



Key principles of how we take an MSD approach?

Market system change

Facilitation

Partnerships



Why an MSD approach?

Sustainability

Scale

Impact



MSD PROGRAM EXAMPLE

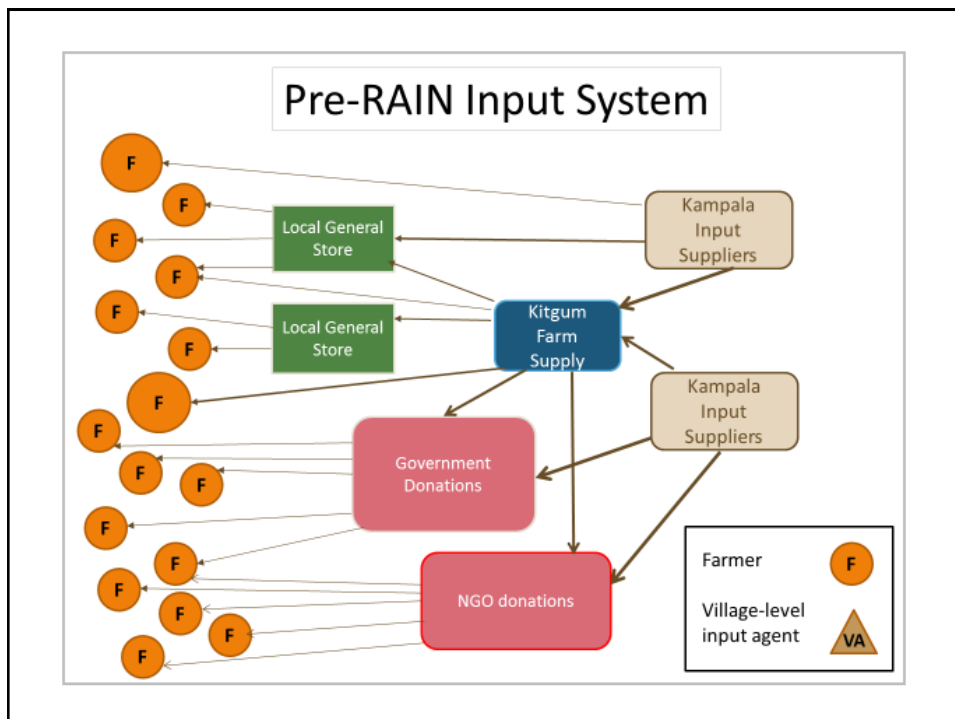
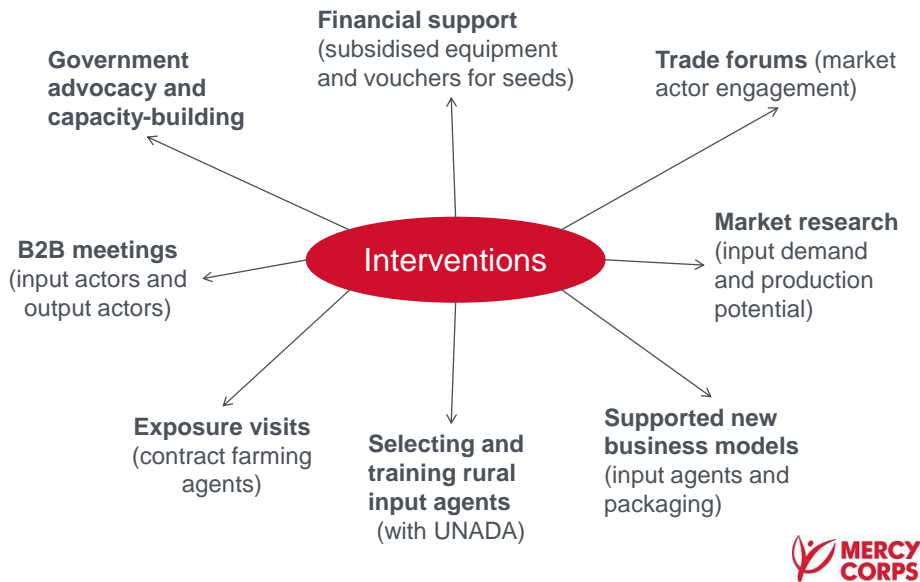
Agricultural markets in Uganda

