

- Training for capacity development on the Market System Development Approach for Austrian organizations active in the field of development cooperation & humanitarian aid

*Summary of content, methods, main lines of discussions and some impressions*

While the ‘Making Markets Work for the Poor’ (M4P) or Market Systems Development (MSD) approach has derived from the field of private sector development (PSD), it increasingly serves as a strategic framework also for development work in other thematic fields (public services, education, health care, environment etc.), shaping the discourse about effective intervention strategies with varying goals. Hence the approach is now more generally referred to as ‘systemic approach’.

### The training on MSD in Vienna

The training that was organised by AG Global Responsibility, the Austrian Platform for development and humanitarian aid, took place in Vienna between 15. and 19. October 2018 and provided an introduction to key Market Systems Development (MSD) frames and principles, with one lead example and two sector-specific cases that led through the entire course and allowed for a deeper and interactive learning experience.

The group of participants was comprised of 15 development practitioners (staff from projects and development organisations) from different thematic fields. Additionally, decision-makers from Global Responsibility’s member organisations were invited to join the training to get an overview on MSD (“MSD in a nutshell”) on the morning of the first day.

By the end of the course that was held by the HELVETAS Swiss Intercooperation trainers’ Maja Rüegg and Martin Dietz, participants were expected to have a good understanding of key frames and principles, and their systematic application to project implementation and consultancy in different thematic contexts.

### Main elements of the course

The course included **six main sessions** which follow the typical project management cycle and are described in the new MSD operational guide (2<sup>nd</sup> edition): Strategy, Diagnosis, Vision, Intervention, Measurement and Management. Each session consists mainly of two parts:

1. **Conceptual part along with an example:** Introducing the key concepts/frames in an interesting and interactive manner (different didactic formats applied) and providing an example based on ILO FIT-SEMA media development.
2. **Sector-specific group work and conclusions:** Participants were divided into groups that worked throughout the week on one specific case – i.e. the learned concepts/frames are immediately applied to a specific example. Two thematic fields were available to choose from: (1) Private Sector Development in Agricultural Value Chains, (2) Youth Employment.

On one day a **market place ‘peer assist’** session was offered to participants to discuss specific questions and issues related to their own project / working field together with peers and experts (e.g. the trainers/facilitators, course participants).

## Overall schedule and session overview

Time	Monday	Tuesday	Wednesday	Thursday	Friday
09:00	<b>Session 1: Opening of the workshop</b>	<b>Session 3: Diagnosis</b> <i>Diagnostic process</i> <i>Illustration case</i>	<b>Session 4: Vision</b> <i>Defining sustainability</i> <i>Illustration case</i>	<b>Session 5: (cont.)</b> <i>Market place</i>	<b>Session 7: Management</b> <i>Readiness, willingness, ability</i>
10:30	<i>Coffee Break</i>				
11:00	<b>Session 1: Where MSD comes from; MSD in a nutshell</b>	<b>Session 3: (cont.)</b> <i>Group work (4 groups, 2 cases)</i> <i>Conclusion</i>	<b>Session 4: (cont.)</b> <i>Group work (4 groups, 2 cases)</i> <i>Conclusion</i>	<b>Session 6: Measurement</b> <i>Case example: medicinal herbs</i>	<b>Session 8: Wrap-up and Way forward</b> <i>What to take home</i> <i>Training conclusion</i>
12:30	<i>Lunch</i>				
13:30	<b>Session 2: Strategy</b> <i>Strategic framework</i> <i>Illustration case</i>	<b>Session 3: (cont.)</b> <i>Understanding systems</i> <i>Illustration case</i>	<b>Session 5: Intervention</b> <i>Crowding-in</i> <i>Illustration case</i>	<b>Session 6: Measurement</b> <i>Group work: results chains</i>	<b>Session 8: Wrap-up and Way forward</b>
15:00	<i>Coffee Break</i>				
15:30	<b>Session 2: (cont.)</b> <i>Group work (4 groups, 2 cases)</i> <i>Conclusion</i>	<b>Session 3: (cont.)</b> <i>Group work (4 groups, 2 cases)</i> <i>Conclusion</i>	<b>Session 5: (cont.)</b> <i>Group work (4 groups, 2 cases)</i> <i>Conclusion</i>	<b>Session 6: (cont.)</b> <i>Group work: indicators and methods</i>	
Ca. 17:00	<i>End of day</i>	<i>End of day</i>	<i>End of day</i>	<i>End of day</i>	

The course used only few PowerPoint presentations, and focused rather on interactive forms of teaching and learning. They included:

- Group work along selected cases (see below for more details)
- Group discussions / exchange in plenary
- Fish bowl, for the discussion of critical issues in small and changing groups
- Talk shows with a presenter, an interviewee and the audience
- Market place, providing space to participants to present their projects to fellow peers and get feedback

Practical “real life” cases were a key element in the course. They allowed the participants to apply concepts and principles of a market systems development approach presented by the trainers to actual project cases. The work on the case studies in smaller groups followed generally the conceptual inputs to the plenary, and was accompanied by a resource person who was familiar with the case. Specific instructions were provided as guidance for the group. The results from the group work were then presented and discussed in the plenary.

