



MARKET SYSTEMS SYMPOSIUM 2019 REPORT

APRIL 8 - 11, 2019

CAPE TOWN | SOUTH AFRICA



MARKET SYSTEMS
SYMPOSIUM|2019



**Terwilliger Center for
Innovation in Shelter**



TRAINING PARTNERS



MEDIA PARTNERS



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LETTER FROM CHAIRS



MARKET SYSTEMS SYMPOSIUM|2019

We are pleased to announce that the second annual, global Market Systems Symposium was a huge success!

The Symposium's purpose was to provide inspiration, capacity building, and connections to strengthen and transform market systems development practice.

Leading experts, practitioners, and donors from around the globe converged in April 2019 at Lagoon Beach in Cape Town, South Africa. The 164 practitioners and donors represented 62 unique organizations and 48 distinct projects from 34 different countries.

Collectively, participants moved forward conversations that explored innovations in research and the application of market systems development strategies through inspiring dialogues, capacity-building breakouts, clinics, multi-day consultations and many hours of networking.

The Symposium had four thematic areas: Market Systems Resilience, Adaptive Management, Application of Systems Thinking Beyond Agriculture, and Applying a Market Systems Lens to Private Sector Engagement.

Participants explored the practical applications of Systems Thinking to economic and private sector development strategies. Participants were able to interact with practitioners and donors, who are designing and testing the latest field-based analytical tools and development approaches.

Designed to be highly dynamic and participative, the Symposium explored the latest practice and research in market systems development globally.

Participants engaged in networking, peer-learning conversations, debates, and in-depth discussions.

This report serves to summarize key discussions and learning areas explored during the Symposium.

We are excited to continue the momentum in 2020 during the Second Annual Market Systems Symposium to be held from April 20 - 23, 2020 in Cape Town, South Africa.

Margie Brand, Co-Chair
EcoVentures International

Michael Field, Co-Chair
EcoVentures International

ORGANIZATIONS REPRESENTED

- 17 Triggers
- Abt Associates
- ACDI/VOCA
- Adam Smith International (ASI)
- Adapt LLC
- AgResults
- Austrian Development Agency (ADA)
- The Canopy Lab
- Cardno
- CARE Bangladesh
- CGAP
- Chemonics International
- DAI
- Dalberg
- DCED
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Dexis Consulting Group
- EcoVentures International (EVI)
- ELIM Serviços
- Enterprise Partners (EP)
- Genesis Analytics
- Fair & Sustainable (F&S) Ethiopia
- FHI 360
- Fintrac Inc
- International Labour Organization (ILO)
- International Youth Foundation (IYF)
- Food and Agriculture Organization (FAO)
- Fronteras
- Global Alliance for Improved Nutrition (GAIN)
- Global Communities
- Habitat for Humanity's Terwilliger Center for Innovation in Shelter
- Heifer International
- HELVETAS Swiss Intercooperation
- iDE
- International Fertilizer Development Center (IFDC)
- The Kaizen Company
- Levin Sources
- LINC
- Marketlinks
- MarketShare Associates (MSA)
- Mastercard Foundation
- Mercy Corps
- Mesopartner
- Musika
- Open Capital Advisors
- Organisation of Rural Associations for Progress (ORAP)
- Oxford Policy Management
- Palladium
- Practical Action
- Reos Partners
- Rikolto
- RTI International
- SEED Unit
- SNV Netherlands Development Organisation
- Swiss Agency for Development and Cooperation (SDC)
- SWISSCONTACT
- Tanager
- TechnoServe
- Tukule Zambia
- USAID
- Winrock International
- World Vision
- WorldFish

PROJECTS REPRESENTED

- USAID and PEPFAR Accelerating Strategies for Practical Innovation and Research in Economic Strengthening (ASPIRES)
- Amalima Programme, Zimbabwe
- BEAM Exchange, Global
- Dfid Climate Smart Education & Policy (CSEP), Malawi, Mozambique & Zimbabwe
- Dfid Decision Support Unit, Democratic Republic of the Congo
- USAID and Sida EMPOWER Private Sector program, Kosovo
- SDC Enhancing Youth Employment (EYE), Kosovo
- CGAP and Mastercard Foundation Gateway Academy, Global
- Dfid Improving Market Systems in Agriculture for Rwanda (IMSAR), Rwanda
- Netherlands Inclusive Dairy Enterprise (TIDE), Uganda
- SDC and Sida Inclusive Markets, Bolivia
- Swiss State Secretaria for Economic Affairs The Lab, Global
- Dfid Land Investment for Transformation (LIFT) program, Ethiopia
- DFAT More Income Generated for Poor Families in Indonesia (MORINGA) Project, Indonesia
- Dfid Private Sector Innovation Programme for Health (PSP4H), Kenya
- Sida Road to Jobs (R2J), Afghanistan
- Bill & Melinda Gates Foundation SELEVER, Burkina Faso
- SDC Shomoshti, Bangladesh
- DFAT Strongim Bisnis, Solomon Islands
- Suchana: Ending the Cycle of Undernutrition in Bangladesh, Bangladesh
- Sustainable Economic Policy and Private Sector Development project, Global
- DGIS Toward Sustainable Agribusiness Clusters through Learning in Entrepreneurship Incubating Inclusive Agribusiness (2SCALE), Sub-Saharan Africa
- United States Department of Agriculture (USDA) Transforming the Assessment and Inspection of Food Businesses in Egypt (TAIB), Egypt
- USAID Agriculture and Rural Development Support (ARDS), Ukraine
- USAID Avansa Agrikultura, East Timor
- USAID Competitive Economy Project, Serbia
- USAID Cooperation for Growth (CFG), Serbia
- USAID Cooperative Leadership, Engagement, Advocacy and Research (CLEAR), Kenya
- USAID Commercially Viable, Conflict-Free Gold (CVCFG), Democratic Republic of Congo
- USAID Feed the Future Agricultural Innovations Activity (Inova), Mozambique
- USAID Feed the Future Bangladesh Aquaculture and Nutrition Activity (BANA), Bangladesh
- USAID Feed the Future Bangladesh Rice and Diversified Crops Activity (RDC), Bangladesh
- USAID Feed the Future Enabling Environment for Food Security (EEFS), Global
- USAID Feed the Future Cambodia Harvest II (Harvest II), Cambodia
- USAID Feed the Future Kenya Crops and Dairy Market Systems (KCDMS), Kenya
- USAID Feed the Future Livestock Production for Improved Nutrition (LPIN), Bangladesh
- USAID Feed the Future Resilient Agricultural Markets Activity – Beira Corridor (RAMA-BC), Mozambique
- USAID Feed the Future Zimbabwe Livestock Development program, Zimbabwe
- USAID Innovations for Agribusiness (InovAgro), Mozambique
- USAID Local Enterprise and Value Chain Enhancement (LEVE), Haiti
- USAID Private Sector Driven Agricultural Growth (PSDAG), Rwanda
- USAID Southern Africa Trade and Investment Hub, Southern Africa
- USAID Transforming Market Systems (TMS), Honduras
- Mastercard Foundation Via: Pathways to Work (Via), Tanzania & Mozambique
- Sida Women In Business (WIN), Mozambique
- Women and Youth Empowerment Project, Zimbabwe
- ZamaKhaya, Zimbabwe
- World Bank Zambia Agribusiness and Trade Project (ZATP), Zambia

The formal international development community will soon have been active for 60 years. Throughout that period - and even today - practitioners have asked how the positive effects of their projects can be continued after their Official Development Assistance funding runs out. This has been nothing less than the key question facing our industry for six decades, and I personally have heard it asked repeatedly since 1978.

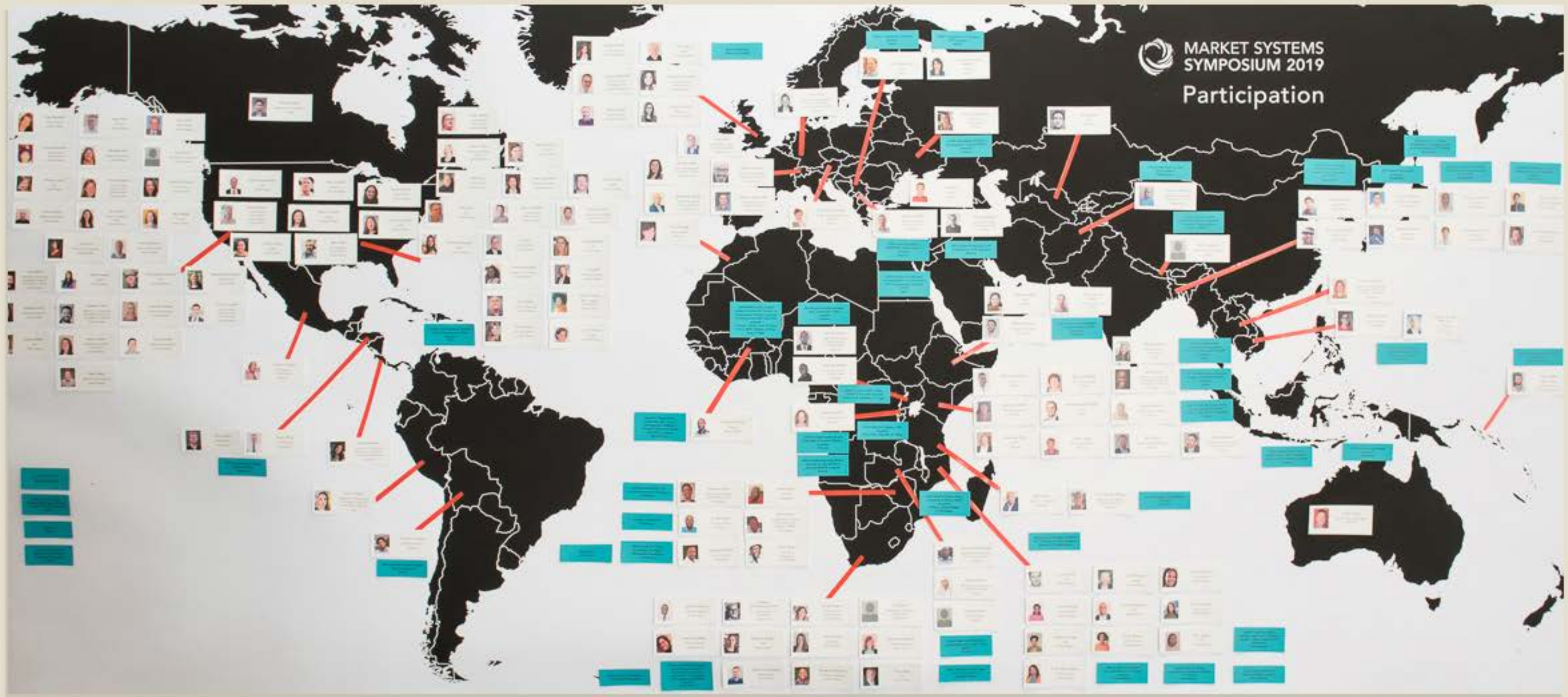
The advent of the Market Systems approach to international development offers a viable answer to that question. Addressing issues of economic prosperity and social inclusion through market participants is starting to be recognized as the best way to ensure the durability of our solutions. Attempting to address those problems by working around markets through direct interventions has simply not worked. The international development community is accepting the dramatic advantages offered by working through markets.