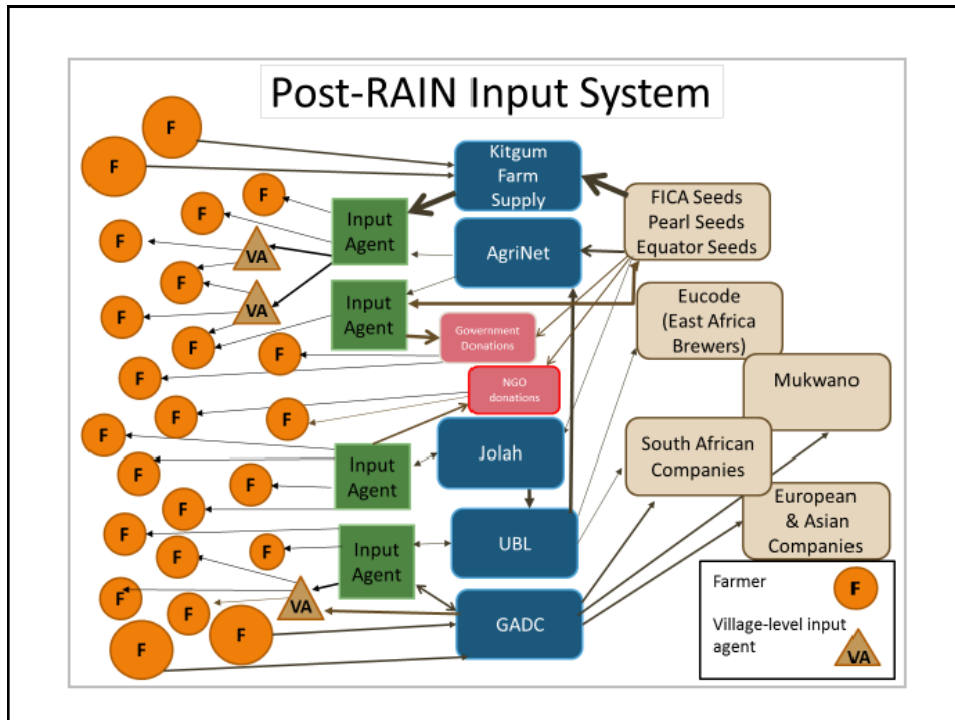


What were the market assessment findings?

Production potential	<ul style="list-style-type: none"> • Good soil fertility • High farmer interest and strong market demand
Agricultural skills and services	<ul style="list-style-type: none"> • Very weak farmer knowledge and skills • Absence of government or private extension services
Agricultural inputs	<ul style="list-style-type: none"> • Only one distributor in the region, and quality and range poor • Very limited outreach to farmers • Farmers lacked information and access about inputs
Demand-side	<ul style="list-style-type: none"> • Primarily selling to local markets • Contract farming potential, but poor perceptions among businesses

How did the program apply an MSD approach?





What was the impact of the program?

Sustainable market system change?

- Sustainable agricultural input suppliers? ✓
- Improved sustainable access to higher value markets? ✓
- Sustainable agricultural extension services? ✓ & ✗
- Crowding-in and self-replication? ✓

What was the impact of the program?

Impact on beneficiaries?

- More than 100,000 farmers accessed inputs, higher-value markets and financial services
- Yields, quality and sales increased (\$10 million increase in sales during program)
- Incomes increased (52% of households increased income in final year alone)
- Increased savings (70% of households increased their savings)

What's different about MSD?

Direct Delivery

What problems do people/firms have?

How can we help to solve these?

Market Systems Development

What problems do people/firms have?

Why isn't their market environment providing solutions to these?

... How can we work with market actors to make the market system work better for the poor



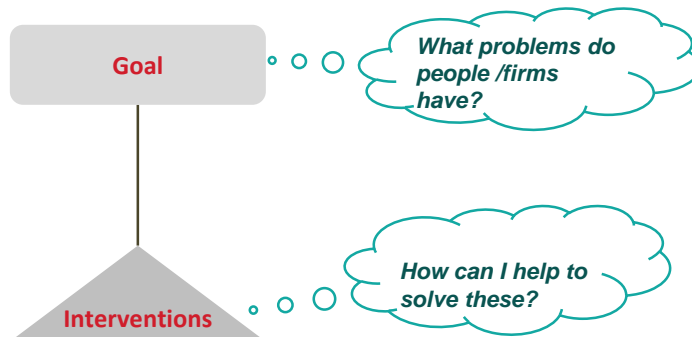
MSD CORE PRINCIPLES

In brief!



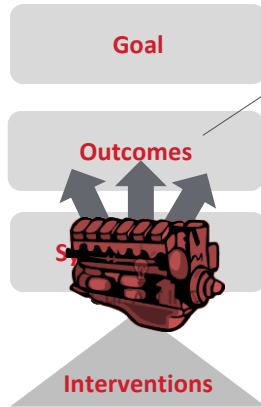
Strategic Frameworks

Traditional development approach



Strategic Frameworks

System change is key



Widespread & Sustainable

What problems do people/firms have?

Why isn't their market environment providing solutions to these?

... How can we work with market actors to make the market system work better for the poor



Strategic Frameworks

Multiple sectors

Economic Opportunities

Poverty reduction

Farmer's yields increase

Competitive agriculture input markets

Systemic intervention

Food Security

Hunger decreased

Access to sufficient food

Local markets supply affordable food

Systemic intervention

Peace and Security

Lowered risk of conflict

Increased benefits from natural resources

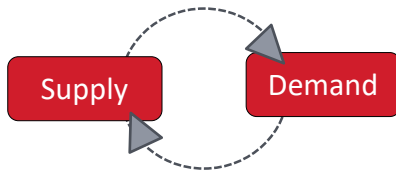
Improved policy environment

Systemic intervention



What is a Market System and What is MSD?

What is a market?



- Transactional
- Exchange for goods and services
- Economic or non-economic

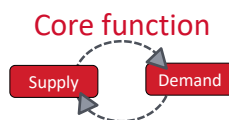
"Societal and economic needs define markets"

Porter and Kramer



What is a Market System and What is MSD?

What is a market *system*?