The course used 3 cases throughout the week, which constituted a ‘red thread’, allowing for greater consistency and deeper learning experience:

- **One lead example for use in plenary (illustration case):**

The **ILO FIT-SEMA media development project** is well documented as case study illustrating a market systems development approach taken by a project in support of commercial radio stations in Uganda.

- **Two cases for group work**

The case study **Medicinal Herbs** was taken from the project Samriddhi that Helvetas implemented on behalf of Swiss Agency for Development and Cooperation in Bangladesh. Samriddhi's objective was the empowerment of very poor women and men in a Northern province in Bangladesh.

The case **Job Matching Services in Kosovo** was taken from the Enhancement Youth Employment (EYE) project that is implemented by Helvetas on behalf of the Swiss Agency for Development and Cooperation. The project aims to contribute to improve the labour market conditions for young Kosovar women and men.

## ● ● **Main lines of discussion during the training**

### ***Capacities and mind-sets of implementing partners***

Participants in the training course came from organisations that collaborate mostly with NGOs in partner countries who implement projects on their behalf with funding acquired by the Austria-based organisation. These project partners have usually followed an approach of direct implementation, i.e. the development organisation itself assumes a role in an "aid-market", such as training, input supplies or advocacy.

Discussions centred on the question how partner organisations can be supported and enabled to shift their approach. Taking up a MSD approach is not a matter of applying a new methodology but rather involves a shift in the mind-set of staff and management. Supporting this shift requires a process involving coaching, mentoring, experience sharing, etc. In many cases it will also involve employment of new, open-minded staff.

### ***Acceptance by management of organisations present in the training***

The MSD approach requires a considerable shift for management. It requires the development of a common understanding with donors on this approach. Budgeting may need adjustments, cash flows will be less predictable and organisations will have to assume more of an adaptive approach.

The trainers pointed out that the next training workshop will include again "MSD in a Nutshell" on the first half day targeting in particular decision makers of organisations. There are several communities online which discuss the MSD approach from different aspects (for instance BEAM Exchange).

### ***Hybrid intervention strategies (support service provision and systemic change)***

The question was discussed to what extent a direct intervention approach can be merged with a systemic approach. What is crucial for the project teams that they develop a clear understanding of the system and what it takes to achieve sustainability and scale over time (vision). In a situation of "thin markets" there may be a case of the project taking "market functions" initially, such as e.g. funding. But this has to be done always with a strategy in mind that will lead towards the project withdrawing from such functions while market players stepping in to take on these functions.

### ***Fund-raising departments and reconciling their requirements with the relatively abstract difficult-to-communicate systemic approach***

Matching these two is a real challenge and requires fund-raising / communication departments to gain a good insight into the approach (not just programme staff).

### ***Reconciling different expectations: donors, implementer, project team***

A systemic working approach is likely to achieve measurable impacts only at a later point in project implementation compared with a more direct implementation approach. However, these impacts are probably more sustainable and provide the base for a broad scale. For this reason, it is important to achieve a common understanding of the approach and its implications with regard to achieving outcomes and impacts, but also on the requirements of practicing an adaptive project management. Good and frequent communication among key stakeholders is therefore crucial to reduce the likelihood of differences in expectations and misunderstanding.

### ***Will market systems ever work for the most vulnerable?***

At various points in the training course the question came up and was discussed as to whether markets will ever work for the poor and most vulnerable. Poor and vulnerable people are part of market systems already. They are often in a disadvantaged position in value chains since they lack knowledge, quality inputs, information and networks. A MSD project aims at strengthening the position of poor people in value chains and market systems, for example by building strong and sustainable linkages with service providers. Reference can be taken to the case study from Bangladesh that was used in the training. Sustainable service providers supported very poor households to grow medicinal plants along roadside land to the quality standard required by pharmaceutical companies.

Indeed, it is crucial that the expected benefit at the level of poor and vulnerable groups is never lost out of sight; while the immediate focus of a systemic intervention by a project is on systemic change, it is paramount to track whether the ultimate target groups actually benefit (see also point below on M&E). If not, the intervention strategy needs to be revised.

### ***Measurement of qualitative changes***

A MSD approach requires frequent monitoring at points where changes in market systems are expected. The workshop participants coordinate projects in which change can be monitored more often qualitatively than quantitatively. The trainer team provided the space to point out and discuss methodologies for monitoring qualitative change.

## **MSD Training in November 2018 and follow ups**

After this first, successful training a second training on MSD for Austrian NGOs is planned for November 26-30, 2018 in Vienna. In December, those Austrian NGOs that have participated in the training and would like to test MSD in their work will meet to reflect on next steps to integrate MSD into their projects and discuss details regarding the possible future of a consortium project on MSD capacity development.

● ● Some impressions from the training

