



MPEP SEMINAR SERIES

Exploring Frontiers in Inclusive Market Development

Facilitating Systemic Change: Experiences from Feed the Future's Projects in Uganda

Q & A Transcript

August 1, 2013

Presenters:

**Eric Derks
Tetra Tech**

Moderator:

**Jeanne Downing
USAID**

Sponsor

United States Agency for International Development

Female: We're going to take some questions after that insightful presentation. There have been a couple on webinars so I'm going to start with a couple on webinar. Gale Motsi from CHF Ottawa asks, "Did you conduct any cost-benefit or overturn on investment analysis of lead 1.0 and 2.0? You mentioned \$30 million for lead 1.0. What was the budget for 2.0? And if you can speak a little more about more sustainable impacts at least the business level and if lead 2.0 was cost effective."

Female: _____ can't hear you.

Male: I heard you. The first question was, I believe – and I'm going to repeat it so I can stall for time – about cost-benefit analysis lead 1.0 and lead 2.0 and was that done, and to my knowledge that was not done in a rigorous sense. Ken, correct me if I'm wrong. All we have are anecdotal evidence to the case in terms of resources spent and impacts achieved. What makes that cost-benefit analysis problematic in many of these approaches, however, is that these impacts benefits are fully expected and I think reasonably so to expand well beyond the life of the project, so the question partially becomes when would you do that cost-benefit analysis to come up with some kind of determination.

Female: All right. And I'm going to take a question from the room now. If you could wait for _____ to pass you the mic, state your name and organization for everyone.

Male: Hey, Eric.

Male: Hi, Todd.

Male: My name's Todd Flower, and I work at USAID. I was curious about – everything you're talking about requires flexibility, learning processes to change the activities that you're doing as the market responds. For the most part USAID uses an M&E system where they want to know solutions first, and so I'm curious how are you managing the USAID expectations of the M&E versus the flexibility that you need?

Male: Good question. Under Lead 2.0 we pretty much ran with the performance management plan, the PMP, as we had it with some modifications in terms of indicators, but we did initiate a quarterly review planning process in the project showing that, "Okay, this may be our annual work plan and these are the types of activities we're looking at over that 12 month time period, but we know we're going to be modifying them actively on a quarterly basis based upon what we're learning." In the ag inputs activity we've been working with Lane Pollock the learning advisor and my contracts

officer representative at the mission, Corey Fortin, on a reporting mechanism. We just completed the quarterly report that would take a substantive three month retrospective and a three month projection and that would be what we would be moving forward with for the next quarter. At the year mark we would be taking a 12 month retrospective and a 12 month projection but recognizing that at the quarterly increments that's still going to be questionable. We in discussions with them recognize we have three sets of assumptions we are challenging regularly. The first is are these the right entry points to be intervening or _____ mentioned we already made a big shift. We had before wholesale retailers and retailers but we decided it makes more sense to shift to just wholesale retailers for scale of impacts and a number of other reasons, so challenging assumptions about entry points and making modifications, assumptions about the types of changes we're looking for at these entry points and the types of activities one would do to bring about these changes, so we expect over the first three – four quarters to see some vacillation in terms of getting it right, figuring out what's going on, but that should be much, much neater moving forward. Unless, of course, there are blips and bleeps and certain _____ that occur that we need to take into account.

Female:

Duncan Bon asks, “The question around the public sector and is there a potential regulatory enforcement role to shut down counterfeit input channels, the role of ag research and extension to prove profitability of inputs, and if you could speak a little more about that.”

Male:

There is a role for the public sector, obviously. It's currently fairly weak in terms of providing or enforcing the existing regulatory regime. That, thankfully, is the focus of the enabling environments in agriculture activity, not necessarily of my activity, but there is work to be done. For example, in ways in which our activity which is more private sector focused is entering into this sphere is working with the Uganda Seed Trade Association which is the industry association I mentioned, and one of the initial membership services they identify they really want to get into is their own quality control inspection services coupled with a branding service, so any seed company sporting, they use the label on their bags of seed can provide with assurances to the final consumer that it meets their own rigorous quality control inspection, and they can set in standards to comply with regional market opportunities as well, which the current government regulations can't do. If a seed company wants to sell into Kenya, they have got to bring Kenyan inspectors in to be able to do that, so it's an initiative by the seed industry and businesses themselves to set the bar high and provide the quality controlling so that, “Hey, if you're going to be a member of this association, you've got to be up to snuff.”