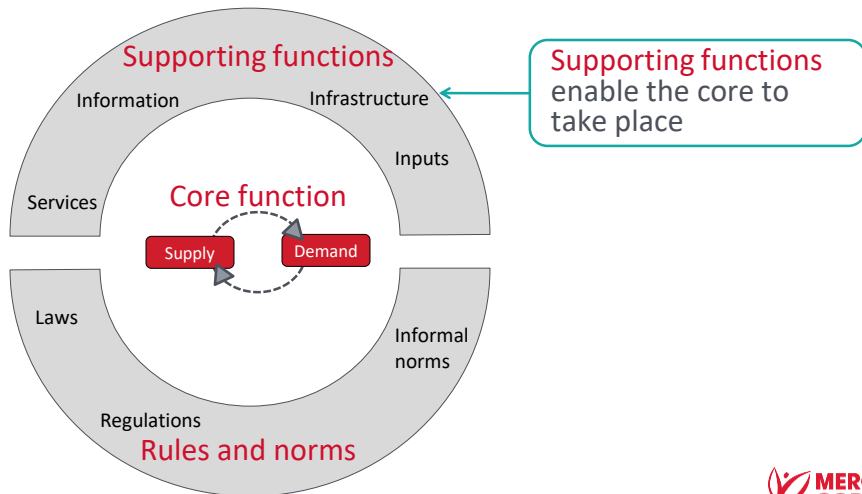


Relates to delivery of goods or services



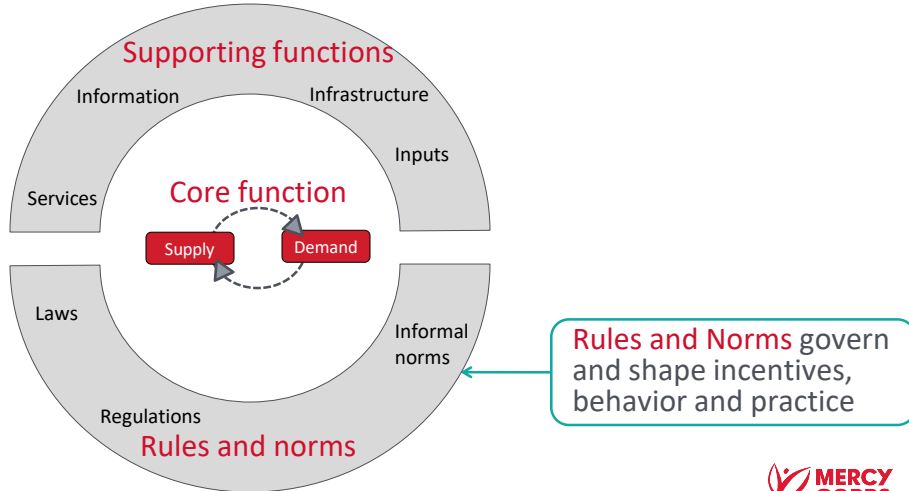
What is a Market System and What is MSD?

Supporting functions



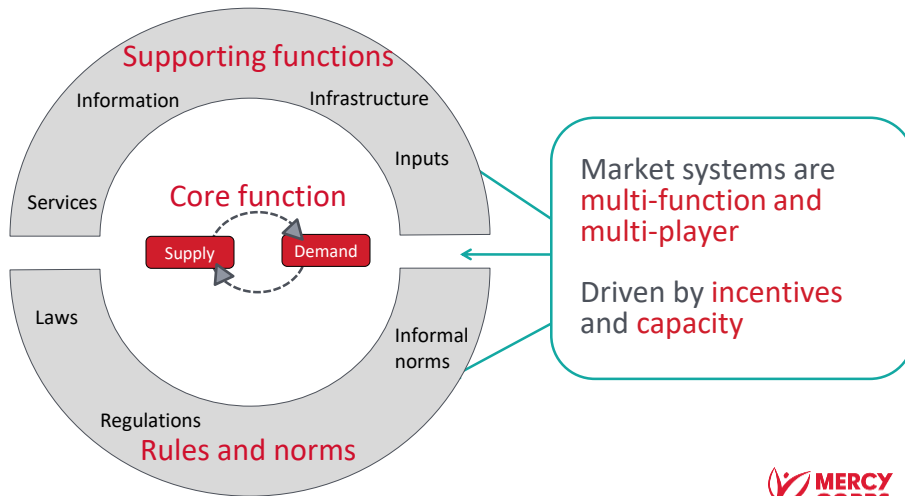
What is a Market System and What is MSD?

Rules and norms



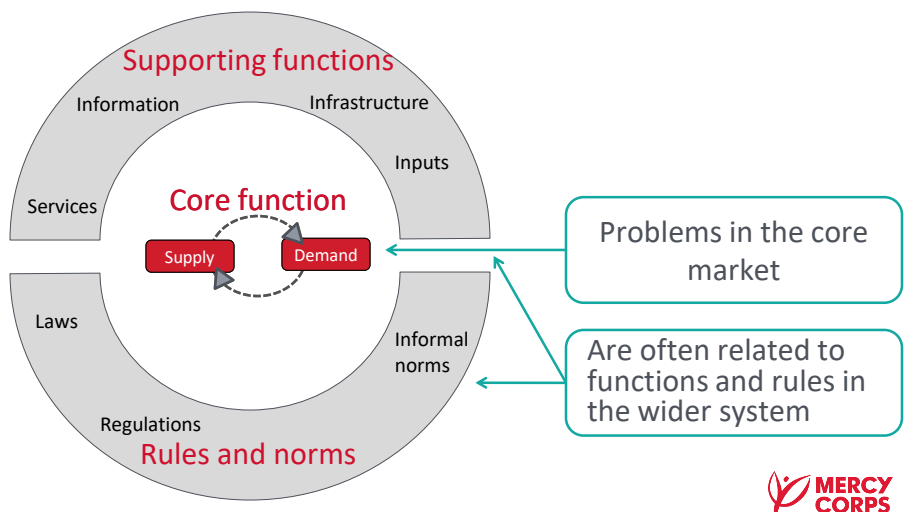
What is a Market System and What is MSD?

