



Driving Organizational Change: Taking the Value Chain Approach from Principles to Practice

Q & A Transcript

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Presenter:

**Mina Shahid
Engineers Without Borders (Canada)**

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Female: Thank you, Mina. Joy will be walking around with microphone to take your questions in the room. Please speaker into the microphone as we have 50 people on the webinar, and I will be taking the questions from online. Thank you.

Does anyone have questions?

Female: Hi, my name is Mindy Rice. I'm vice president of an NGO actually called Global Peace Services. We work in development projects and a variety of contexts, and I've also done consulting for a variety of agencies, U.S. and other.

One of the problems is, in terms of monitoring and evaluation, that often the frameworks are very narrow and are almost an anthropological kind of evaluation is sometimes not what the donor wants, and that can be a big mistake because they slice it and dice it in ways that lose some of the nuances and the texture and really are getting a skewed kind of assessment of what really happened. And I think, in the end, that's a loss.

So I'm curious if you have any comments about M and E, and also, I am a great fan of Engineers Without Borders, so it's great to have you.

Male: Great. Actually, that's – it's a great question because it's something that we're working on right now with the Lead project in Uganda, and we have a fulltime staff who's spending the next year figuring this out.

And I think results chains, if you go to the donor committee for enterprise development site, they have great resources on how to make results chains that are linked to logical frameworks, so that the donor is happy, but at the same time, you're breaking down those indicators into quantitative results and – qualitative results. And that is more of the anthropological change that you tried to – that a project should be doing. And it creates a sense of urgency within the M and E team to be thinking about this if they are working on results chains and they are doing this qualitative analysis.

Female: *[Inaudible comment]*

Male: The Donor Committee for Enterprise Development, DCED, and if you just Google DCED, results chains or impact logics, sometimes it's called, you'll be able to find a lot of resources, and there's a guide to how to do it within your project.

Female: And I just wanted to add about I know that probably a lot of people with USAID are feeling that FTF indicators don't allow and Lead has to use those FTF indicators. And I think there are – there is room for custom indicators, and I think it's like some of the solutions that you were talking

about with the archetypes of finding ways around indicators like with customer indicators and things that you use to manage the project that you may not necessarily be what you're reporting on.

Male: Exactly. So what we're doing with Lead is we're saying, "Okay. Well, we need to report on these 36 FTF indicators, but we're going to do this additional result change stuff to make this substantial."

Male: I'm Don Brown from Comonics International. One of the issues that seems to be underlying a lot of sort of the driving some of these archetypes that you have is the question of the donor, and having worked with a DIPID project, a facilitated project under DIPID and then trying to work under system facilitated activities related to USAID, the donor, it seems to me, is a critical element in all of this.

And so – you know, in fact, even to the question of M and E, using the DCED model, that's a very effective sort of evaluation system, learning system that can be done within a facilitated program, but I have a feeling that would be a very difficult thing to put forward in terms of a project donor USAID project because it has – it doesn't connect easily. You have to do a lot of work to connect the whole list of indicators, whole lists of predetermined sort of outcomes, in many ways sort of predetermined paths that the USAID gives you to a much more flexible and dynamic structure that you have in the – well, the DCED structure and also some facilitated approach.

I guess the question is how do you get the – what are the issues to get the donor on board and how do you get that education? I know this is a – people who are very much for the facilitated idea. This has been, I think, part of our sort of challenge, and I don't know if you got from your experience some things that might be helpful in that particular question.

Male: Yeah. I think the donor issue is a huge challenge. What we've seen happen in Uganda, who has a very forthcoming mission, USAID mission, is that there's been individuals within the mission that understand systemic change, and it's always difficult to do this stuff if the donor doesn't understand what systemic change is.

But at the same time, a lot of it, I think, has come down to the leadership of the project to communicate this and to be diplomatic, in a way, with the donor, to create conviction around systemic change and around results change. And the project says, yes, the M and E team says, "Yes, we have to spend 80 percent of our time filling out these FTF indicators but then we're going to go overboard. And we're going to give a bonus to the donor, and we're going to say, 'Here's results chain.'"

So it is very difficult, but if there is staff within the project and the leadership within the project sees the value of this, they can go and do this essentially bonus activity of creating these results chains which the donor, what we've seen, has been very pleased to see this additional effort being put in to thinking about the change that's being created.

But we've also seen the other situation where the donor, the country office – the country mission of USAID had no interest in this at all, and in that situation, it becomes very difficult to do market facilitation more so in terms of motivation of staff who see that their ideas and their efforts are not being rewarded or cared about, and it really requires, in that case, strong leadership to continue to be able to motivate staff and to manage both the necessary donor requirements but also to be thinking about, well, what change are we going to create in this five year project lifespan.