Male:

Tom Timberg – consultant. You talked about a very interesting experience of a number of years of USAID value chain projects. I would

presume that there are also – you mentioned FAO, NGO's. There were a lot of other organizations also pursuing different sorts of value chain projects maybe even in the same areas and certainly with the same commodity. What have they learned? What kind of hypothesis have they tested? And then I'll ask another question related conceptually which is this is now seven years – nine years of projects and probably previous projects before then, what do you know about the attitude of the participants, your clients, to these projects in Jeanneral and the donors in Jeanneral because presumably they've learned something? They have institutional attitudes and so forth which are now part of their response.

Male:

Good questions, and you're right, there we're not in isolation or in a vacuum in terms of activities in these countries. The interaction I've had with many of the other donors and other implementing partners is they operate typically – again, Jeanneralization – more at the civil society, public sector spheres. Amongst the donor working groups that are active in Uganda – there's a seed sector; well there's an agricultural working group seed sector part of that – most of the donors and implementers look to USAID Uganda and its implementers as the voice of what's happening in the private sector, that we have much more capacity, experience, expertise in this area, so while there's room for collaboration, there's also less learning Jeannerated by these activities as it relates to what's happening with regard to the private sector where we see a lot of overlap especially with regard to the industry associations, and that proves a bit problematic. I mean there's a tendency of consistently funded supported industry associations to be commercially oriented towards where the money's coming from, and if most of their money's coming from donors then they tend to look more like implementing partners than they do industry associations, and that's largely the case with many of the associations in the agricultural sector and the ag input sector, and it's why we've kind of taken a stance, if you will, that we're promoting member-driven services that, "Well hey, we're interested and if you're interested and see this as a viable opportunity to establishing the relevance and strength of your association, get into membership services and drive that process." Perhaps there was another question in there that you'd like answered. I can't remember if I have hit them all. Past projects? There's been a lot. I wasn't around. What is the perspective of the clients? Well we try not to call them our clients because we aren't selling services in order to get the ownership of these types of improvements. We aren't in that type of relationship with these entities, these organizations. It's not entirely I take it or leave it relationship either, but we definitely want to be in the position where, "Don't waste our time if you don't see this is of interest to you." I'm biased, but I think I'm hearing from many of the businesses, "find that refreshing where it's not another project outdoing – so tell us about your constraints," and it's like I keep telling everybody about my constraints and challenges. At the end of the day really they're

looking for opportunities. They're looking for improvements. Not everybody, but the businesses who are going to be changers in the system are the ones most interested in how they can release all opportunities, and if you have some suggestions of way of piloting and learning from those improvements, hey, it's a good working relationship.

Female: Daniel Lissett asks, "Was this approach successful at reaching the poorest most vulnerable farmers who might not have the ability to purchase inputs, and if not, what approach or approaches would you recommend for this community?"

Male: In terms of looking at numbers of who are the poorest out there and are they benefiting more or less and what are those obstacles to them benefiting versus others, I don't have evidence to point to to that fact; however, we were seeing and are seeing that more responsiveness – adoption and adaption of more customer-oriented business strategies can create more opportunities for broader based farmers than just anybody in the market place. We're interested in looking at – _____ the example about networks. We recently came across another project that is managing or working in support of a 60 plus strong women's organization of farmers, and it was interesting in our conversations with her that about half of the women have identified outlets for genuine products and repeatedly buy agriculture inputs; the other half of the women don't. Well they're all part of the same association so why not? What we'd like to do is be able to get in there and map out the networks of friends, family, proximity relations between these women to better understand, "Well just because you're part of the same association, why are these women either not sharing this information or it's not being picked up from the others?" And it's an interesting question. I think it has implications for opportunities of improving the way businesses reach different customer segments and understanding the dynamics of perceptions especially with regard to ag input use.

Female: Hi, _____ with AFT Associates. I do communications so I was really interested in your mention of these media roundtables that you did and how you introduced this new narrative wherein the private sector rather than the project would really help foster change. I was wondering if you saw any long-term effect on the media coverage of this issue and if it had any effect on either your direct beneficiaries or the people you were working with indirectly?