Market system

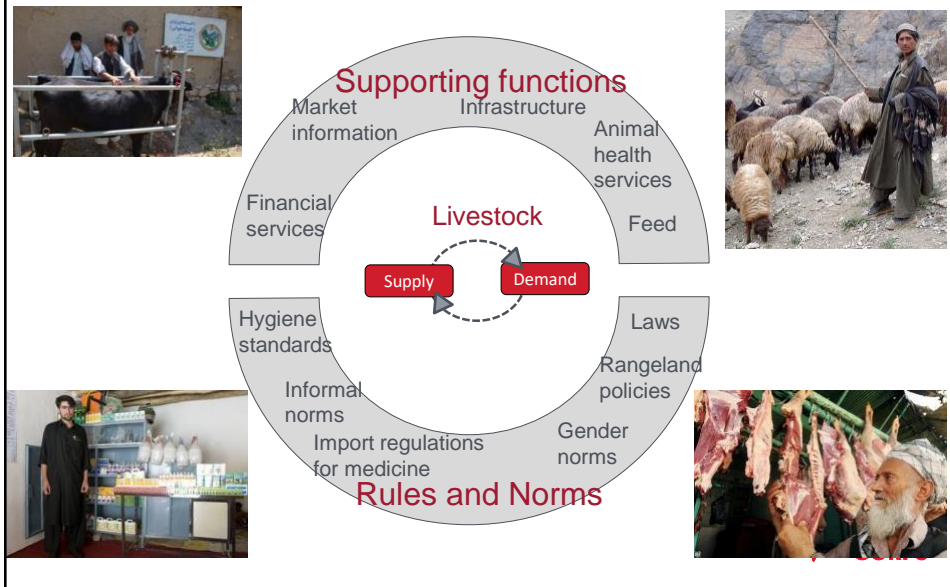


What is a Market System and What is MSD?

The donut

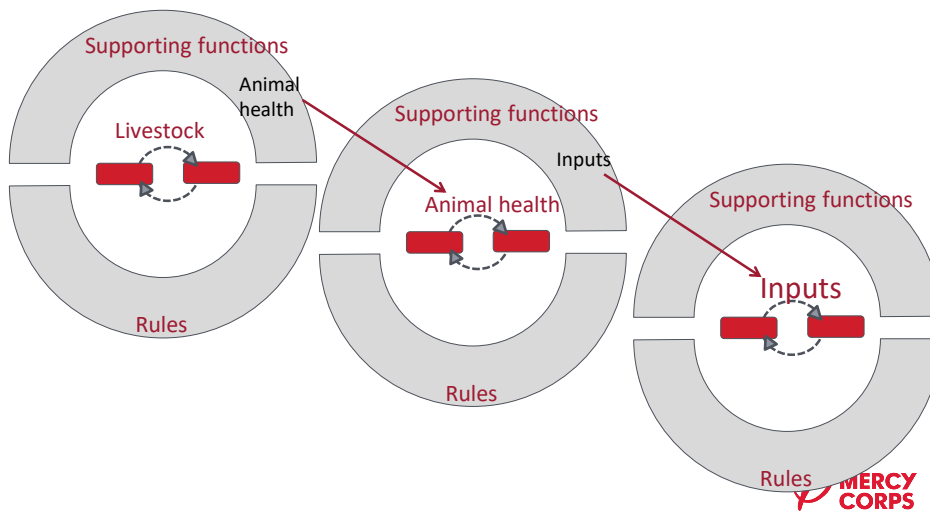


Afghanistan Livestock Example



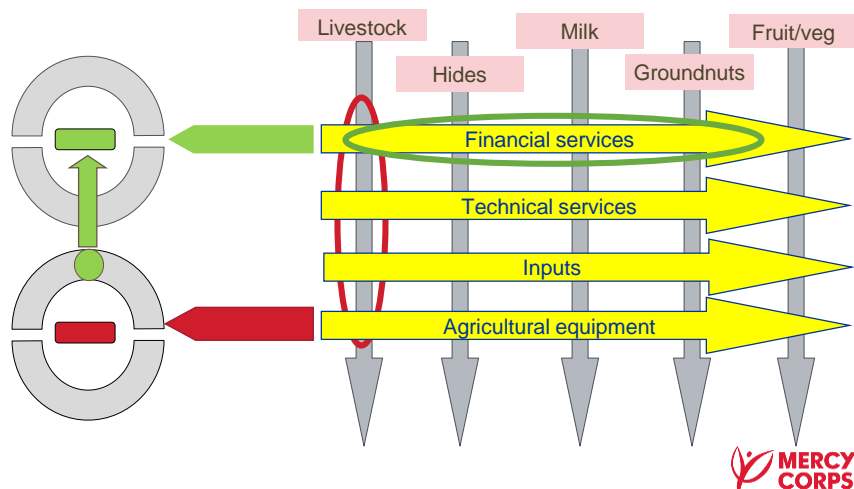
What is a Market System and What is MSD?

Ethiopia interconnected markets

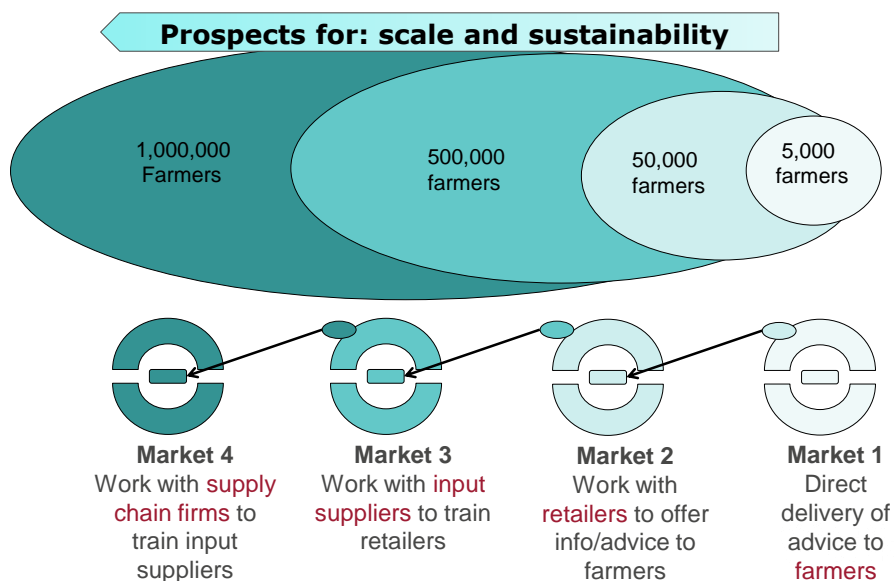


What is a Market System and What is MSD?