And a lot – we've seen poor projects who put their hands up and say, “We can't do anything because the donor is in our way, and so we're just not going to do anything,” and then that's the achieving failure archetype. And a lot of it does come down to the internal people within the project and how well they can navigate that donor relationship.

Female: Thank you, Mina. I don't have questions from the webinar. Are there questions from this side of the room? Anyone? Okay. Thank you.

Female: So I had a quick question. My name is Emily Janock, and I work with Care and on this point. So the two things you mentioned, across all of the archetypes, are the donor relationship and leadership, and those are two very difficult, complicated things to try to change.

So, as an industry, how do we try to do better to make sure that the donor relationships are a little bit flexible and that leaders are in a position where they're motivated and ready to grab this as –

[Crosstalk]

Male: Sure. That's a great question and that's something – EWB, we focus on improving facilitative approach of individual projects for the purpose of creating systemic change in the market facilitation space of the industry.

So, in this case, we publish the things that are actually working well within the projects that we are working with to try and create momentum around facilitation. So a lot of this talk has mentioned the Lead project for this purpose of saying, “This is a project that is doing a – doing it well, and if there are other implementers who want to learn about facilitation, they should contact the Lead project and have some dialogue around how to do this effectively.”

So creating this momentum of projects and implementers for good facilitation is something that we're also trying to do to make good facilitation the status quo as opposed to the exception

Did I answer your –

Female: Yeah. I mean it's a hard question _____. It's a difficult question about how do we get good leaders and how do we get –

[Crosstalk]

Male: Exactly. Exactly –

[Crosstalk]

And I think a lot of it is that so Care is a implementer, Chomonics is an implementer, Tetra Tech is an implementer. A lot of it is going to be dependent on individuals in their office, and if they understand facilitation, if they believe in systemic change and if they know who to hire to do these projects are going to give them the flexibility to do these projects, well, so a lot of it comes from that as well.

And then, from the other side, if you have a donor who's going to reward facilitation, then I think the implementer will also try and get that reward, so it is very complex.

Female: And I – this is Jean Downey, again. I just wanted to say about USAID. I know it gets a lot of bad press, but I think that – I think it's also – I mean we've tried, under AMAP and will continue to try out of my office, to provide training to USAID staff and so forth, but I think it's also – I think that EWB, I think Chomonics, I think _____, I think Care, everyone can play a role of teaching USAID COTARs about what this is.

And I think the fear is that they won't have the numbers that they're going to be judge on. I mean the results. So I think, to the extent that we can provide evidence that, yes, the numbers may take slower to come, but the numbers will be larger, and finding ways of assuaging the needs of the donors. I think – and educating people, I think.

Male: For sure and we've seen that in Uganda where the project is teaching the mission what facilitation actually is, and they're actually very interested. It's like a new thing, and they're very interested to learn, so it's actually quite exciting.

Female: Any more questions here?

Male: My name is Benjamin Adoon. I work on a USAID ____ and innovation program. My question is on achieving failure. I was at the event recently, and we were talking about data sharing, how the organizations share data. And one of the issues that came up is how do they share information on the projects _____?

So and based on what you have described, how do we encourage organizations to share information on their field projects? And then you talk about rewarding for failure, who is going to reward the organization for sharing information on the projects, that it is a ____? And if you have practical example on things like that on the field.

Male: So Engineers Without Borders has been trying to get development practitioners to share their failures more openly, and we launched a website called AdmittingFailure.com which encourages implementers to go and share what they've done that has failed to create a critical mass of people in the development community who are being open about this.

And with regards to who is rewarding failure, I think a lot of that comes down to project management within a project and working with the staff to create that safe environment for staff to share their failures and then to tap them on the back and say, "This is great. Like we've learned a lot from this, and we're going to change and we're going to improve."

I'm not going to say that the donor is going to be the one to reward failure because I don't think that's realistic, but I think an implementer or project management can definitely create this culture within the project.

Male: Actually, a donor can actually contribute. In the DIPID project we had in Nigeria, we – the project actually got a lot of positive response back from the donor, DIPID, for the failures that we made and the fact that we stopped certain activities, and the reason being was that they said, "This is a project that is going to take risks. If you don't take risks then you're not doing what you're supposed to do and if you take risks, you're going to fail, and failure is, in fact, a sign that you are taking risks.

Of course, it isn't just failures. It's failures in learning, and they both had to be linked together. I can say, from being a manager, that type of activity, my staff found that much more difficult to deal with than the donor did, in this particular case, because they were accustomed to not showing failure. That's a sort of normal thing.

And when we begin to close programs or we begin to say we're not – this can't work, and we're going to do something else, the resistance came, initially, from the staff. I think, over time, they realized that, in fact, that

they're – that wasn't a bad thing, but I believe a donor, if they want to say, "We are in the development business, and development requires risk," then failure becomes a natural element of that and not some sort of an aberration that one has to avoid.

