



USAID
FROM THE AMERICAN PEOPLE



Market Facilitation Peer-Learning Event 2014 East & Southern Africa region

KEY MESSAGES TO DONORS

The following is a summary of several of the discussions or comments that evolved during the peer learning events that may be of particular interest to USAID and BFS.

TECHNICAL / INPUT MARKETS

- **Context matters. A successful model in one environment may not be successful in another.**
- **No one model is inherently better than another. There was fear of donors latching on to one “ideal” model, when in fact there is not one great model: the appropriateness of a model depends on the context.**
- **Rather than getting locked into a model, donors and IPs should consider these indicators of success:**
 - generates new customers
 - repeat customers
 - perceived as fair
 - competitive pressure for copy-cattng, adaptation, innovation
- **Flexibility and adaptive management are important to find out what model works in a given context.**

TECHNICAL / OUTPUT MARKETS

- **Focus on the principles underlying the model, rather than the model itself**
- **Relatively low-cost adult literacy activities can improve smallholders’ ability to make better decisions in the marketplace.**

TECHNICAL / FINANCE SERVICES:

- **Practitioners have rich experiences in piloting and scaling various financing options relevant to different parts of the market system.**

“There are so many financing mechanisms and models being applied in the field. We are now planning on implementing many of these.”
- **Donors should continue to invest in insurance infrastructure, such as satellites, mapping, research, etc. Although these investments are expensive, they are essential and have the potential to benefit many activities in the country or region.**
- **Donors should reduce the emphasis on the number and value of loans as an indicator of success in financing. These indicators create incentives to push loans on people who are not ready to use them effectively. Alternative indicators for finance-related initiatives are needed.**

- **Financial education, in the form of basic numeracy and business literacy, is a worthwhile investment. IPs discussed a six-month, relatively low-cost training delivered through local organizations, that has enormous impact.**

TECHNICAL / FACILITATION

- **Increase communication between USAID and IPs. IPs need to more clearly explain their assumptions, causal models and tactics. IPs need to try out different ways of creating behavior change, learn what works, and build on that. At the same time, there needs to be accountability to the mission. Experimentation cannot continue for the life of the activity without producing results. Therefore, a close relationship between USAID and IPs is needed to enable them to learn together.**

TECHNICAL / INCENTIVES AND PRESSURE POINTS

- **Move beyond adherence to models and instead be opportunistic—look for where change can be leveraged and create momentum. Such as approach requires IPs to keep questioning assumptions and learning.**

MONITORING & EVALUATION / GENERAL:

- **Implementers are asking and searching for ways to report on transformation beyond simple numbers.**

“We need to put positive pressure on the donor so he gets positive feedback in regards to the whole project. Numbers for the sake of numbers means the donor will always be here. We need to think about transformation.”

“We need to tell the story behind the numbers.”

- **Implementers are frustrated that expectations on M&E outweigh budget allocation to this area.**

“We’ve been focusing so much on M&E. A rule of thumb is that 5% of a project should go into M&E but for us it’s close to 15%.”

- **Implementers are requesting greater openness to the use of qualitative tools. In addition to FTF and custom indicators, many IPs use less formal measures that are not reported to the donor, but are used for management to see if interventions suggest systemic change.**

“Let us use qualitative tools, such as SenseMaker or network analysis.”

“Some programs see that tacit knowledge is really important. Some of these things may not be an indicator, but it may be exactly what you need.”

- **Implementers would like to explore how to integrate results chains, which are standard in many Dfid-funded projects.**

MONITORING & EVALUATION / INDICATORS:

- **Implementers are very interested in indicators to measure system change.**

“... indicators that are given to you aren’t aligned with transformation.”

“Develop sentinel indicators to indicate system change.”

“We need to use a 5-stage policy change indicator to reflect systems change.”

- **Implementers are challenged by indicators not measuring the depth of the intervention.**

“It is difficult to capture the difference in the degree of treatment (one day training recipient vs. long term extension service recipient).”

- **Implementers are becoming overwhelmed by too many indicators in some contexts.**

“Another challenge is if you give too many indicators, you force the project to lose its vision”.

DIRECT VERSUS INDIRECT BENEFICIARIES

- **Implementers encourage clarity on how to consider direct versus indirect beneficiaries, and the importance of measuring indirect beneficiaries.**

“Our aim is to create a demonstration effect and leverage change at indirect beneficiary level, but we don’t know how to count these in our M&E.”