The Market Systems Symposium is the key event on the international development calendar where these ideas can be exchanged robustly, and ACDI/VOCA, as a leading Market Systems practitioner, will continue to support the MSS as it performs that important role.

President & CEO, ACDI/VOCA



COUNTRIES REPRESENTED



- Afghanistan

Australia

Austria

Bangladesh

Bolivia

Burkina Faso
- Cambodia

Canada

Costa Rica

Ethiopia

Germany

Honduras
- Kenya

Kosovo

Mexico

Morocco

Mozambique

Peru
- Rwanda

Serbia

Solomon Islands

South Africa

Switzerland

Tanzania
- Tanzania

Thailand

Uganda

Ukraine

United Kingdom

United States
- Uzbeki-

stan

Zambia

Zimbabwe



EXPLORING FRONTIERS

“

Having an independent symposium where conventional wisdom can be challenged through honest debate is essential for international development to remain relevant in an increasingly complex world. The Market Systems Symposium in 2019 certainly had a lot of these essential and often difficult conversations. For example, in the themed sessions this year debates related to the need to rebalance investments between urban and rural development, the importance of taking a more systemic lens to resilience, the shifting and graying line between traditional definitions of public and private goods, and the need to understand the wholistic requirements of an adaptive program were all actively discussed.



- Mike Field, Senior Systems Thinking Specialist, EcoVentures International

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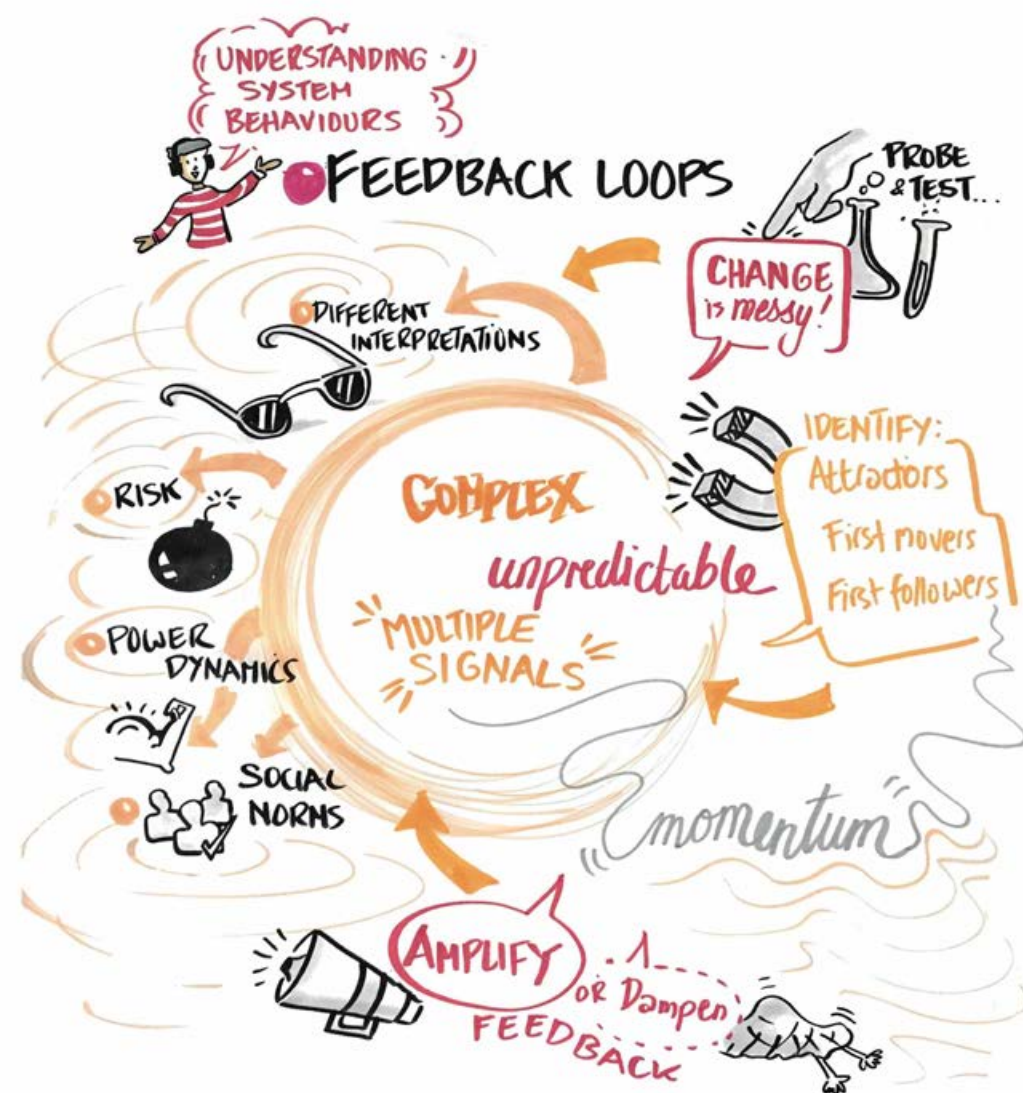


MSS2019 delegates gathered in plenary to discuss key themes and issues in market systems development practice today. These engaging plenary sessions utilized a variety of different methodologies and heard from a diverse group of practitioners and donors in the room.

FRONTIER TOPIC 1: Feedback Loops

In the traditional MSS style of the un-conference, the Symposium began by allowing participants to actually experience the systems thinking concept of "feedback loops." By putting on headphones and tuning into different channels, participants responded to direction or music. In addition to being an extremely fun and entertaining process, key learning emerged around feedback loops:

- Multiple feedback loops occur at the same time.
- Some feedback loops are more influential than others.
- The combination of feedback loops that are more influential create guardrails for the system in terms of what the systems favors or not, which also guides the direction the system is evolving.



FRONTIER TOPIC 2: Behavior Change by Market System Actors

To explore patterns of business behavior and the incentives that may (or may not) drive them, delegates discussed market actor 'Archetypes'.

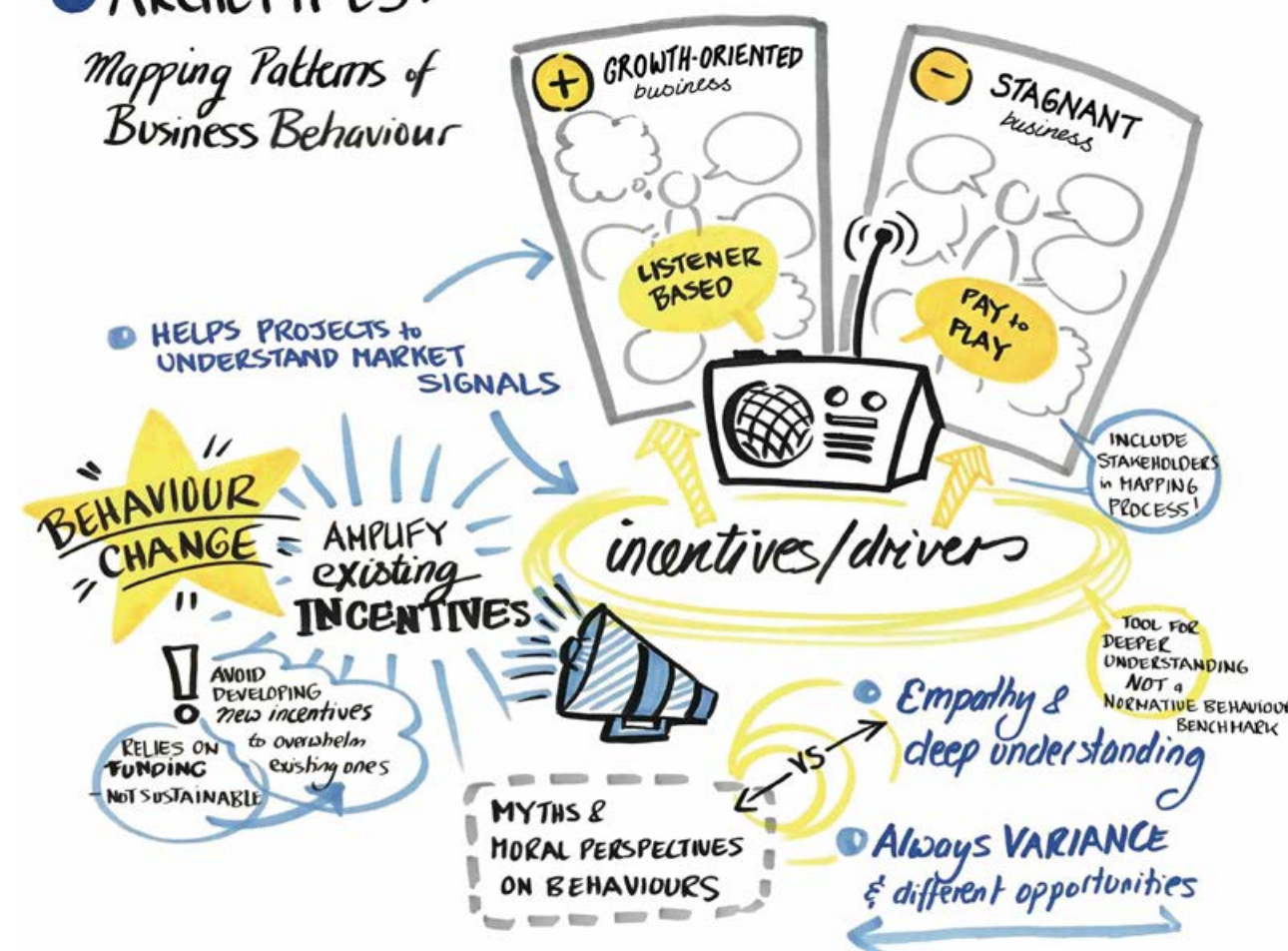
Key learning points included:

- One of the keys to lasting and effective behavior change is to read the system and focus on amplifying inclusive, growth-oriented incentives that already exist, as opposed to attempting to develop new ones.
- The goal is to deepen one's understanding of market signals, not to draft normative behavior benchmarks.
- It is important to reserve judgement, and not label patterns as 'positive' and 'beneficial' or 'negative' and 'harmful.' Such polarizing distinctions can be problematic, and undermine comprehensive awareness of market signals.



ARCHETYPES:

Mapping Patterns of Business Behaviour



FRONTIER TOPIC 3: Practical Application in the Field

Chiefs of Party and Technical Directors discussed project-level innovations and shared practical struggles of implementing MSD approaches. In addition, field-based practitioners shared their challenges in implementation, including from an operational perspective.



FRONTIER TOPIC 4: Pathway to Inclusive Growth - Urbanization versus Smallholder Empowerment

Although the objective of many development programming globally is to create pathways to inclusive growth, there is an emerging question around whether urbanization and focus on urban development or smallholder farmer empowerment and focus on rural development is the most important or appropriate development strategy. MSS2019 hosted an audience-led debate on this topic.

On the urbanization side, the argument was made that evidence continues to mount that the pathway to middle income status runs through urban spaces that can create high value work opportunities and diversified connections that catalyze ongoing innovation.

On the smallholder empowerment side, the argument was made that rural communities remain an important backbone for many developing countries and helping those communities to thrive as part of their country's development story is important.

Key points debated include:

- Evidence is clear that as a country heads toward middle income status, agriculture needs to commercialize, which also results in a shift from smallholder based production to larger professional farms.
- At the same time, such transitions are likely to be messy with substantial migration from rural to urban spaces, smallholders struggling to transition, urban populations overwhelming services like education, private sector struggling to adapt to the shifting dynamics, etc.
- Given the likely transitions many countries will have to go through to get to middle income status, a number of questions arise about the role of international development in both supporting countries achieve middle income status and also limit the difficulties during the transition.



FRONTIER TOPIC 5: Stretch Collaboration - How Rules Affect Cooperation in Systems



Effective inclusive market systems require mechanisms and tools that allow market actors to identify and collaborate around joint interests, even if there remains some level of division during and after the collaboration. In a market system context this capacity has been called "coopetition" or "frenemies", which essentially means that firms can easily shift between cooperating around joint interests and then competing around delivering value to customers, staff and suppliers. Through stretch collaboration, market systems practitioners can catalyze positive experiences that amplify the attractiveness of building their "coopetition" capacity. Through a plenary discussion, Karen Goldberg of Reos Partners guided participants through an interactive discussion regarding collaboration and collaborators. It was interesting to reflect on how 'collaboration,' and 'collaborator' brought up very different images from different parts of the world! In order to explore stretch collaboration participants engaged in an interactive process using building blocks.



FRONTIER TOPIC 6: The Changing Face of Funding Development

The Role of Traditional Donors, Private Sector Investment, Private Foundations, Governments, and Private Individuals - Exploring Shifting Incentives as Influenced by the Source of Funding

MSS2019 explored how entities beyond traditional bilateral and multilateral donors are emerging as influential financiers of development initiatives, such as private sector investors, private foundations, governments and private individuals.





THEMES

The Market Systems Symposium is an important touch point for the community to advance our impact. The ability to engage, over multiple days, with a variety of people who are learning different things from their market facilitation practice enabled a much higher level of exchange. I came away energized with new thoughts and ideas.



- Kristin O'Planick,
Market Systems Specialist, USAID





THEME 1: Market Systems Resilience

Hosted by ACDI/VOCA

What is Market Systems Resilience (MSR) and Does It Matter? Emerging Frameworks & Perspectives

New frameworks – drawing from multiple fields including systems thinking, more traditional resilience frameworks, and supply chain management – are emerging to help practitioners understand determinants of market systems resilience and explore its relationship to traditional resilience and economic competitiveness. These frameworks provide guidance for catalyzing shifts in market, political and social systems that can better manage risks related to stresses and shocks, enhance market performance as well as shift responsibilities for managing risk away from households and communities elsewhere in the system. This session included personal experiences from field managers on how MSR fits into their programming; an interview with lead framework developers in this space to explore key determinants of MSR; and participant group work/dialogue to explore understandings around MSR and to shape future learning priorities.

Key Takeaways:

- Systemic resilience focuses on how risk is managed at a higher system level - as opposed to how communities manage risks related to shocks and stresses.
- Market systems resilience looks at both the resilience of a particular market system but also how market systems increase the resilience of the overall social system.
- Systemic resilience metrics tend to look at the capacity of the system to both support communities when absorbing a shock or stress, as well as allocate resources to develop solutions that mitigate or neutralize known or knowable risks (i.e., causes of shocks and stress) over time.



From Frameworks to Work Plans - Exploring Intervention Pathways that Build more Resilient Systems

There has been increasing efforts from practitioners to explore learning around applying systems thinking at the household level. There has also been increasing interest and efforts from market systems practitioners to catalyze systemic change around how risks are managed more systemically. But what does this mean for program design? Using a resilience pathway intervention design process, in this session participants will wrestle with how to translate MSR concepts into a causal pathway that results in more intentional resilience-building programming and provides the groundwork for ongoing adaptive management. What interventions might you program to build identified MSR determinants such as connectivity, redundancy, cooperation, and others? Is this the same thing we always do but repackaged, or does an MSR lens applied to design models reveal new types of activities, flaws in our causal logic, or reveal new synergies?



Key Takeaways:

- Building resilience requires an intentional effort to understand current patterns and biases and how they affect the capacity of a community and/or a market system to manage shocks and stresses.
- Creating a viable theory of change and/or causal pathway that addresses both immediate challenges and underlying causes of being vulnerable to the next shock or stress is critical.
- It is also critical to address where possible underlying systemic capacity to address known and knowable shocks and stresses -- i.e., how does a market system mitigate and neutralize risks so communities do not need to absorb them.



The Devil's in the Details: Metrics for MSR

A central theme in resilience efforts is the importance of an evidence-based theory of change for smart design and monitoring for ongoing adaptive decision-making. Building evidence around systemic resilience - what matters in a given context and how to measure it - remains a nascent area, dealing in part with the range of challenges that are also reflected in systems MEL efforts overall. This session highlighted current efforts to monitor and evaluate aspects of MSR, including an enterprise survey-based Market Systems Diagnostic piloted by ACDI/VOCA in Honduras and a consensus-based Market Systems Resilience Index used by iDE in Bangladesh.





Participants helped refine and improve these tools, and engage in peer problem solving around common challenges and questions such as: slow and fast-moving pace of variables, the cost/benefit of data collection, availability of reliable data sources, developing actionable resilience insights, and institutionalization of MSR monitoring within market system, and how do context measures including post-shock monitoring belong in MSR measurement?

Key Takeaways:

- A central challenge for systems thinking approaches remains identifying and tracking effective metric, as systemic change has to include mental models, or what some call slow variables that can take a while to change and can be hard to track over a typical project period.
- Systemic resilience metrics are evolving to merge the latest system health thinking with key objectives and more traditional resilience programming to improve the ability of communities to manage shocks and stresses.
- The key objective of systemic resilience measures is to assess how higher level systemic mechanisms manage risks in ways that continually reduce the burden on any single community over time.



THEME 2: Adaptive Management

Hosted by RTI International

Strategy & Partnerships Session

Systems thinking approaches require adaptive management as a fundamental principle of such approaches is probing and amplifying where local momentum for change emerges. However, traditional donor efforts have focused on detailed, predefined tasks that would be scheduled years in the future. As projects shift to systems thinking approaches, they also have to shift technical and operational strategies to allow for greater agility based on where the local actors and condition signal change is possible including amplifying where momentum for change is emerging.

This session explored how to frame a strategic vision to guide decision making required for smart adaptation, as well as structural and behavioral characteristics/capacities that are essential for organizational agility. This session also explored how projects can engage and manage local market actors based more on amplifying specific behaviors.



Key Takeaways:

- From a market systems perspective, a project should be adapting to market signals.
- To be able to effectively adapt to market signals, projects need effective frameworks that can help them sort through the enormous amount of signaling that is happening in a complex market system, so they can make sense of it and allocate resources effectively.
- The team and operating culture also have to change in line with complex problem solving, which means greater diversity of perspectives and less hierarchy that may limit which voices are incorporated into a creative problem solving process.



Teams & Tools Session

A systemic thinking strategy can create a framework identifying and prioritizing resource allocation, but it also tends to create a lot of stress on traditional organizational structures, tools and thinking.



