

Facilitator guide

MODULE 1: MARKET SYSTEM SELECTION

Purpose: Participants are aware of the importance of rigorous market system (subsector) selection, and understand different selection criteria and how to apply the selection process

Learning objectives

On completing this module participants should be able to:

- Explain why effective market system selection is important
- Apply the steps of market system selection
- Use criteria and weighting to balance pro-poor focus and viability
- Access and use a range of possible selection criteria to reflect organisational and donor mandates
- Gather information and use it to make an informed, transparent judgement
- Articulate the purpose and principles of conflict-screening (*optional*)

Key messages to convey through this module:

- We are aiming to make the selection as **informed**, **objective** and **transparent** as possible but we cannot know everything and the selection will always involve subjective judgement
- Scoring is a means to comparative discussion, not an end in itself

Materials:

- ❖ Flipchart
- ❖ Marker pens
- ❖ [Module 1 slides](#) (on a projector or printed copies)
- ❖ [Conflict screening worksheet for Market System Selection](#) – 1 copy per group

Session title	Time
Selecting market systems introduction	30
Selection process	30-45
Selecting market systems activity	60
Conflict screening (<i>optional</i>)	45
Total	2 ¼ – 3 ¼ hours

Session title: Selecting market systems introduction
Time: 30 minutes
Materials: <ul style="list-style-type: none"> ❖ Slides 1-3
Objective: <ul style="list-style-type: none"> ➤ Understand why effective market system selection is important
Context: <p><i>[slide 1]</i></p> <ul style="list-style-type: none"> • This is the process of deciding which market to intervene in to benefit the maximum number of people with the available resources in a sustainable way • Objective: To make a transparent, informed selection of the market system(s) that will be the subject of facilitation/intervention of the participatory market system development (PMSD) process. • Effective PMSD programmes must invest considerable time and effort into understanding the market systems they work across. It is therefore frequently necessary and always time advisable for a programme to concentrate on a small number of market systems, often only one.
Process: <p><i>Ask:</i></p> <ul style="list-style-type: none"> • Why is it important to go through the process of selecting a market system? (open discussion) • <i>[Slide 2]</i> • Do any of you have examples of projects that did not succeed because the wrong market was chosen? <p><i>Present:</i></p> <ul style="list-style-type: none"> • The nature of the market will have deep impacts on our interventions and their sustainability and scale. If this part of the process is not done well, huge amounts of effort and resources can be wasted. • <i>Think - If you had a \$1million to invest, how much time would you spend researching which product would give you the greatest return on your investment?</i> • We recommend focusing on fewer systems in order to really understand the system and focus facilitation energy around a single set of issues. • But one might choose to work in vegetables, in which case a project might engage in summer and winter veg covering 5 – 10 crops, which could therefore cover a few systems. • Even beyond that, there is some debate about when it makes sense to work across several systems / sectors. For example in post-crisis situations, it is

important to reduce risk to producers, and keeping their livelihood options wide is an important way of doing that. Elsewhere, when a project is focusing on food security, it may make sense to work to strengthen a range of activities and leave producers to manage what they choose to consume and what they choose to sell.

- Finally...
 - No matter how much analysis we do, there will always be information that will escape us and, given the complex nature of markets, even small bits of info can have a huge effect (the butterfly effect).
 - The ultimate decision will be based on judgement and therefore will have an element of subjectivity
 - Because of this, transparency will be limited

<p>Session title: Selection process</p>
<p>Time: 30 mins</p>
<p>Materials:</p> <ul style="list-style-type: none"> ❖ Slides 4-7 ❖ Paper and pens
<p>Objective:</p> <p>Participants should:</p> <ul style="list-style-type: none"> ➤ Know and be able to apply the steps of market system selection ➤ Understand the tension between potential for poverty impacts and the economic opportunity and how to balance this ➤ Be aware of the range of possible selection criteria and how these may be used to reflect organisational and donor mandates ➤ Understand and be able to use weighting ➤ Be aware of the types of information that can be used and where to find them
<p>Context:</p> <ul style="list-style-type: none"> • The process of market system selection will vary greatly from programme to programme, for a variety of reasons: <ul style="list-style-type: none"> – Depending on the resources available for the market system selection process – Depending on the regional context and target group that the programme plans to focus on
<p>Process:</p> <p><i>Present:</i></p> <p>Go through the 5 steps of market system selection <i>[slide 3]</i></p> <ol style="list-style-type: none"> 1. Brainstorm list of market systems – those already existing in your target area 2. Select key criteria - according to organisational / donor mandate 3. Collect relevant information – about each market system, relating to your criteria 4. Narrow down the list /make a final selection – depending on how clear your results are and how confident you are in the analysis 5. <i>(optional)</i> Deeper analysis of shortlist, leading to final selection - In complex economic contexts it may be necessary for the process to become iterative, with successive sets of market systems judged against increasingly detailed criteria, and/or with the involvement of different groups of stakeholders. 6. <i>(optional)</i> Conflict screening of shortlist. If you are working in a conflict-prone or conflict-affected environment, it is essential to incorporate

conflict-sensitivity into every step of the process

Step 1- Brainstorm

Activity *(optional depending on time):*

- In groups brainstorm a list of appropriate market systems (or subsectors) to consider in your selection.