Male: Interesting question because there is an important balance to strike where obviously USAID Uganda wants to have a particular profile and presence as implementers of a particular project – we're here to help. On the other hand, we don't want to communicate through the media that all these benefits are the result of just this project which tends to foster, we find, the

expectation of the series of clients and businesses throughout the iterations of various projects that just wait around for the next project to come along and provide the next series of benefits. I think we found a lot of receptivity amongst the media for that initially, and it was good to do that in a bit of a formal roundtable type session, but there was also a lot of work with our own communications staff in terms of how they communicated with reporters and brought reporters out to cover particular events in how to shape the story and where we wanted to be in the narrative, as you say, of that story. I think it sold pretty well. Just judging by the number of news stories that these reporters were able to Jeannerate with USAID lead as the backseat player but that this business front and center linked to these farmers as the main story was very attractive, I think.

Female: I have a question from Jennifer Substed of USAID. She said, “Change in social norms can influence behavior change. Have you found change in norms of behavior in the value chain?”

Male: Have we found –

Female: Have you found change in norms of behavior in the value chain?

Male: In the value chain. Let me get my head around that a bit. I think that these performance improvements many of the business are making are themselves changes in behavior. If you’re going from a business which has a particular business strategy of competing solely on price, sitting behind the counter not being proactive, and waiting for people to come to you, that’s a behavior. If you’ve adopted a different business strategy where you’re looking at the success of my business depends upon the success of your business and my business and growth strategy is about getting more customers into my door and solving problems for them, obviously these are very different behavior changes. So yes, in short, we do see a behavior change, but it is an important point in bringing it back to a social norm which argues for what we’re pointing to at the end is that we don’t want to be just limiting our interventions and our focus merely to actors in the agricultural input system because these are behaviors that are as relevant for sellers and providers of fast-moving consumer goods. There are other role models out there in other sectors that could be of value to the businesses we’re working with – telecommunications providers, for example, in just in selling airtime and top-up cards and SIM cards, they have brought in very well developed practices of recruiting distributors, training them up, training their staffs, giving them operational plans, tools, equipment, etcetera, that well if this is happening literally next door in many cases to the providers of these agricultural inputs, why is this not spilling over and what can we do to help these behaviors, these business models and strategies spillover into the ag input sector?

Male: Eric – excuse me. Thanks. Brian Greenberg with Interaction. I really appreciated your description of the evolution in your thinking and in project frameworks. I thought that was really interesting. The question I want to ask you I think perhaps builds on the earlier question and it's about the relationship between systemic change on the one hand and scale on the other. Presumably one could restructure a system without achieving the kinds of scale benefits that are really sought here, and it seems to me – and I don't want to put words in your mouth, but one of the conclusions I took from your presentation is that key to that is figuring out at various levels of value chain who the early adopters are and on the assumption that early adopters are somehow made, not born, and made by experiences, networks, information, and so forth, they're the ones, at least speculatively, that drive systemic change, and the question is how to change early adopters who are really not in the middle of the bell curve; they're not the norm. How to take the characteristics of early adopters and bring them or disseminate those qualities more broadly, and obviously that's challenging, but if you could get at what it is that makes an early adopter precocious and replicate that out somehow then you bridge from systemic change to scale, so just wanted to get your thoughts about that.

[Laughter]

Male: Help. I'm hearing a lot in that and I perhaps want to unpack some of that –

Male: Pick what you like.

Male: I will. Systemic change and scale – I kind of see them as part and parcel. If we're achieving systemic change of the types of improvements that are being promoted, sought after, then we are achieving a certain degree of scale. I think that's implicit, although probably somebody's going to say, "Well, not really," and I'm going to go eat my words. And forgive me if I'm misconstruing what you said just based on the words – it's not an engineering process. It's not an engineering feat. I've seen a lot of efforts in terms of value chain, development of value chain approaches and systemic chain approaches in taking and looking at this how to go out and build a value chain, build a system. We're not building anything. I mean I think that's the first thing to just remove from the equation. It's inconceivable, heuristic – is that the word? Is that a word? – to think we can do that. I think this is where Jeanne was in the introduction talking about looking at these as complex adaptive systems is that there's just so much going on, so much interaction, action, reaction, etcetera, taking place that there's a high degree of uncertainty, large chances – certain changes of unexpected and unintended outcomes to what you're doing that's looking at this as an effort to manage a complicated set of causes