This session explored tools and tactics managers can use to catalyze operational culture change that is essential. Primary among the needed changes is moving to being more team-based with diversified perspectives, flatter structures, etc.

This session also explored emerging learning and decision-making tools, including tools on capturing and using evidence, that managers can use to support teams to learn and allocate resources more effectively.

The session considered both project-level adaptation and higher level adaptation between multiple projects at donor level.

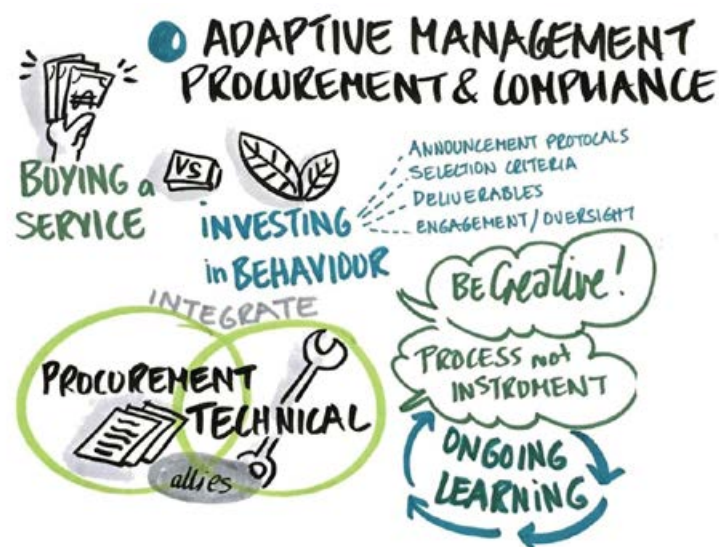
Key Takeaways:

- In order to better adapt in relation to a complex systems, a project should implement more of a team-based staffing, which is more flat with intentional diversity of team make-up.
- The operational culture needs to be more learning-based so values related to openness of opinion, pausing and reflecting, investment in learning, etc., which also means a project needs to be on guard against rigid hierarchy.
- A project needs to invest in both formal and informal information capture and analysis capacity to ensure adaptation is driven by evidence based decision making.



Procurement & Compliance Session

A major stumbling block for many adaptive management efforts has been procurement. While procurement principles do not prevent or limit effective adaptive management, the evolution of many procurement policies and procedures was based on an over emphasis of eliminating all risks related to compliance. As a result, there has been a substantial increase in rigidity that has often become a limiting factor to systems thinking and the ability of projects to adapt effectively.



This session explored challenges with and opportunities to adapt procurement and contractual processes. While there remains concerns about how formal mechanisms support or not adaptive management, there are increasingly more creative tools and processes that remain compliant and are supportive of adaptive approaches.

Key Takeaways:

- Procurement is a central part of any project and there are important principles that have to be followed, but procurement practices have to align with any market systems approach.
- Move away from buying a service for a project and toward investing in behaviors that align with the project's systemic change goals, which means the announcement protocols, selection criteria, deliverables, and engagement/oversight all have to be tweaked to better align with systems thinking.
- Another key shift is that staff overseeing procurement need to be integrated into the technical thinking and ongoing learning that are essential for any systems thinking approach.

THEME 3: Application of Systems Thinking Beyond Agriculture

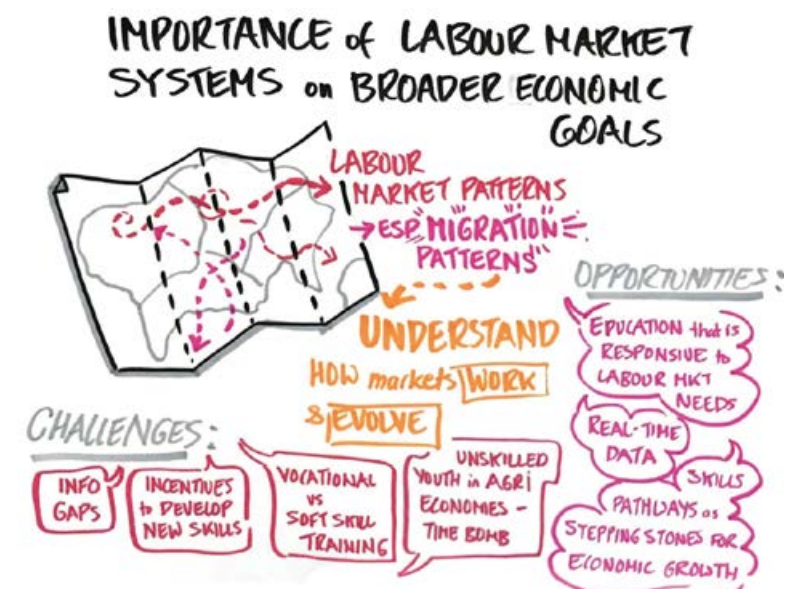
Hosted by Habitat for Humanity's Terwilliger Center for Innovation in Shelter

The Importance of Labor Market Systems on Broader Economic Goals Session:

Migratory labor patterns and how they affect local market systems is critically important, but often overlooked. Some recent analyses indicate that using systemic lenses can provide greater clarity around labor markets/movements, including how/why markets work the way they do and how change might happen. Of particular interest, is the continued shift of labor from agriculture to other sectors especially sectors/sub-sectors located in an around urban and peri-urban locations.

This session pulled from multiple examples of labor market assessments as part of a consultation process around the importance of recognizing and engaging known and expected labor migration from rural to urban locations.

This session framed the importance of catalyzing fair and valued work opportunities for the poor as they migrate to more urban locations.

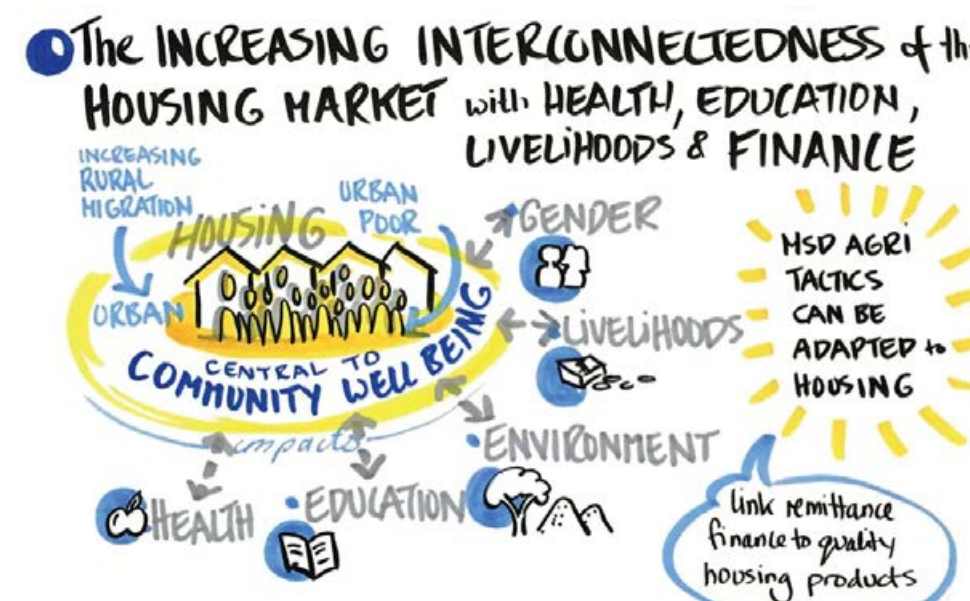


Key Takeaways:

- Labor market patterns, especially migration patterns, are critically important to understand how and why market work they way they do.
- Migration patterns also provide essential information on how market systems are evolving such as substantial shifts to into urban landscapes and away from rural spaces, which suggests a move away from labor-based smallholder agriculture production.



The Increasing Interconnectedness of Housing Market Systems with Health, Education, Livelihoods, & Finance Session:



It is increasingly clear that the quality of life in urban and peri-urban communities is heavily dependent on the quality of housing, but market responses to this dynamic and growing market segment have been weak to non-existent. Shifting the influence of poor and vulnerable communities in urban and peri-urban locations as consumers of housing such that housing market actors develop innovative ways to deliver appropriate and value-added housing solutions to them is essential.



Housing also plays an outsized influencing role as the interconnectedness of housing with other aspects of life and livelihoods are substantial. This session explored the application of systems thinking in housing focusing on how to catalyze a strong customer orientation in housing market systems. This session leveraged small group discussions to investigate the interconnectedness of housing with systems like health, education, finance, etc.

Key Takeaways:

- Housing is central to community wellbeing.
- Especially in the face of substantial and consistent rural to urban migration, urban poor are especially susceptible to poor housing that affects their wellbeing.
- Housing is an opportunity where market systems could play an important role given that the poor are end customers for housing products and services.



Construction Market Systems Session:

Construction market systems have a potentially outsized effect on youth and under-employed population groups, including rural migrants. Additionally, as labor market analyses and commercialization processes for agriculture indicate, creating effective pathways for rural to urban migration is critically important, and the construction sector is an important pathway for rural migrants to off farm employment. At the same time, there are limited investments in effective systems-based programming. This session pulled from various experiences around catalyzing improved pathways for migrating and other workers in the construction market system to feed into a discussion on lessons learned and emerging opportunities to catalyze more robust and fair pathways for workers.



Key Takeaways:

- The construction market systems, especially informal components of the systems have an outsized effect on urban poor, peri-urban poor, and rural to urban migration.
- The orientation of the system in terms of being more extractive or more value additive can have an enormous effect on the welfare of large populations in terms of both the housing for the poor and their livelihoods.
- Aligning incentives, especially for informal construction services, to favor quality assurance, as well as fair, merit-based working conditions is critical when intervening the in construction market system.