Plenary

- Have each group read out their list.
- *[Note where there are markets that some groups wrote and others missed, ask why they didn't include it in their list. Note that it is important to do this exercise with others or something might be missed.]*

Step 2 – Select criteria

Present:

- *[slide 4]*– It is important to balance the economic opportunities for the market system with its potential poverty impacts. If you have one without the other then you cannot have a successful project. You must therefore select **at least one** criteria from each of these categories.
- Further criteria can be used to reflect:
 1. Organisational priorities
 2. Donor priorities
 3. Regional context etc.
- Choose key criteria – not too many – say 5-6
- The most important criteria should be weighted, including one each from both 'economic opportunity' and 'poverty impacts' (see slide 4 for examples of these) to ensure a good balance and potential for the project.
- *[Go through example] [slide 5]*

Step 3 – Collect relevant information

Open discussion:

- What kind of information should be gathered to lead to **informed** scoring?
- Where can we get the information?

Present:

- Searching the web, and talking to people from the public, private and third sector gives us the information we need to make informed decisions.
- *[slide 6]* for list of types of information that can be used to inform scoring
- *[slide 7]* for list of possible sources of this information
- Beware of project teams scoring on the basis of their own knowledge and their “hunches” – remember that this needs to be as transparent and objective as possible. You must document your process clearly so that in future,

stakeholders can understand your decisions.

Session title: Selecting market systems: activity

Time: 60 mins

Objective:

- Application of theory and principles in order to gain deeper understanding and skills

Context:

Now have a go at doing it yourselves! Of course, you can only use the information you already have, with no opportunity for further research, so this is not good practice, but it will help you to better understand the process

Process:

- We will base this exercise on the previous discussions – the 3 most popular market systems were...
- Now let's choose 3 criteria that we will all use to evaluate the market systems
- *[for all the groups to work on]*

Activity:

- Get participants into small groups (3-5)
- You have 40 minutes to do a simplified market system selection:
- On a piece of flipchart, draw up a grid (like the one on slides 5 and 8) showing the potential markets along the top and the criteria down the side
- Evaluate the markets against the criteria using the information provided
- Decide which market to select, or choose a shortlist on which you will gather more information
- **On a separate piece of flipchart, note the following:**
 - Any questions you have
 - What other information do you need?
 - How might you gather that information?

Plenary:

- Brief presentations from each group *[facilitator to probe and challenge]*
 - Which market did you choose and why?
 - What were some of the key questions and information gaps?
 - What sources of further info did you identify?
- To the whole group: What did you learn about market system selection that could be applied when doing it for real?
- The *Action for Enterprise* website (<http://www.actionforenterprise.org>) is a great resource if you want to understand more about this process.

Notes:

- Use the plenary to emphasise some learning points
 - The importance of gathering comprehensive information from a variety of sources, because individual opinions and experiences will vary
 - The subjectivity of scoring – should be used as a means of discussion, not treated as a scientific exercise [*highlight any differences in scoring between the groups*]
 - The impact of weighting – point out cases where it meant one market being selected over another
 - If scores are close, further information should be collected

Session title: Conflict screening (*optional – use if working in a conflict-affected area*)

Time: 45 minutes

Materials:

❖ [Conflict screening worksheet for Market System Selection](#) – 1 copy per group

Objective:

- Understand the purpose of conflict-screening and try it out

Context:

Regardless of whether your project has a conflict focus, if you are working in a conflict-affected environment, it may be affected or have an effect on conflict. It is vital that you mitigate negative impacts and maximize on positive ones. It is important that peace-building is not seen as a separate project but as one of the desired outcomes of the intervention, so it needs to be built into every step.

Process:

Activity:

Give each group the conflict screening worksheet and assign them each a different category (actors and relationships / physical and economic security and vulnerability / geographic reach / war economies) – each group will only work with one category for their market

- Screen the market you just selected for conflict risks and impacts
- Come up with a third question for your category then work through the four columns in relation to each question
- As with the previous exercise, you can only work with what you already know
- Based on this exercise, would you choose to
 1. go ahead with this market
 2. gather further information
 3. exclude this market

Plenary:

Share which option you have chosen and why

Conclusion:

Depending on the level of risk identified, some market systems may be excluded. Alternatively this process may just highlight risks and issues, which need to be explored further and taken into account in how the project is designed.

**Top
Facilitation
Tip!**

Getting people into groups for activities:

Group activities are a great opportunity for people to share ideas with people they would not normally have the chance to. Therefore, don't just have people get into groups where they're sitting, as they are likely to sit next to people they know. Here are two simple ways to get mixed groups:

- Get people to count themselves off '1, 2, 3...' up to the number of groups you want to have (total group size/no. of people per group = no. of groups), then ask all the 1s to work together, all the 2s etc.
- Get everyone to stand up and line themselves up in a particular order e.g. 'month of birth' or 'number of siblings' (choose something culturally suitable)

Getting people into groups can also be an opportunity to re-energise participants. Here is an activity that does both...

- Get everyone up and walking around the room
- Choose a few local forms of transport, e.g. 'rickshaw' or 'matatu' and for each, state the number of people that must group together and the action they will do (e.g. if it's a motorbike taxi everyone must get into pairs one behind the other and move around the room quickly and noisily). Ensure that one of the modes of transport gives you the size of group you are looking for.
- Spend 5 minutes playing the game – i.e. calling out the different forms of transport and having everyone immediately get into the appropriate grouping. The last one you call should be the correct group size for your next activity.