different than what the beneficiary self-interest is.

So sometimes what they're advocating for might not actually have the impact that you're really wanting to get inside of that system. So how that might affect your activities.

Bill Grant: Just on that last question, as I understand it, when you're saying the first mover there, being perhaps the service provider getting in –

Male Audience: It's like the guy with the shirt off dancing.

Bill Grant: But who is he? And I think Marina made the point that there are two types of shirtless dancers. There are the farmers, the lead farmers, who get out there and try this first. And they're also the service providers who are out there doing it. So you might be either one could be the shirtless dancing guy, depending on their context.

So the lead farmer is the shirtless dancing guy for all the other farmers. And the feed company that's doing it for the first time is the shirtless dancing guy for all the feed companies. So we need to understand which context they're working in, and then how to focus on their particular audience and make sure that audience comes along.

How to take this and make a more generalized impact. I mean, this is the process of crowding in and it does typically need to be led by private actor.

It can also be a policy issue, and policy can be a great tool for making things happen, but you oftentimes need the information to get out to the policymakers, and I think with the seed industry in Mozambique now, this is what we're trying to do.

Telling the government of Mozambique that there's only about 12,000 tons of seed that are of quality seed that are put into the system and 10,000 tons of that comes from either government or NGOs who are basically giving it away for free, and only 2,000 tons of it is actually sold by seed companies to farmers. It kind of shocks the system and makes people think, "Well, how?"

Because if the government stops buying or if the NGOs pull out, there is no channel to get the seed out to the farmers. So getting that realization I think can lead to that broader systemic change, but it's a gradual process. It's not going to happen overnight. The government has requirements. They have imperatives on famine and poverty relief, and if there are floods, they must buy seed.

And so the seed companies, it's much easier for them to sell to government. So they're basically being pulled out of the system. So we have to get the seed companies to want to also see the value proposition of selling directly to the farmers. I hope that *[audio break]*. It's a tough question. How do you get to the generalized systemic impact? That's what we want to do, but it's not always easy. Why are you smiling, Jean? *[Laughter]*

Angelina Gordon: We'll go ahead and take a couple webinar questions.

Joy Chen: The first one comes to us from Sydney, and I apologize if I mispronounce your last name Zara. I believe she worked with the two of you at DAI a while back. She's with Guinness in Johannesburg.

Sydney asks, "How important was the demonstration aspect as a way of sensitization of farmers in northern Mozambique? And why did they pay four times more for improved seeds?"

Bill Grant: Well, this is a nice question from Sydney, since Sydney was the project manager of the project. *[Laughter]* Hello, Sydney. *[Laughter]* Is that a leading question? *[Laughter]*

You have to show that change works before people will change their behavior. You have to see that it works. And so you do need the shirtless dancing guy is the businesses that's actually out there selling and making more profit, so that the other see that they can do better if they emulate him.

In terms of getting the farmers to pay for the seed, there were a whole series of factors that came into play. I mean, planting a soya is very time sensitive. You have to plant it by early January or you lose your yield. Your yield goes down radically after that in this part of Mozambique.

And seed was never available. The donor projects that would deliver or if the government – seed would always come late, come at the end of January, February. And the farmers always said, "Well, if we could get the seed up front, if we know it's there at the end of November, then we can prepare the fields and we will buy it."

And actually once they started to see it, the team on the ground said farmers who weren't in the program were actually lining up, saying, "Can we get access to this seed? Because we can't get good seed."

So the getting people to want to pay for it, it does take discussion. It takes them to understand the benefits, they have to – they ended up more than doubling their yield. They went from 400 kilos to over 1,100 kilos per hectare by adopting different planting practices and also using the improved seed.

But the real showing the change works is I think a really fundamental part of the whole process. And in agriculture, that might be now. That's a cropping season – might be six months, might be a year, and so we need to temper our expectations for expansion and crowding in to fit that reality. And sometimes that doesn't always meet what our clients would like us to yield in terms of numbers of farmers who we bring into the system within a short period of time.

Joy Chen: And to follow that, Stacey Young of USAID had a comment earlier that said, "Yet another reminder that donors need to increase our tolerance for risk and failure." So very, very appropriate.

I have another question. This comes to us from Sharique Manazir from the Association of African Entrepreneurs in Ghana. And Sharique asked to share your views on subsistence marketplaces, where we know the infrastructure constraints causes many companies from entering into certain geographical locations.

Bill Grant: As I understand the question, it was subsistence market structures prevent people from – if products are not being commercialized, if they're not being sold, it is difficult to stimulate rapid change.

I think that you can do it. You can get there eventually, but it's certainly not a low-hanging fruit. I mean, it's a very proposition to get into. So I don't have a way to do it. There's enough other *[laughter].* I mean, if you take sorghum, when we were looking at the seeds to be focusing on Mozambique, we chose ground nut, sesame, pigeon peas, soya, and maize, and because those were commercialized crops that people would grow. They would eat part of it and they would sell part of it.