Ethiopia interconnected markets



Finding a Leverage Point



FRAGILE CONTEXTS:

Making Markets Work in
Crisis

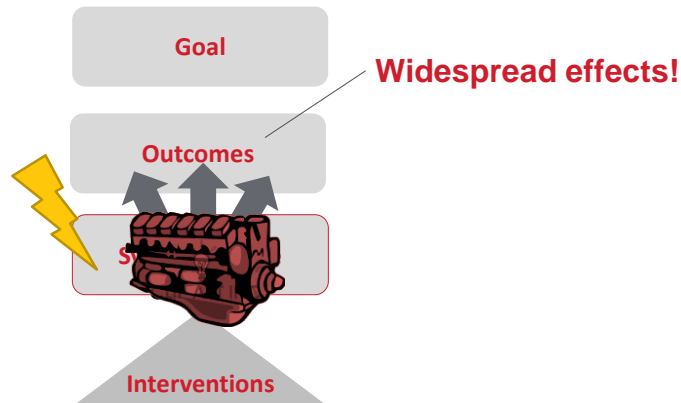


Resilience in a Crisis: Syria Research



Market Systems in Crisis

Shocks to market actors can undermine coping and recovery



Syria Program Summary

- Food security, bread market
- 5-year multi-round program
- Cross-border in active conflict zones
- Almost \$50 million, funded by USAID Food for Peace





Main Problems

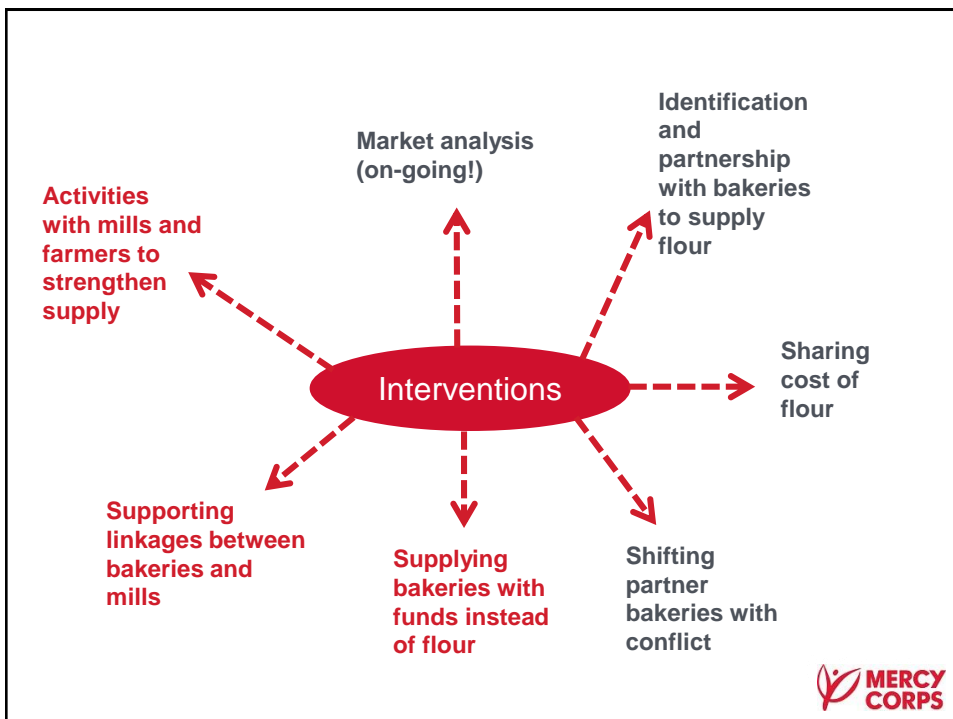
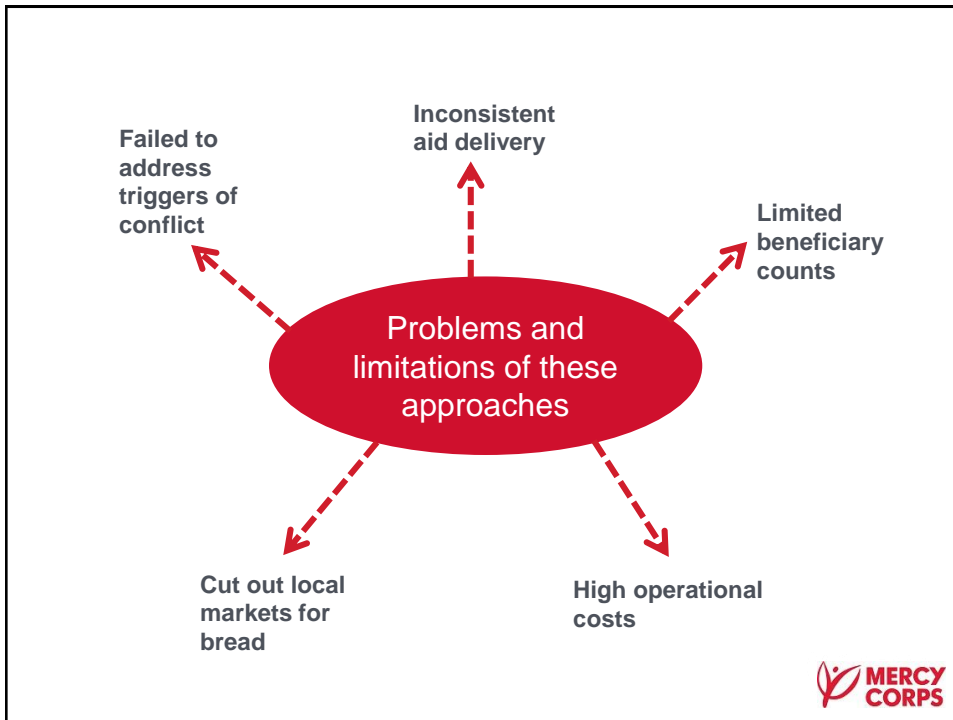
- Spiking/volatile bread prices
- Market access and movement restricted by conflict
- Households need access to bread, a staple food item
- Volatile bread prices trigger additional conflict