“Some projects’ consider their secondary contacts to be direct beneficiaries.”

“In savings and loans groups, the direct beneficiary is the member, but the entire household is benefitting from one member having access to finance. The household could be counted as an indirect beneficiary.”

“It is particularly difficult to track indirect beneficiaries for media messaging activities (such as radio shows).”

“Nutrition indicators have worked out how to capture more beneficiaries than agricultural indicators have.”

“What farmers see, farmers do. I don’t need to teach 200,000 farmers good agricultural practices, but if I teach 20,000 VERY well, then you’ll end up with 200,000.”

“If you intervene in a village and have 20 farmers with meaningful impact, the rest will also adopt. If you tell the donor, I’ll give you 20 farmers and beyond the life of the project you check in on the village and see how many more have adopted the practices, the donor appears to care about the initial numbers and less about if there is meaningful growth.”

“Our project was not originally a FTF project. Once we became FTF, we received new indicators. We were reporting numbers and they wanted to know if we are using the definition of beneficiaries from October 2010 or February 2011 because now beneficiaries mean something different than it did 3 months ago.”

PROJECT TIMELINES:

- **Implementers want to highlight that interventions take time to achieve initial results, which needs a change in expectations and practice around project timelines.**

“A lot of what we’ve spoken about involves investment of time and energy to build relationships. We have a finite period within our projects, so how do we take the time to build these relationships? How do we communicate with donors and the private sector that this will take time and you may need to adapt?”

“Project cycles are too short”

- **Implementers want to highlight that successful interventions often only achieve success and scaling opportunities towards the end of the project, which calls for longer project timelines to leverage this impact.**

“I look at examples of projects here which are in their final years of operation and are really getting good things done. But they are now going to end. Why are projects so short? Agricultural projects should be at least 10 years. How do we design projects that are longer in duration that will be more impactful?”

- **Implementers would like to build CLA (collaboration, learning and adaptation) into activities and to encourage staff to engage in learning.**

PROJECT DESIGN:

- **Implementers would like to be able to provide input at the end of the project on what needs to be done to sustain impact or what still needs to be done to achieve results.**

- “We should be able to give guidance to USAID on where the project has ended, what needs to still be done for the follow on.”

- “I keep hearing the challenge of how we meet requirements of contracts and keep our staff employed but at the same time have the transformation so the next project doesn’t come and do the exact same thing. This is an important conversation to have.”

- **Implementers recommend more investment in specific systems and infrastructure that all the projects can leverage for success.**

“We’ve has been working with a microinsurance company and we’ve seen great results from index-based weather insurance. The challenge is it takes a lot of money to set up these systems. If we want to see this grow, my plea to USAID is to put money into this infrastructure.”

VISABILITY of the DONOR / IMPLEMENTERS:

- **Implementers recognize the need to play a behind-the-scenes role, and explore how this fits with contracting, branding and reporting expectations of USAID.**

“We should make it look like local solutions and initiatives – hiding the role of the project.”

WORKPLANNING & REPORTING:

- **Implementers highlight the risk of donors’ and governments’ expectations for workplans that define all project activities for the life of the project and which are inflexible, recognizing that these can severely constrain effective market systems development.**

“It can be very painful when someone asks to see a workplan. They expect to see very specific things.”

“Maybe we should rethink what is a workplan. Obviously it’s different any way under the facilitative approach. Maybe the workplan could better articulate the facilitative process [rather than specific intervention activities].”

- **Implementers share the burden of cumbersome reporting to the donor that is in turn not helping them to manage their projects better internally.**

“The management and reporting tools are very lengthy and scheduled at specific times. Typical reporting doesn’t really help the project manage its technical work well.”

“We do a lot of reporting that takes up a lot of time. I don’t know how to solve this, but it tends to reward people who are good at reporting but not who are good at what they do.”

- **Implementers recognize the opportunities that greater flexibility in refocusing value chains during the life of the project can provide in order to focus on those that have the greatest development impact.**

“Learning and adapting usually does not happen. In our project, for example, we have several value chains. We’ve learned that the growth of one of the value chains will not be as exponential as the other value chains. We cannot adapt this value chain because it was given to us from the donor. This affects our ability as a project to have a quick cycle between the learning application and relearning.”