We didn't touch sorghum because nobody was selling sorghum. They were growing it to eat. There'd be a little. If they had a little bit of surplus, they would sell it, but they were growing it to sell it, and so it's very difficult to go after those purely subsistence crops.

Angelina Gordon: Introduce yourself before you ask your question.

Dennis Fleming: Hi, I'm Dennis Fleming from Niger Delta Partnership Initiative, and Bill, you've talked about various types of context and how the intervention design facilitation styles differ. Just recognizing with a Nigeria example that you mentioned, a key part of the selection of aquaculture there was the existence of that big cluster that we had to work with.

What would you say about the existence of clusters of farmers and processors in terms of affecting the intervention design and the facilitation style, 'cause that seems to have a big bearing on what we do, just how clustered they are, so that you could get that demonstration effect a lot easier.

Bill Grant: One of the fundamental principles I think of market development is leverage and finding your key points of leverage. And clusters are one of those key points of leverage. I mean, you have market system nodes, a large firm that engages with many people, you have policy as a very great point of leverage.

But a geographic cluster is also one of the top three, and I think it's a very important starting point. It's very difficult to go out and reach one farmer, one farmer, one farmer. But when you have a large number of them together, it's much easier to do that.

In our case in Nigeria, it was opportune. I mean, this is a really unique cluster of fish ponds. But by demonstrating it works there, we've gotten the feed companies to come in and be willing to go after other places where there aren't as heavy a concentration, but where they will find a lead farmer who they will then use as kind of their point of contact. But the geographic clusters are very – it's one of the three fundamental principles, I think, of starting out. You want to choose areas where there are lots of market actors.

Which is why Mozambique, we're working in Grueh, with soya, because that's where the soya farmers are located, yeah.

Zon Northgroup: Hi, Zon Northgroup from DAI. I actually wanted to follow up on this gentleman's comment, because I found that really fascinating and a real challenge. We should always be trying to think about what is the least amount of intervention that is required. And so I was thinking to myself, "Okay, where would I place a radio, pure radio approach on this spectrum."

And what occurred to me is it is actually to the left, not just of Cambodia, but it's to the left of a shirtless dancing guy. Because even the concert was facilitated. Somebody brought together the music, the sunshine, probably a lot of drugs in the parking lot. *[Laughter]* And that all came together to make what happened possible.

And so I just want to thank you, though, because in each case after that we've been doing a little bit more, a little bit more active as to bring the elements together and make the value proposition clear. But maybe radio is also part of an exit strategy, in that maybe is what you need to leave behind in some way.

Bill Grant: Drugs too. *[Laughter]*

Zon Northgroup: Yeah, absolutely.

Kristin O'Planick: Kristin O'Planick, USAID. In terms of how you come to the decision between where you are on that spectrum and which type of facilitation approach is the best match to it, is that something that you think can really be done in the kind of initial upfront analysis to kind of make that decision? Or is that something that there has to be a little bit of trial and error at the beginning to determine where you are, especially maybe in like Cambodia, where everybody thinks it might be a very, very context, but like you say, that particular value chain wasn't so much. But thoughts on that.

Bill Grant: A lot of it goes to the facilitator. Who is the facilitator and how well do they – are they able to engage with the market actors? I think there is a lot of trial and error, but I think that there are also some value chains in cases where you know that it's going to take longer.

I mean, one of the nice things about pig production, like aquaculture, is it's a fairly short cycle. It's six to eight months and it's a steady process. Poultry is six weeks from chick to broiler. And so you can really see change very quickly. If you've got a much longer crop, or the market environment is more difficult, you really need to engage with the market actors.

So determining that context is part of your upfront analysis. It's seeing are there service providers? Are they interested? If there are no service providers, then that may move us to the left on the scale. And so we don't necessarily know what it is when you first look at it from the outside. It's only when you get in there and start talking to the market actors, and to the farmers.

Cassava farmers in Nigeria just really don't want to invest. It's a heavy crop to move. You think, well, why aren't they? There's potential, great potential, but their appetite for change hasn't been as great. Maybe we just haven't found the right people. We haven't found the right cluster.

But if you don't find the right people, then you're not going to succeed. So I think it is a lot of trial and error and upfront analysis. You can look at a country like – if there's no economic activity, if the population is very dispersed, and they're long distances, those are all factors that would make it a more difficult environment to engage in upfront.

Then if you do find that, that good cluster in Grueh, or the swine farmers who are in concentrated areas in Cambodia, it can take off quite quickly.

Marina Krivoshlykova: Answer that, even in Cambodia it was –

Marina Krivoshlykova: It was trial, a little bit of a trial and error. For example, there was one value chain that they ended up dropping I think into second year of the project.

And I think even though the team kind of knew the principles, nobody has really tried them in Cambodia before, so they wanted to do it that way, but they weren't always sure that it would work. So I think even the first interest groups were a bit of a learning of how to make it effective.

Angelina Gordon: That was a great question to wrap up our seminar this morning. I'd like to thank everyone for their time and for joining us this morning via webinar, particularly our presenters, Marina and Bill. Thank you very much for presenting this morning. Have a great afternoon.