THEME 4: Applying a Market Systems Lens to Private Sector Engagement

Hosted by DAI

Applying a Market Systems Lens to Private Sector Engagement Session:

Development practitioners have long understood that market actors have a critical role to play in driving growth. More recently, as systems thinking approaches have evolved, we have shifted our focus to the incentives that drive private sector investment aligned with development objectives to achieve inclusive economic growth.

As practitioners, we are learning to shift from transactional interactions with the private sector that aim to achieve set targets such as financial leverage, to facilitating systemic impact at scale in continuously evolving market systems without distorting markets.

This session explored strategies to engage market system actors that lead to sustainable impact at scale through systemic change and share evidence of the impact of private sector engagement with a market systems approach. Session participants then engaged in designing interventions to catalyze market actors to invest in solutions to real-world problems in breakout sessions with field implementers.

Breakout sessions discussed cases in three specific contexts: engaging private sector in a context of aid intensity that is crowded with development activity; engaging the private sector in a thin market context; and engaging the private sector in a robust market context.



Key Takeaways:

- Market forces can shift in ways to increase the incentives to engage increasingly more vulnerable populations, but it is critical to use systemic lenses to understand why and how the market forces have evolved to limit participation of/benefits flowing to certain populations.
- Understanding firm-level business practice patterns and how they align with incentives that create/maintain barriers for certain populations is essential to identifying opportunities to catalyze shifts in incentives to favor lowering barriers.
- Understanding systemic level patterns around competition and cooperation and how to align with incentives that create/maintain barriers for certain populations is essential, as system level changes also have to align in favor of lowering barriers.





Market Systems Approach to Provision of Traditionally Public Goods/Services Session:

As systems lenses have been applied to more traditionally defined public goods and services like education, health, labor training services, water and sanitation, etc. it has become increasingly clear that there is rarely a well-defined line between public and private goods. Local contexts are critically important in understanding how incentives align in support of public, private or some combination of channels to deliver such important services.

This session explored cases around water and sanitation, health, education, workforce training, and other traditionally public sector services where the role of the private sector increased significantly as a way to improve and expand delivery.



Key Takeaways:

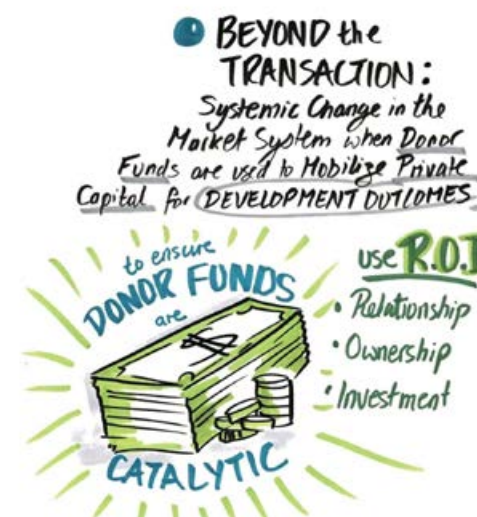
- Traditionally defined public services are increasingly seen in the context of more complex systems where the public private distinction is less useful.
- Projects are increasingly more focused on understanding underlying systemic biases and resulting social, market, and political incentives as a way to figure which potential mix of service delivery models fit for a given context.
- While each country context is unique, there are some emerging patterns related to public-private partnerships, blended finance, and diversified service delivery models that have arisen in any countries.



Beyond the Transaction A Debate on the Systemic Change in the Market System when Donor Funds Are Used to Mobilize Private Capital for Development Outcomes Session:

Mobilizing private capital investment for development (blended finance) is currently a hot topic in the design of market systems programs. Procurement reform and an increased focus on PSE have resulted in new strategies and approaches for leveraging private capital that align with the MSD approach.

This session presented how donors and implementers are using new mechanisms to leverage investment. Led by industry panelists and with participatory input from the audience, then debated what are the systemic impacts on the financial market beyond the transaction. Within the idea of blended finance is that donor funds are needed to catalyze and de-risk investment that otherwise would not take place without distorting

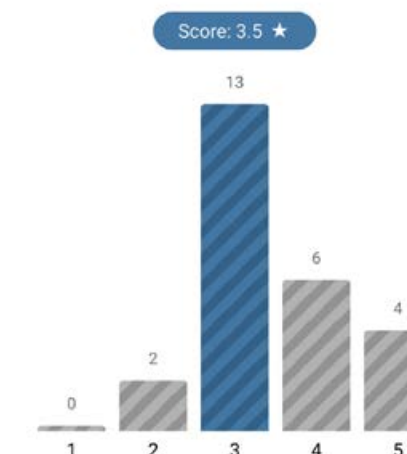


the market for finance. There are structural and cost reasons that make SME investment deals in risky and low capacity market systems - and deals below a value of \$2-5 million - not profitable for banks, asset managers and transaction service providers. Beyond the question of how we spend donor funding the most effectively (i.e. greatest investment and development impact for every donor dollar) remains the question of whether our investment facilitation support is reducing the need for this subsidy over time. In market systems development, we apply rigorous analysis and adaptive learning to identify points of interventions that can be replicated and scaled by the private sector; but are our investment interventions being replicated and scaled without donor funds and does it matter?

Key Takeaways:

- Donor funds are temporary by nature and need to be catalytic in terms of easing and amplifying behaviors that align with a project's systemic change goals, which does allow for increasingly more creative ways for project to use financial resources.
- However donor funds are used, it is critical that projects apply criteria like Relationship, Ownership and Intensity (ROI) to ensure funds are catalytic in terms of systemic change.

Using donor funds to leverage private investment leads to positive systemic changes in financial system (1 = no change; 5 = a great deal of change).





CLINICS

The symposium is the leading event in market systems development, drawing donors and practitioners from around the globe. Facilitators use cutting edge, innovative methodologies to engage participants and draw out the most important issues and opportunities impacting the effectiveness of our development practice today.

- Margie Brand,
EcoVentures International



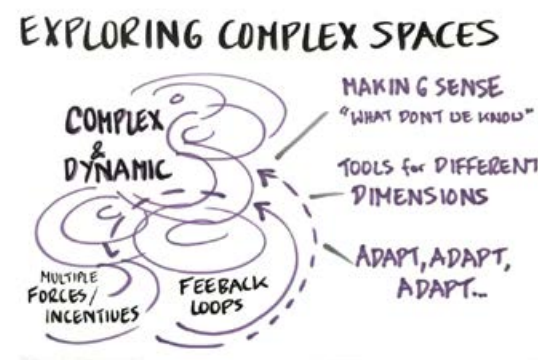
MISS participants had an option to choose from over 25 clinics to attend. These clinics were practitioner led sessions focused around a very specific tool or topic, engaging participants on a very practical level.

CLINIC 1: Exploring Complex Spaces:

This session provided tools, frameworks, and tactics for working in complex spaces.

Key Takeaways:

- Social systems are complex.
- Complex systems are dynamic with multiple forces/incentives combining in various ways.
- These forces manifest in feedback loops that create incentives that in turn can drive patterns to emerge.



CLINIC 2: Re-Orienting Market Structures that Smallholders most Rely on - Open/Spot Markets

This clinic covered strategies, conditions and tools to catalyze more equitable/value add open market platforms/ mechanisms in open (spot) markets.

Key takeaways:

- Smallholder farmers are heavily reliant on spot markets.
- Spot markets are easily influenced by economic, social and political forces/incentives.
- Since spot markets are highly influenced by many differing incentives/forces, they can be difficult to change.
- There are four main types tactics to manage shifts in spot markets: lead firm, peer to peer, stakeholder and/or creating an alternative service.



CLINIC 3: Portfolio Management:

This clinic covered strategies, conditions and tools to catalyze more equitable/value add open market platforms/ mechanisms in open (spot) markets.

Key takeaways:

- More traditional programs manage intervention on an individual basis, but market systems projects increasingly manage interventions as part of a portfolio.
- Portfolio management focuses on the interconnections and complementarity of interventions - they manage the portfolio as a single intervention with multiple sub-interventions.
- Individual interventions are assessed individually and in relation to synergy that the intervention provides as part of the whole.



CLINIC 4: Labor Market Analysis:



This clinic shared ideas and tools to provide a systemic understanding of labor markets dynamics.

Key takeaways:

- A labor market analysis should identify mobility patterns, understand drivers of mobility, understand biases/gap/etc. of interconnected systems that develop human capital, incentives/political economy around human capital investments, etc.
- Labor market analysis, including mobility patterns, are central to understanding current drivers of other market systems, especially ones that are heavily reliant on human labor.

CLINIC 5: Systemic Thinking and Financial Services:

This clinic explored the use of systems lenses when catalyzing improved access to financial services.

Key takeaways:

- Formal financial services are a market system in itself and should be assessed as a system to understand why and how it works the way it does and where there may be opportunities for change.
- In many countries, firm access finance and understand flows of finance based on informal financial services, including friends and family networks. It is important to understand these networks and the social/political influence on them when looking for opportunities to improve access.
- Different financial products and services have differing incentives and it is important to understand and align a product/service with the needs of the market actor.



CLINIC 6: Change Wheel - A Tool for Systems Practitioners:

This clinic explored the various ways projects have used the agricultural market system change wheel as a tool in guiding adaptive management decisions.

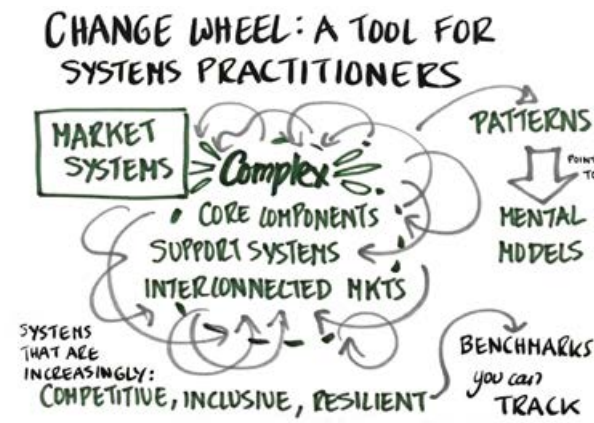
Key takeaways:

- Market systems are complex systems that include core components of the targeted market system, derived supporting market systems, and interconnected markets that provide reinforcing and countering forces on the targeted market system.