Male: I think that's a great articulation of what should be – what the development should be seen as, and that is an industry that is risky. So that's great.

Female: There's one question from the webinar and then I would ask your question next. Question is from Yogish Gol who is joining us from ___ International Institute in Canada. What has been your experience on the timeframe of market facilitation projects? What are the success indicators for facilitation?

Male: So I think the understanding of facilitation is that it's – it will likely have very little concrete results in the early stages of the project, and let's – I'm just going to choose a timeline and say five years.

And maybe, for the first three years of the project, you're not really seeing any industry change. You're working with early adopters who are changing some of their business models, but maybe it's like five people in the inputs industry or ten people in the maize industry. It's not like critical mass of individuals who are going to create the market systems change.

But the belief is that, if you have early adopters who are champions of the change in the industry, by the latter stages of the project is when a process of crowding in begins to happen where many businesses see that the new business model is working and they go and mimic and adapt that business model for their own purpose. I think that's the belief.

So, if I take Lead in Uganda, we're working with maize traders to do quality differentiated maize, and maybe we're working with 20 traders right now, but these traders are going to become the industry leaders of maize. And people are going to start looking and saying, "Well, look, if I do quality differentiated maize, then I can equally make more money and I can buy better quality produce. And I can sell to different end markets, and my business can grow."

And that's where crowding in happens, so it is a longer process for change which is different from direct delivery where you go do 100 demonstration plots, and you've achieved the results on that day. Whereas, with market facilitation, it is this curve that is very linear for the first little bit of the project, three or four years of the project and then we can say that the change is exponential or that's the belief is that the change is as

exponential as businesses crowd in and mimic and adapt those business model changes.

And I think that is the – overall, I think that is the success indicator of market facilitation is how well have you been able to create a crowding in process of change within a project – within an industry.

Female: Thank you. Before we move onto the next question, I just wanted to share the comment from Tom Shell who's joining from CRS, Critical Relief Services. "I believe that donors will accept failure as long as it leads to insight which then leads to success. All of our projects have failure that show up in midterm evaluations. We then find solutions to address this failure before the end of the project. Unfortunately, we keep the failures between us and the donor ____ do not share to help others." So it doesn't help other projects.

Male: Yeah.

Female: [Inaudible comment]

Female: Hi. I'm Patricia Deveckio of a firm called International Purpose. Thank you so much for your presentation. Very good, very clear. How did you or how was the market facilitation process developed?

Male: That is a very big question. As in like how has the idea of market facilitation developed? I don't know. Maybe Don might have a better response to that one.

Male: Actually, I think this has come out of a series of people who have been looking at the development activities people, I would say, at least for the last 15 years if not longer. The general view was that we were doing – we're spending lots of money on development. We had put a lot of activities in and yet nothing sort of kept going. There was no sustainability.

I think much of this work sort of came out of work DIPID was doing and is making markets work for the – for structure. They were – brought a lot of empirical evidence bringing together the whole sustainable livelihood thinking which was quite prevalent with economic growth thinking. The Swiss have been involved with this quite a bit. The Swedes have also been involved in this, and I think, relatively recently, again, USAID primary though Jean's work is becoming more and more aware of this sort of approach.

There is a group, the Springfield Center, which is based out of Durham, England which has been sort of the center point for a lot of the intellectual

thinking about it. They carry a lot of training programs and so forth. So it is not just a sort of an idea that's kind of been floated out there. There's quite a long history of its development. Much of this has been Europe, and increasingly more, it's now happened here in the U.S.

Male:

And I think a lot of new agricultural projects are coming out who want to take a market facilitation approach. We've seen this especially in Ghana where every project, all of the sudden, was using the words market facilitation, and it's like a critical mass is coming.

Now they use it loosely. They say they're doing market facilitation, but they're, in reality, doing the same old thing. But they are becoming aware of that market facilitation is – does exist, and I just wanted to touch on one point Don mentioned is that this spending a lot of money and not seeing any results.

What is really exciting about market facilitation is that it costs significantly less, and it's been really interesting working on this Lead project which has been redesigned for its last two years, and it had a budget from the previous project, and it's spending very little money which can be a good thing and a bad thing. But it's spending very little money and creating much more change than the first here years of the project would spend millions upon millions of dollars, and it's questionable what was the result, so.

Female:

Hi. My name is Anita Campion from AZMJ. Thank you for what you've shared. The one thing that I kind of – that you said that I wanted to just kind of clarify, you kind of mentioned that kind of over outsourcing can be a problem, but I also think that that – even that, it comes down to are you treating your project in a systemic way. And, again, it comes down to leadership, and so we're primarily a subcontract.