and effects is not, I think, in the ____ right framework. It's about managing and experimenting with different, they call them, probes, attractors, interventions to see what happens and does this Jeannerate the types of patterns of behavior that are, I guess I'll say, beneficial and offer a greater degree of resilience in the system, and bringing that back down to the things we were talking about in practical terms, it is about systems being more resilient and beneficial if individuals are driving benefits for one another, and we're finding that customer service business strategies, membership service business strategies, supply chain management business strategies embody the types of performance practices and behaviors that increase and put value into these relationships, allow for greater resiliency in the system overall – new things happening, new products on the market, new diseases out there in the system, new market opportunities. The systems can react if there are those stronger interrelationships of two-way communications and links of networks.

Male: Can I just _____ ?

Male: Yeah. Quickly please.

Male: I didn't mean at all to imply it's an engineering problem and a cause – excuse me – effect kind of a problem. In the end you're seeking behavior change, and what I'm asking is what goes upstream of behavior change? And I see that as largely a cultural problem, and the question really is how to change the positive deviance of early adopters into a broad cultural shift.

Male: I guess I don't agree. In the U.S. there has been a tremendous shift– in the U.S. North America western economies and cultures of business – shifts from businesses looking at themselves as suppliers and providers of products to adopting different customer service business strategies. Talking with a Ugandan consultant who worked for a long time for Avery – Avery that manufactures labels and printers and _____ of paper products shifted while she was there from looking at their businesses as providers of products and selling products and figuring out the margins and all this to internal systems and operations that shifted the business and the culture and its approach to growth as how to bring in more customers, how to solve more of their problems. So it is a cultural issue, yes. Is it one specific to Uganda? No. It's in the absence of other types of role models. We're looking for and finding business and entities who embrace and benefit from themselves more customer service business strategies. It just doesn't happen to be the norm, but there are ways, and what we're looking at in terms of better understanding of networks, how people interrelate, and the tools and skills and usage of supporting markets that they can experiment with and test and pilot out of these business strategies to drive benefit. So it is a cultural norm, but it is a shiftable one.

Female: Hi, Stacy Young with USAID's Policy, Planning and Learning Bureau. I wanted to just circle back around to Todd's question about how this adaptive approach squares with USAID's traditionally static approach to M&E and just say Eric had mentioned that he's working with Lane Pollock who's the learning advisor in the Uganda mission and also Corey – whose last name escapes me –

Male: Fortin.

Female: – who has – sorry.

Female: Fortin. Thank you. Who has also embraced this adaptive approach that we are promoting through the collaborating, learning, and adapting work that we're integrating into how USAID approaches the program cycle. So this is part of a set of reforms that we are rolling out across all missions, and this adaptive approach that you've described today, Eric, is – actually the lead project is one of the examples that we're carrying to missions of a more adaptive approach, a learning-centric approach that we would like to see more missions adopting precisely because we see the shortcomings of a static approach to M&E and a static approach to development in Jeanneral, so it's fortuitous and actually no accident that you're able to do this kind of work in Uganda because Uganda has been in the lead in embracing this adaptive approach and a learning-centric approach, but I wanted to flag that for people because I think some of our partners know but many of our partners don't know that we're moving strongly in this direction as a matter of policy, and we're also interested in examples of work that you're doing and ideas that you have about how we can make our work more learning focused and more adaptive, so I just wanted to put that institutional context around this because the good news is that this is something that we're looking to scale throughout USAID's programs. It's not simply an outlier which is great. It is definitely in the forefront but hopefully not an anomaly. Thank you.

[Laughter]

Female: *[Inaudible comment]*

Female: Thank you for that point, Stacy. Unfortunately we are going to wrap it up. I invite everyone in the room to stay late and chat with Eric. For those of you joining us on webinar, thank you so much for your questions. I sincerely apologize that we didn't get to everyone's. I will toss it around and sort of work with you all to get an answer and post it on Microlinks. All right. thank you so much.

[Side conversations]

Female: _____ you can fill out _____.

Female: – event surveys. We care about your feedback.

[End of Audio]