- The interrelationships between all the different components and systems tend to form patterns that point toward an overall bias or mental models that guide how the system is evolving.
- As a system becomes more competitive, inclusive, and resilient, it tends to evolve certain benchmarks or patterns that can be tracked as a way to assess if a market system is heading in a healthier direction.



CLINIC 7: CLA (Collaboration, Learning & Adaptation):

This clinic explored emerging best practices in applying CLA in projects.



Key takeaways:

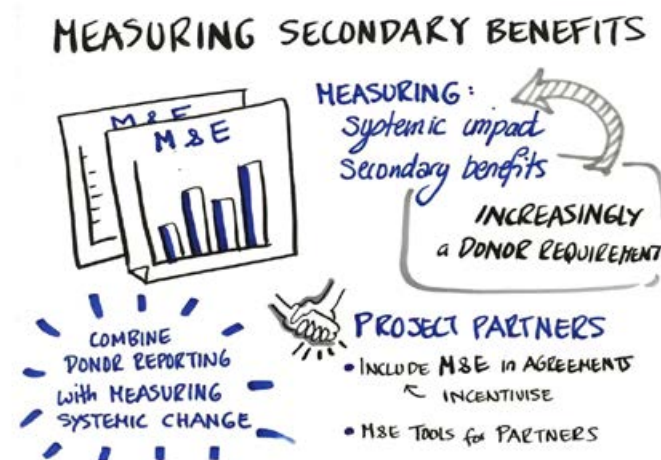
- CLA is central to an effective market systems approach.
- CLA has to be fully integrated into a project including structure, procedures, policies, strategies, management practices, etc. to function effectively.

CLINIC 8: Measuring Secondary Benefits:

This clinic explored tools and tactics to measure secondary beneficiaries.

Key takeaways:

- As donors continue to embrace systems thinking, more effort will be placed on how to assess the contribution of a project on systemic change.
- Specifically, how to track and determine the contribution on populations that benefit from changes elsewhere in a system will be critical, and there are emerging practices on how to capture evidence around contribution.



CLINIC 9: Retail Distribution:

This clinic covered conditions and tools to catalyze more equitable/value add retail distribution systems.

Key takeaways:

- The central systemic change goal for any retail market system, like an agricultural inputs market systems, is shifting the orientation of the system to being more customer and growth oriented, rather than product (or simply sales) focused.
- As firms see the value in investing in targeted underserved customer segments, projects often need to pivot to supporting the firms growth and distribution tactics, which, when combined with the promotional/advertising and customer service tactics, make up modern branding and marketing strategies.

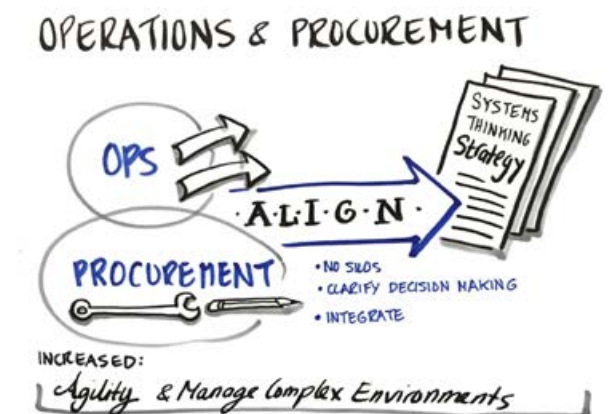


CLINIC 10: Operations & Procurement:

This clinic covered tactics and mechanisms/processes for allowing more flexible processes to be used that are also compliant.

Key takeaways:

- Traditionally, projects have created firewalls between technical and operations teams in a project, but this has caused substantial limitations on the ability of a project to apply systems thinking approaches.
- Operations and procurement have to align around a single strategy based on systems thinking, which allows for greater agility and improved capacity to manage complex environments.
- Increasingly more ways exist to remain compliant and fully integrate operational and technical teams around a single systems thinking strategy, but it requires breaking down organizational walls, clarifying decision making processes on procurement/grants that are compliant and supportive of the strategy, and integrating operations teams in all learning processes and strategy discussions.

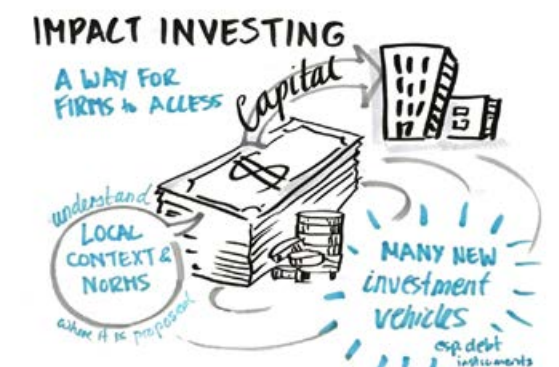


CLINIC 11: Impact Investing:

This clinic covered strategies and tactics related to impact investing.

Key takeaways:

- Impact investing is increasingly important as a means of firms accessing investment capital.
- Impact investing has to be understood in the context of the local systems where it is being proposed, which often means that the investment vehicles have to conform to local norms, as well as provide a return and exit strategy for the investor.
- There has emerged a range of increasingly more effective investment vehicles, especially debt instruments, that share risk with the entrepreneurs, but also provide a viable exit strategy.



CLINIC 12: Network Analysis:

This clinic gave an overview of network mapping processes, from rigorous to participatory mapping tools and their application in various project contexts.



Key takeaways:

- Network analysis can range from highly sophisticated analytical models to relatively simple methods for getting a sense of a network structure and tendencies/competencies.
- Finding a balance between sophistication and practicality is central for practitioners that need quality information but cannot spend excessive time and money.
- Value mapping is a method that provides useful insights in network structures, as well as patterns related to relationships.

CLINIC 13: Meso Organizations: Key Levers of Systemic Change and Adaptation:

This clinic explored the definition of the role of meso organizations in a change process complex within a market system.

Key takeaways:

- Complex systems often evolve patterns that can be hard to change without identifying entry points that can generate substantial leverage.
- Meso level organizations are often essential components of any systemic change process as they often have both leverage and an incentive to change.



CLINIC 14: Complexity Aware Monitoring and Evaluation:

This clinic explored additional principles and tools to manage complexity when investing in monitoring and evaluation.

Key takeaways:

- Tracking change in complex systems remains a substantial challenge for systems thinking approaches as most traditional monitoring and evaluation tools are not sensitive enough to identify emergent systemic changes.
- There are a range of emerging tools being tested that track changes in patterns as a way to get insights into deeper systemic change that seem to be gaining momentum



CLINIC 15: Catalyzing Attractors:

This clinic explored tactics to catalyze and amplify attractors in a systemic change strategy.

Key takeaways:

- Growing evidence suggests that systemic change happens through a process where a more attractive behavior pulls more and more market actors towards adoption - which is in opposition to traditional development tactics of defining a problem and fixing it.
- Catalyzing new attractors requires a good understanding of why the system currently functions the way it does so practitioners can gain clarity on where an alternative option could emerge.



CLINIC 16: Political Economy Analysis:

This clinic focused on explaining what a political economy analysis is and why it is useful when trying to understand systems.

Key takeaways:

- Many, if not all, market systems are heavily influenced by political and social incentives. Political economy analysis is a methodology for understanding these incentives. Often, in immature market systems, political and social incentives are the most influential, so they are essential to understanding why market systems currently function the way they do.
- As a project gains insights into important and influential social and political incentives affecting a market system, they can better design interventions that amplify alternative commercial incentives to counter the problematic social and political incentives.



CLINIC 17: Using Prize Competitions to Spur Innovation and Systemic Change via Investment:

This clinic offered concrete tools and insights on how to design and run private sector-focused prize competitions, which are used for financing and investment purposes to incentivize inclusive market development, based on learning from the AgResults Initiative.

Key takeaways:

- Prizes are useful tools to catalyze innovation and bring awareness and attention to an emerging issue, challenge or required innovation.
- Prizes work best within a set of conditions that ensure the solution/innovation will be taken up by the system.
- Prizes as a tactic are useful for local actors to learn how to use so where appropriate supporting local actors to learn when and how to apply prizes would be important.





CLINIC 18: ROI: A Framework for Managing Dynamics Facilitation:

This clinic explored the use of the Relationship, Ownership, and Intensity (ROI) framework that helps practitioners facilitate more effectively in a dynamic environment.

Key takeaways:

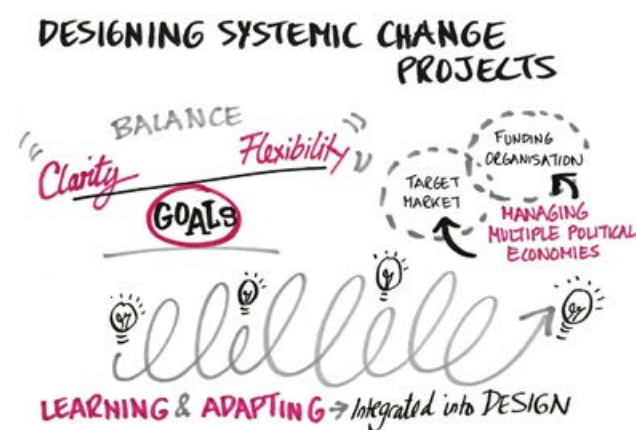
- ROI is a framework that practitioners use to better ensure they are supporting market actors that will own and continue to follow the new attractor behaviors.
- Relationship, ownership, and intensity is a set of guiding questions that you ask continually while designing and implementing an interventions.

CLINIC 19: Designing Systemic Change Projects:

This session explored experience in designing market development projects based on systems thinking principles including the challenges and lessons of on how best to embrace uncertainty.