And there's a number of larger implementers here in the room, but what we've seen – for example, we are a subcontractor on a big project on Comodics in Afghanistan, and that project is actually doing very well because we're all being treated as part of the team rather than as separate from the team. And as a result, we're also more likely to go, "Okay. Comodics needs another consultant in this area. We're not going to – it's not going to be our person, but we're going to help to make sure that the best person is available because success on the project is ultimately going to reflect on us as well.

So I do think it's somewhat a better leadership, and I just don't want people to take too much as subcontracting is the problem.

Male: No, no. Definitely and I hope I didn't say that but no. That's a very good point. I was – I think I was referring specifically to the situation where subcontractors become essentially independent implementers within a project, so you have a project within a project within another project and then the donor overseeing all of this, and it's a big mess.

But when it's a case where there's mutual understanding between the subcontractor and the implementer then there is huge potential to create change, and especially if you're hiring subcontractors for this specific purpose of systemic thinking for this specific purpose to do market facilitation well. So implementers need to be very intentional about who they are hiring as subcontractors.

And we've seen the situation where it doesn't work where a market facilitation project hires a subcontractor who has no experience with facilitation, who only knows how to train farmers and who is going to do that, and that becomes a huge issue.

Female: Since I'm going to take advantage of having the microphone and ask Jean a question, too, but I think it relates to this emphasis on thinking about things systemically. And one of the changes we're seeing at USAID is, while there have been a lot more agricultural specialists brought in, a lot of the projects are not falling under the camp of the economic growth unit as much.

And yet, I do think the economic growth team is where that knowledge of the importance of that market linkages and the systemic approaches is. So what can we do to try to help make sure that things don't go get – a lot of the agricultural specialists are more science oriented. How do we make sure that those economic growth types that are in USAID are being utilized and their knowledge tapped.

Male: Yeah.

Female: And I know that one's not an easy one either.

Male: That's a huge challenge that we've noticed especially with implementers is that the majority of their staff are technical agriculture people. This project that I was working on, all their staff were PhDs and soil science or were extension agents who are very technical aggregate who don't really – are not really used to thinking about business and economic growth.

And it's a very large challenge and relates back to that point of who are you hiring to do this work, what is their experience. And I said, previously, that we saw that – the younger people or people from the private sector were able to better understand facilitation and better able to

do it than people who were coming from 20 years of doing farmer group development or doing very technical agriculture stuff.

Female:

Well, I think about USAID. I mean I think – I don't think systemic thinking is located in EG or – I mean I think that there are people in various different places, including PPL, that have this kind of thinking, and I think – and I – I just came from Bangladesh where the USAID Bangladeshi person knows facilitation better than I do and was very – had very – was very forward thinking.

So I think it's a matter of this is a – as Don and I were saying earlier, it's just a matter of this is a kind of thinking that we're trying to promote on a consistent, over time, little by little and getting the evidence, and as you were saying, getting examples and educating people.

And I think it's not just educating USAID. I think it's USAID educating implementers about what are the things that are preventing them. I mean they have pressures that you – we need to understand in order to get them onboard as well. So I think it's looking at, as you were saying before, about win-win. It's looking at how we can create a win-win.

Male:

Yeah and we can apply the market facilitation understanding of how long it takes to create the crowding in process and say that we are gradually creating a crowding in process of understanding around systemic change in market facilitation and maybe in the next year or two years or three years, all of the sudden, we're going to have every single implementer and every single USAID mission thinking this way, and that will be the status quo of the industry which I think is the – which is the end goal, I think.

Female:

Thank you so much. In order to end on time, I will take one more question from the webinar, but please stay and speak with me now after. Question is from _____. Does market facilitation exist naturally in any form of market chains before projects intervene?

Male:

I think the thing about market facilitation, it's often an external activity to stimulate change. I think mature marketplace is one that is constantly upgrading and adapting on its own, and we can say that maybe, in the context of a developed industry, that people are doing market facilitation within the private sector, I would say. We can call them management consultants or industry experts, but within a developing country context, I think facilitation –

The whole purpose of facilitation is you are an external actor. You're not getting involved in the marketplace itself, but you're coming in with some ideas to stimulate change. And a mature market system is one that is already thinking about this and is already constantly adapting and

changing and upgrading. It doesn't need somebody to come in and provide that insight.

Female: Thank you so much for the interesting presentation.

Male: Yeah, thank you. Great questions.

Female: Thank you for coming today. Thank you. We will have the net b breakfast seminar September 20th. So please stay tuned to the information will posted in Microlinks _____.

Female: And I just wanted to thank Mina so much. It was really a great presentation, and I really learned a lot. So thank you very much.

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