How were agencies addressing these problems?

- Direct delivery of food baskets to households
- Cross-border convoys of food





What was the impact of the program?

Success in sustaining markets?

- Partner bakeries able to stay open, serving 100,000 people per day ✓
- Bread prices stayed relatively stable in program areas ✓



Key principles of how we take a market systems approach?

Market system change

Facilitation

Partnerships



Key principles of how we take a market systems approach? *And in crisis?*

Market system change

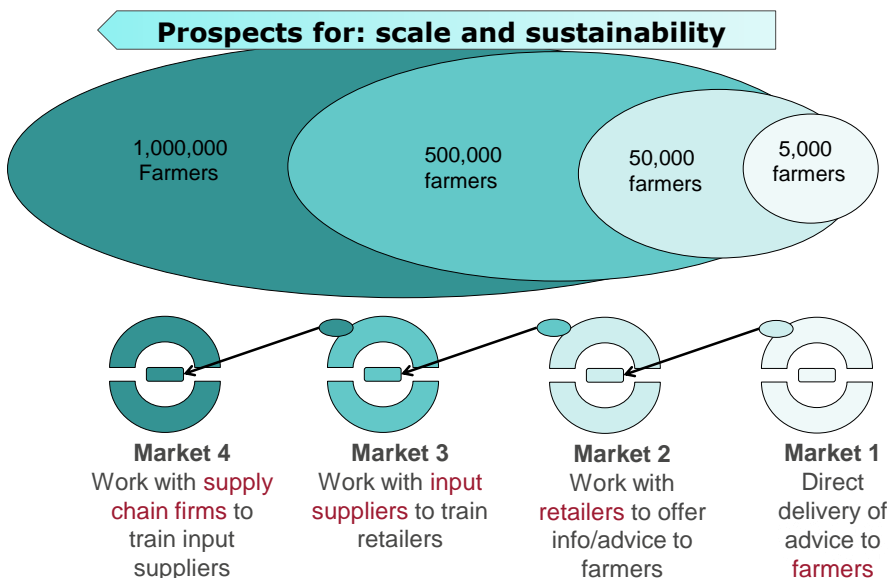