Key takeaways:

- A key challenge in designing a systems thinking project is providing enough clarity on the systemic change goals so implementers know what is wanted in practical terms, and providing enough flexibility so implementers are not locked in to specific activities.
- The political economy around the targeted market system and the political economy around the funding organization are unlikely to be perfectly aligned.
- Central to any good systems thinking design is learning and adapting, which has to be emphasized and integrated into the design.



CLINIC 20: Sense-Making, Deciding & Adapting:



This session explored experience in designing market development projects based on systems thinking principles including the challenges and lessons of on how best to embrace uncertainty

Key takeaways:

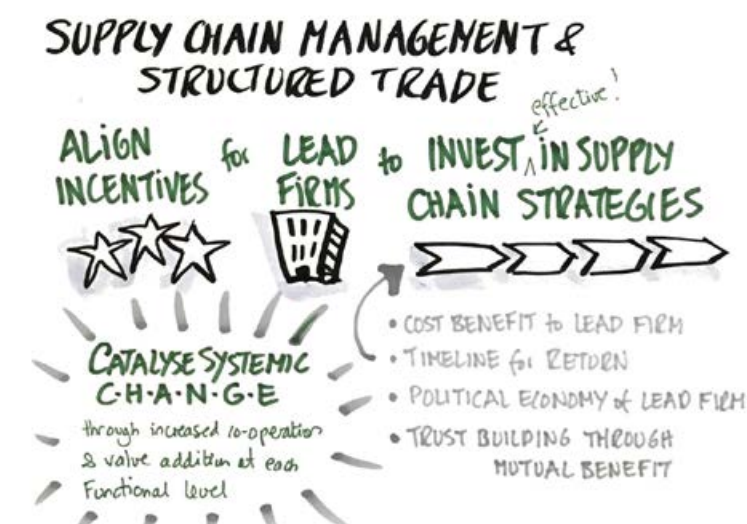
- Because social systems are complex and complex systems are made up of many moving pieces going in different directions, projects must plan to embrace and manage the complexity.
- While it is not possible to know 100% how complex systems work since they are always changing, using effective lenses and tools can provide insights into tendencies of complex systems.
- Making sense of the tendencies is central to implementing an effective systems thinking approach.

CLINIC 21: Supply Chain Management & Structured Trade:

This clinic covered criteria for and tools to catalyze more effective/value structured supply chains/out-grower schemes.

Key Takeaways:

- Effective supply chain management strategies have to take into consideration the cost-benefit to the lead firm, the related timeline for a return, the political economy of the lead firm, and a clear need to build trust through mutual benefit (i.e., performance management schemes are critical).
- The primary aim of a project is to catalyze systemic change in favor of increased cooperation along a supply chain in order to increase the value addition at each functional level, and as a result, some crops/market systems are not appropriate including many low margin commodity-like products/crops.



CLINIC 22: Orienting Teams to Systems Thinking:

This clinic covered tools and tactics to orient new teams around system thinking and reinforce it in practice.



Key Takeaways:

- It is seen as critically important for project to invest in a team orientation, which also tends to include ongoing investment in learning and onboarding tools and processes.
- Initial team orientations efforts need to both create a baseline understanding of systems thinking and initiate an constant effort to build a cohesive and dynamic team-based operating culture.
- Achieving both a knowledge and team building goal has led projects to favor participatory/experiential learning methods when conducting orientation events.

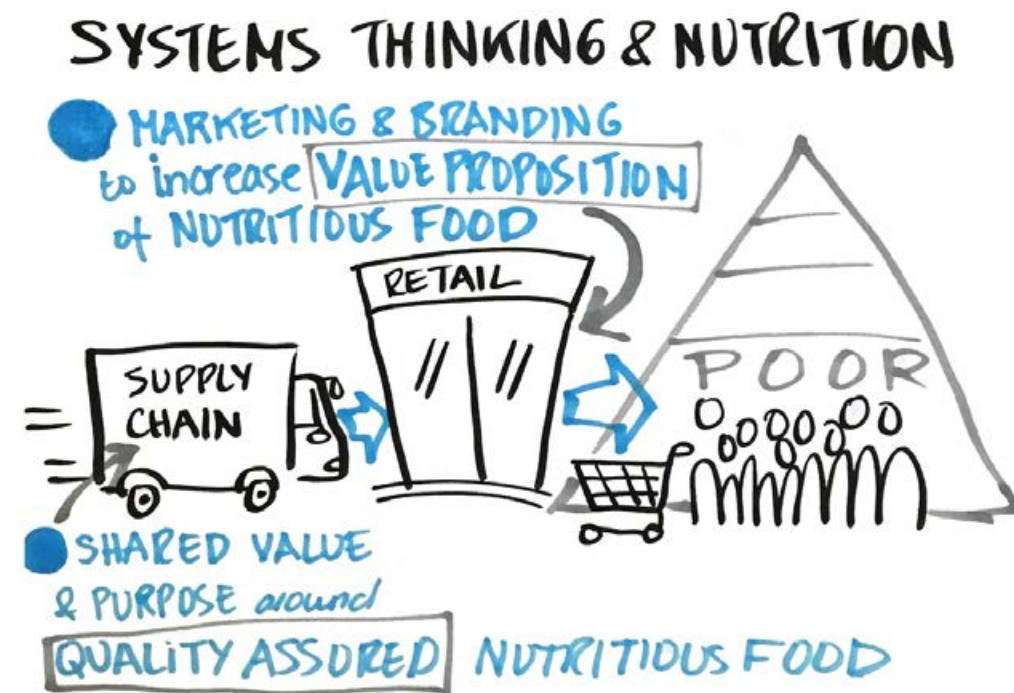


CLINIC 23: Systems Thinking & Nutrition:

This clinic explored the use of systemic lenses in nutrition programs.

Key Takeaways:

- Most people including rural poor are increasingly buying most of their food, which means market systems and how they are oriented are having and will increasingly have a major influence on nutritional outcomes
- Nutritional outcomes are very much tied to behavioral norms that strongly suggests that from a market systems perspective systemic shifts are needed in both retail and supply chain components of the market systems that can provide nutritious foods to bottom of the pyramid consumers:
- Retail - to increase the value proposition of nutritious foods via marketing/branding and merchandising/distribution
- Supply chain -- to increase the shared purpose and value around producing quality assured nutritious foods



CLINIC 24: Improving Market Actor Cooperation - Stakeholder Dialogues:

This clinic discussed methods for managing multi-stakeholder processes and dialogues, including why this is a key function to institute within a market system.

Key Takeaways:

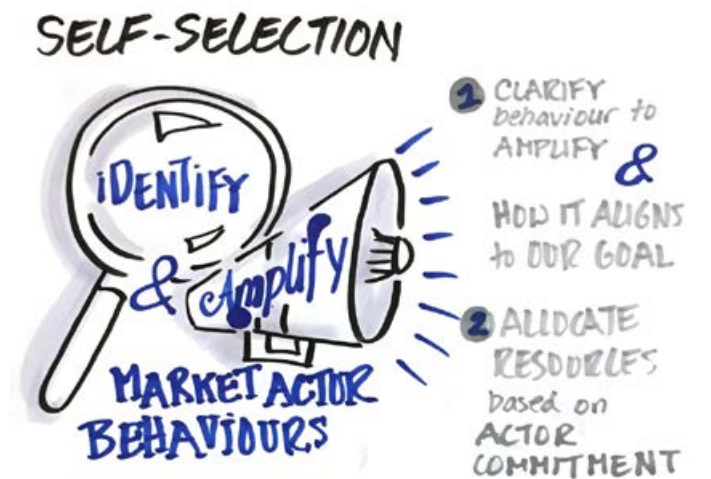
- Stakeholder processes and methods are critically important, but they are not a silver bullet solution.
- Stakeholder methods are particularly effective when market actors have specific pain points or opportunities where joint action would be essential to addressing the challenge and/or opportunity.
- The purpose and context of the stakeholder effort should determine who participates and what method(s) to use.

CLINIC 25: A Tool for Dynamic Management of Project Partners - Self-Selection:

This clinic explored the use of self-selection guidance and principles to amplify targeted behaviors of market actors.

Key Takeaways:

- Self-selection is a managerial tactic/methodology for identifying and amplifying market actors' behaviors that align with a project's systemic change goal.
- Central to an effective application of self-selection is clarity on the behaviors a project wants to amplify and how they align with its systemic change goals.
- A project applying self-selection would allocate resources (both financial and staff) based on market actor commitment to the identified behaviors.



CONSULTATIONS



At MSS2019, participants had the option of joining one of nine different consultations, which were small group dialogues that took place over three days. While participants were allowed to attend different groups, the majority of participants stayed with the same consultation group, allowing the conversation to deepen each day, enriching the dialogue.

Systemic Lenses Applied to Farmer Empowerment:

This consultation explored the risks, benefits, and considerations around more traditional farmer group and empowerment efforts and how the use of more systemic lenses can be useful in these contexts.



Market Systems Development in Conflict-Affected Regions:

This consultation explored emerging lessons when applying systems thinking approaches in conflict affected areas.



Building Effective Learning Teams:

This consultation explored challenges and opportunities around building effective teams that include learning strategically, operating culture, management philosophy, etc.



Financial Systems Development:

This consultation explored challenges and opportunities related to systemic change in the financial services markets.



Gender from a Systems Perspective:

This consultation focused on how to apply a systemic lens to gender equity challenges.



Technological Disruptions and Potential Shifts in the Pathway to Middle Income Status:

This consultation explored technological disruptions and potential shifts in the pathway to middle income status.



Being a Donor in the 22nd Century:

This consultation explored important and emergent trends, challenges and opportunities that are likely to have a substantial impact on how donors investment in the coming decades.



Taking Learning Seriously: The Challenge for International Development:

This consultation considered attribution, contribution, evidence, and the use of third party evaluators in feeding into learning and assessments.



Youth from a Systems Perspective:

This consultation explored the use of systemic lenses when catalyzing improved participation by youth in markets.



TRAININGS



MS offered an option full day training for participants to attend on the day prior to the official start of the Symposium. Participants chose from four unique training options.

Political Economy Analysis Training

Offered by Fintrac and USAID

Political Economy Analysis (PEA) explores not only how but why things happen in a given context, with a particular focus on incentives, power, and how these impact the allocation of resources. This workshop provided background and foundational knowledge to incorporate approaches to applied PEA and “thinking and working politically” (TWP) in programming.



This one day introduction, funded by the Feed the Future Enabling Environment for Food Security project, gave an overview of:

- What Applied PEA and TWP are, and what they offer;
- What we have learned about successful approaches to conducting PEAs ;
- How Applied PEA results can be practically operationalized in programming;
- How Applied PEA and TWP can serve as an entry point for more holistic, integrated programming; and
- Recent USAID experiences with Applied PEAs, covering all regions of USAID’s work, and sectors ranging from health, to biodiversity, to decentralization, to anti-corruption.

Youth Employment & Employability Training

Offered by Helvetas



While the MSD approach has been mostly applied to income poverty reduction, this training focused on how the approach can be utilized for youth employment promotion. In doing so, participant’s went beyond the traditional focus on vocational education by applying a more holistic view to labor markets, including workforce supply (young people’s skills), workforce demand (job creation), intermediation/information services and related supporting functions and rules (such as labour market policies). This training offered a critical reflection of participants’ work in the field of employment promotion (stimulating group and plenary discussions around impact, scale, sustainability and resilience), based on case studies of SDC youth employment projects in the Balkan region.

Input Supply and Output Buyer Market Development Tactics Training

Offered by EcoVentures International



In market systems development programming, it is important to consider different business growth tactics that market actors within the input supply sector can invest in, to bring more inclusive market function. Additionally, a key challenge is improvement in the functioning and efficiency of the supply chain in a manner to benefit smallholder producers. In this one-day training, participants were introduced to various business tactics that have proven to be successful in different contexts globally within both the input supply sector as well as the output buyer system, with the option to focus on either track. These tactics were explored from a market systems programming perspective as well as from the private sector growth perspective. An interactive, simulation-based methodology was utilized, in which participants stepped into the shoes of supply chain management actors and made decisions on investment strategies that ultimately benefit smallholder farmers.

Systems Thinking & Complexity Training

Offered by Mesopartner



This workshop allowed advanced practitioners to go on a deep-dive exploration into the concepts of complexity as they relate to economic change. The participants were able to shape the focus of the workshop and contribute with their own experiences and anecdotes. Presenters and participants discussed where and how the practical application of the ideas of complexity thinking and economic change can be strengthened, and how they could influence market systems development practice.

The facilitators brought in their experience and knowledge of exploring the concepts of complexity, systemic change, economic evolution, and innovation and technological change in both theory and practice. Discussions included complex questions such as: ‘What are the key characteristics that allow successful economies to evolve and how can MSD contribute to strengthen these characteristics?’; ‘How can organizations and projects be effectively managed in the face of complexity and uncertainty and develop a spirit of learning and co-creation together with system stakeholders?’; and ‘Is the intent to make markets work for the poor compatible with the intent to positively shape the evolution of a developing economy?’



NETWORKING

Central to the ethos of the Market Systems Symposium is the space for connecting and networking it offers.





SOCIAL MEDIA

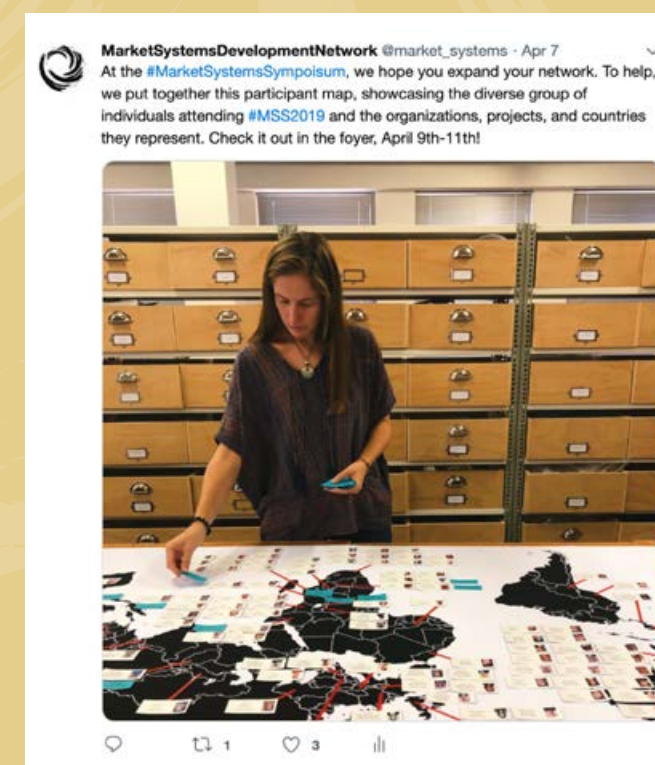
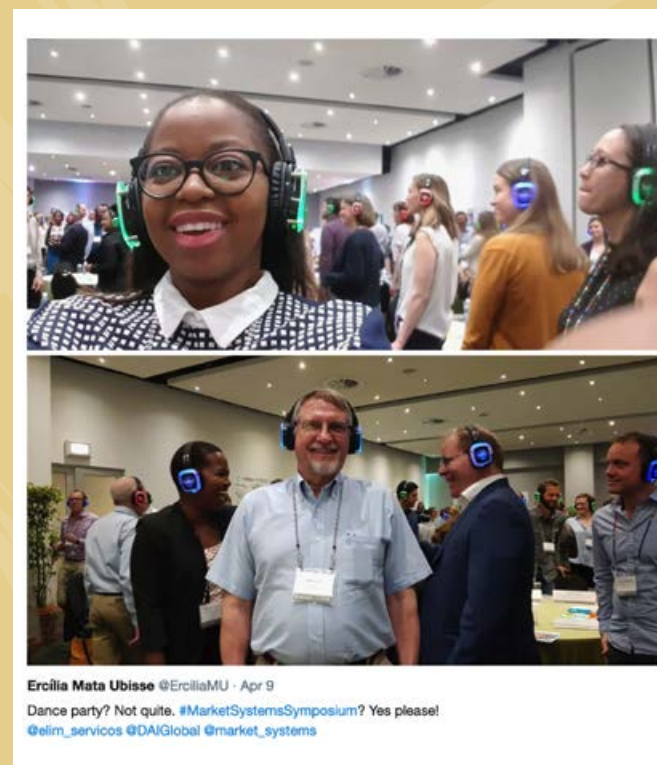
The #MSS2019 garnered significant social media attention across multiple platforms.

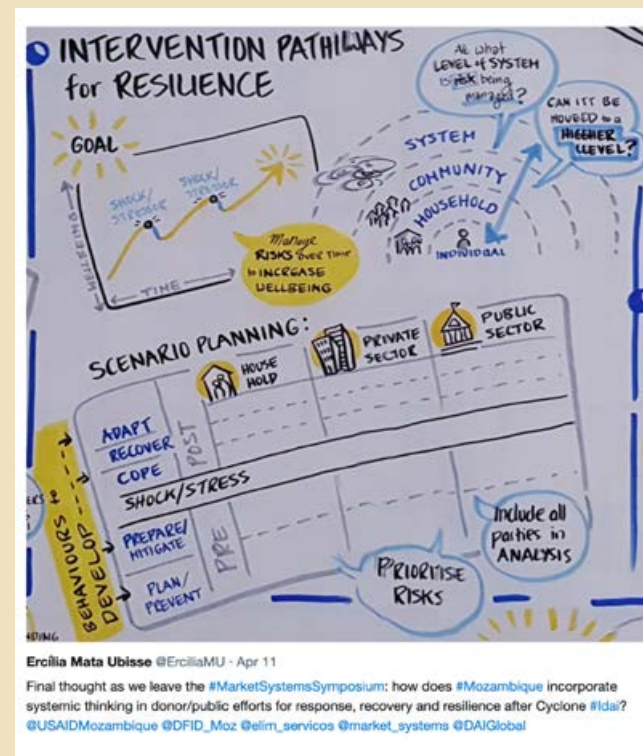
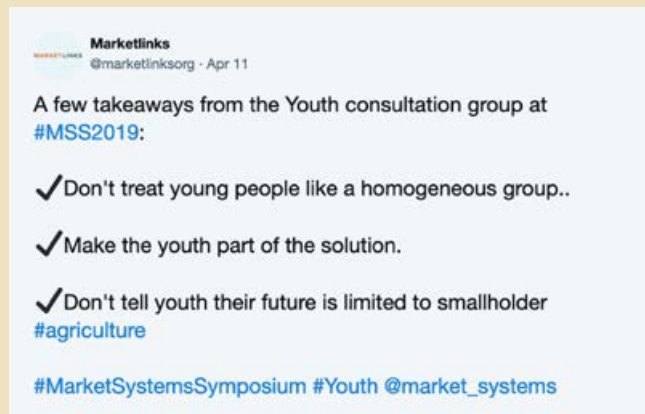
“It was an eye opening experience to see that MSD practitioners around the world face the same type of challenges regarding organizational transformation from direct delivery to systems thinking. Perhaps, this kind of Symposium can bring the donors and the implementing agencies together to design a better world.”

- Sadruzzaman “Tamam” Noor, Market Development Specialist, CARE Bangladesh



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Ercilia Mata Ubbise @ErciliaMU · Apr 11
Final thought as we leave the #MarketSystemsSymposium: how does #Mozambique incorporate systemic thinking in donor/public efforts for response, recovery and resilience after Cyclone #Ida? @USAIDMozambique @DFID_Moz @elim_services @market_systems @DAIGlobal