Facilitation

Partnerships

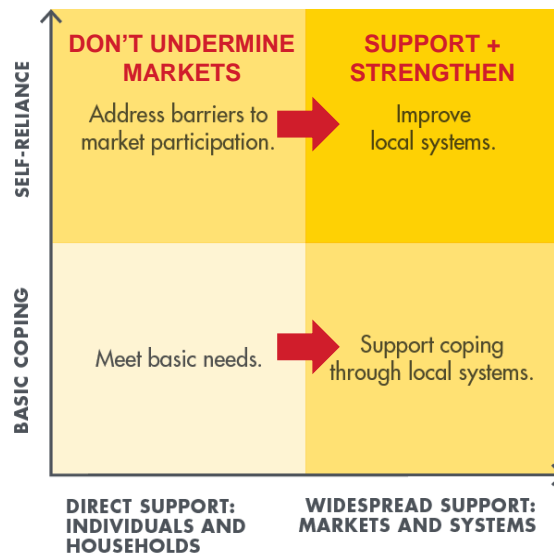
Market safeguarding



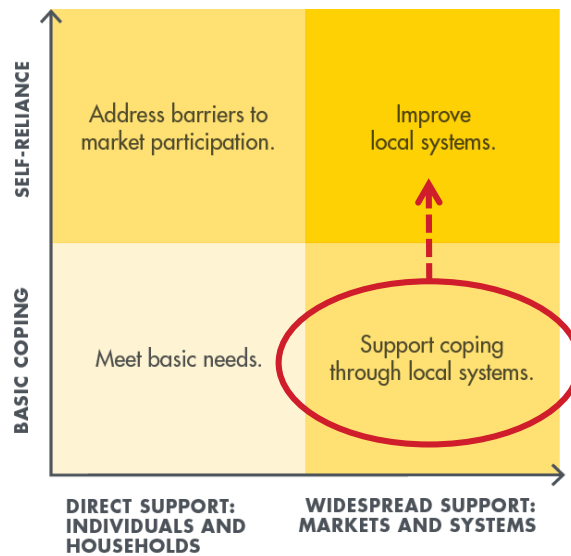
Finding a Leverage Point



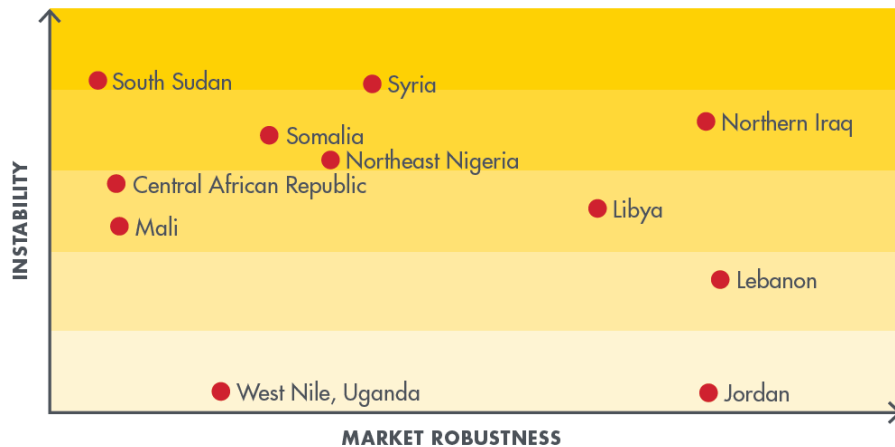
Market Systems in Crisis



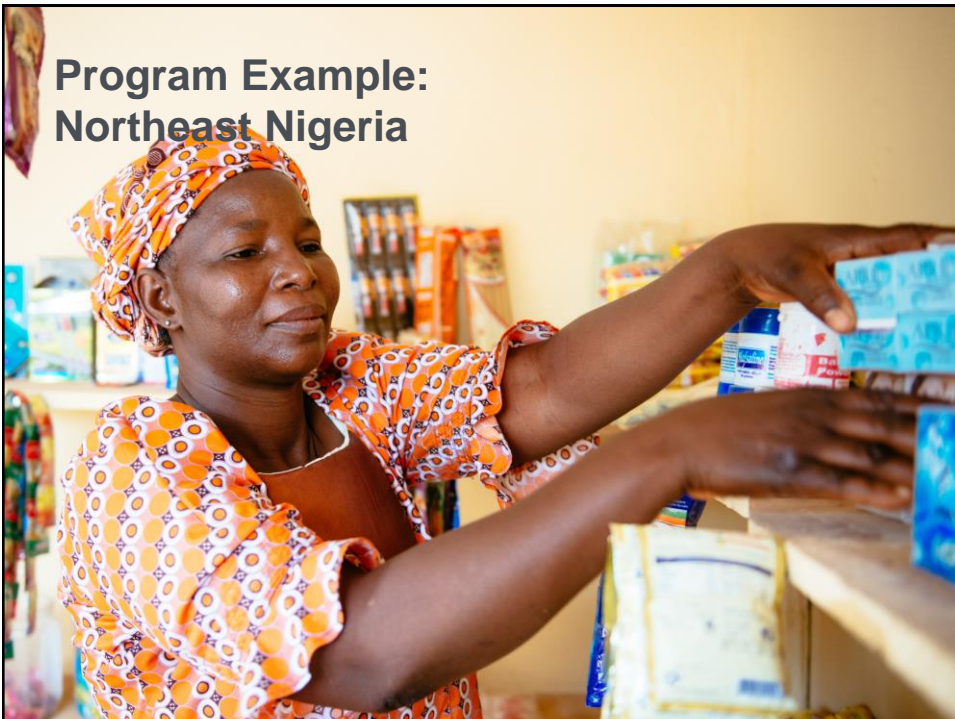
Market Systems in Crisis



Contexts for Coping and Recovery



Program Example: Northeast Nigeria



Program Summary

- >\$5 million from Bill and Melinda Gates Foundation and GIZ
- \$15 million EU Funding for Recovery and Resilience
- Strengthening input supply
- Developing market for new breed of poultry



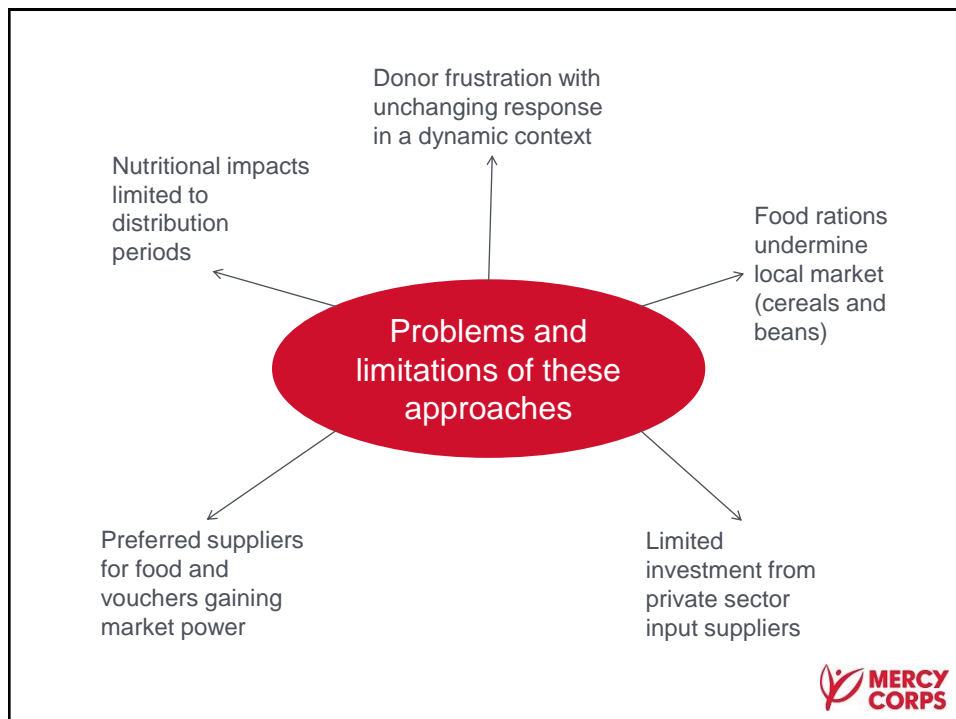
Main Problems

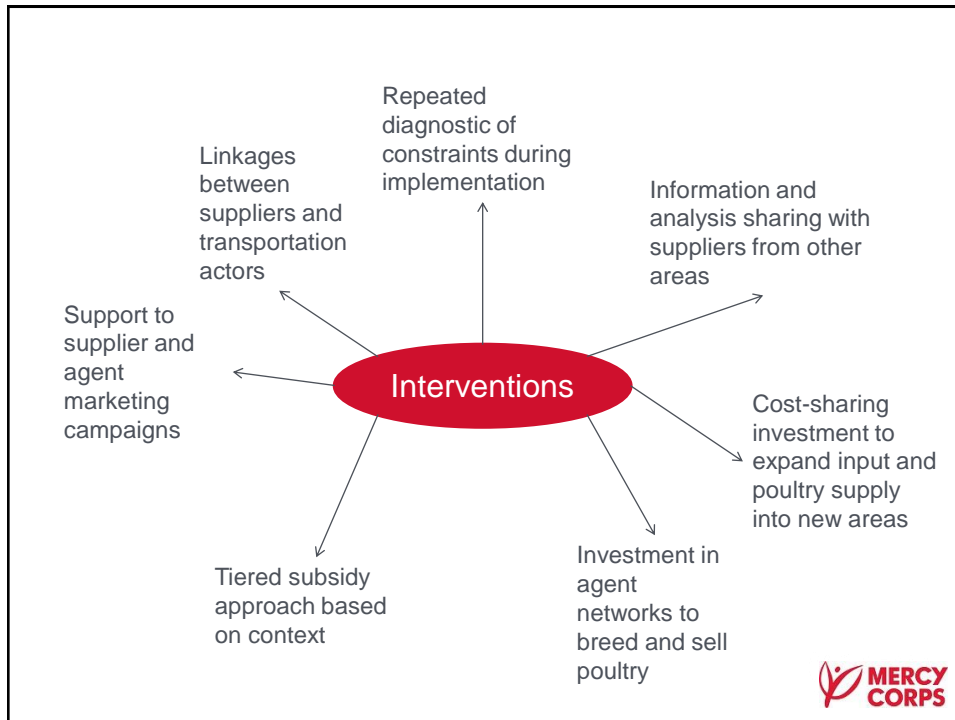
- On-going conflict, resurgence of Boko Haram conflict following declaration of defeat
- High transit fees and restricted access due to curfews, roadblocks, and conflict
- Population movement limited outside of garrison towns
- Breakdown of businesses activity over years of crisis



What approach were aid agencies taking?

- Direct delivery of food aid to households
- Direct delivery of inputs to households
- Food voucher programming





What was the impact of the program?

Success in sustaining markets?

Success in market systems change?

- Reduction in low-margin petty trading among agents ✓
- Increase in profits for agents, and self-reported improvements in recovery ✓ & ✗
- 95% interest in continuing as agents ✓ & ✗

Facilitation Options



DISCUSSION

What are your experiences with market-based programming in fragile contexts?

What is the value of using MSD in the nexus?

What are the challenges and opportunities with using MSD in fragile contexts?



BREAK!



**GETTING
OPERATIONAL**



MSD in South Sudanese Refugee Response

Context

- Protracted displacement (expected up to 10 years)
- Geographically isolated with thin markets
- Opportunities and risks in refugee host dynamics
- Aid impacting markets
- Forward thinking government policies



Facilitation Options



Market Evidence

- **Agriculture:**
 - 75% redemption rate for coupons
 - 66% increase in purchases from season 1 to 2
 - Preference for PS extension services
- **Energy**
 - Solar market estimated at 97,000 individuals (20,000 households) and 35,000 businesses
 - Current pilot sales: 3,600



Lots of Learning!



FACING UP TO THE CHALLENGES Blending Market and Humanitarian Support for Refugees in Uganda

NOVEMBER 2019 — SIMON LERINE, GRACE SECTION

Executive Summary

Recent numbers of displaced people and growing humanitarian needs require our sector to change the way aid is funded and delivered. This challenge was globally recognized at the 2016 World Humanitarian Summit and is at the center of multi-lateral debates related to coherence, self-reliance and the nexus. Humanitarian and development actors agree that the complex and shifting nature of crises means people's needs extend far beyond short-term support. The question remains how can humanitarian and development actors and implementers collaborate across historically divided aid bureaucracies with shared tools, funding cycles, decision-making processes and incentive structures in response to this global call for durable solutions, a new generation of working on practical approaches to protracted crises and refugee contexts. Their progress from one strengthening local actors' ability to serve crisis-affected populations, rather than directly delivering relief and traditional support.



PAYING FOR DARKNESS Strengthening Solar Markets for Refugees in Uganda

NOVEMBER 2019





Operational Lessons

- Tendency to view vulnerable groups homogenously
- Vulnerability and capacity infrequently considered together
- Funding and prioritization of analysis and learning limited
- Limited mechanisms to partner with businesses quickly (including informal businesses)
- Field-level information sharing limited by silo-ed communication channels
- Donors' cross-cutting perspectives can help influence response



DISCUSSION

What are implications for policy?

What are implications for implementation?

What are key questions for future learning?

