Step 7: Participatory Planning
‘From consensus to coordinated action’

Summary

Step 7: Participatory Planning explains how to help market actors move from a set of common interests and a shared vision of their market system to collaboration and coordinated actions that move them towards this vision. The facilitator’s role is to create the right conditions for the market actors to change their system in ways that are beneficial to all, especially to marginalised actors, and to the environment.

In this step you will find principles, recommendations and action points that will help you to harness and leverage the energy, interests and resources of the market actors in order to make them the owners and drivers of their own strategies and action plans.

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Section 1: Helping the market actors to prioritise

A critical success factor for getting the market actors to own and drive their plans is prioritisation. Actors must develop the skills and knowledge to decide what to focus their limited resources on. Closely related to this is sequencing: deciding the order in which the actors will execute the agreed actions.

Planning for concrete action

By this stage in the PMSD process, market actors should have a shared vision of what they want to change within the market system. There should be a good energy amongst the participants, and a momentum to create changes. The next step is to create good conditions for the market actors to build on this vision, and turn it into clear plans for coordinated action that will lead to concrete changes. What are they going to focus their time and energies on in the limited time available? This step therefore focuses on the final stage of the transition in the participatory market mapping journey, taking actors between milestone 3 and milestone 4.

Figure 1: Recurrent milestones in participatory market mapping

Helping market actors to drive the changes they need

There are two important things to consider within this step:

- First, that facilitators should empower and provide the spaces for market actors to come up with their own plans,
- And second, that the market actors should learn how to reach consensus between competing ideas, and prioritise according to their capabilities, resources and needs.
Throughout the PMSD process, it is very important that facilitators create opportunities for market actors (especially the most marginalised ones) to build their capacity to adapt their strategies and actions themselves as they move forward. This creates incentives for them to build relationships with other actors and institutions and contributes to their ability to continue adapting to future challenges and opportunities after the NGO’s intervention has finished. For more information on sustainability as adaptive capacity, see section 2 of *Step 3: Strategic Design and Planning*.

**Different types of ideas for change**

By this stage, it is likely that the market actors and the facilitators will have already discussed or thought about a considerable number of solutions, strategies and actions to bring the market system closer to their vision. Ideas for change within the market system will generally come out of the preliminary market mapping workshops (*Step 2: Preliminary Mapping and Analysis*), the strategic planning stage (*Step 3: Strategic Design and Planning*), the empowerment processes with marginalised actors (*Step 4: Empowering Marginalised Actors*) and the participatory market mapping workshops (*Step 6: Participatory Market Mapping*). The changes tend to fall into a number of categories:

**Enabling Environment changes:**

- **Changes to policies, regulations and standards**
  For example, getting rid of an unfair taxation policy, or adapting a quality standard to allow marginalised farmers to access new markets

- **Changes in physical infrastructure:**
  For example, investments by government or private companies to improve roads or telecommunication networks.

**Market Chain changes:**

- **Improvements in business relations, transparency and stability of contracts**
  For example introducing quality premiums and formal contracts to improve timely delivery

- **Formation or strengthening of networks, groups or associations.**
  For example, forming producer networks amongst neighbouring farms, improving their coordination; establishing a cooperative

**Inputs and Service Provision changes:**

- **Introduction of new services or inputs**
  For example, forming a local paravet association to provide relevant advice to smallholders, introduction of improved chicken feed

- **Introduction of new technologies or techniques:**
  For example, introduction of lactometers to measure fat content of milk to improve quality control; introduction of mobile phones to improve access to funds or price information.
How to understand which solutions are appropriate?

There are a number of factors that will determine whether the strategies and actions that the market actors undertake are deemed to be appropriate or not. These can be categorised into technical feasibility, and the level of interest and passion from different parties. Before market actors decide which strategies to take forward and in what order, it is important to make sure that they are aware of these factors and their potential impact on their plans. If the strategies and actions proposed by the market actors are not appropriate, it is very likely that they will collapse, exclude key actors, or become very expensive.

In order to help market actors to agree upon, prioritise and sequence their ideas, it is necessary to run a series of participatory planning workshops. The following are basic recommendations for facilitators running these workshops.
Top recommendations for participatory planning workshops

- To create the best possible action plan, ensure ownership of it by the market actors themselves – as no one knows their market system better than they do
- Use what actors perceive to be the key blockages and opportunities to fulfilling their vision as a starting point for brainstorming actions
- Get market actors to prioritise these by voting on which they think are most critical – but educate them about the factors that will affect which actions are most appropriate
- When key focus areas have been chosen, it is up to the actors to decide which they want to focus their time on. This may change the prioritisation, but will ensure that the specific interests and talents of the market actors is captured to the maximum effect
- Encourage market actors to come up with their own strategies and action plans for each focus area, by defining the desired outcome, and formulating a set of actions that will help move towards this
- Ensure personal accountability for all actions, and strive to keep this on the actors, or external groups rather than on the facilitator

For more information on how to run a participatory planning workshop see Module 7: Participatory Planning Facilitator Guide

Finding appropriate solutions: Technical Feasibility

Technical feasibility describes the potential for a given solution to be successfully implemented with the resources available by the market actors involved. The technical feasibility of a potential solution can be analysed in terms of its difficulty, risks, and costs. Although each individual solution will come with its own unique considerations to address, there are a number of common factors that it is useful to consider.

A brief checklist on technical feasibility

Difficulty
- Is the required technology available?
- Is the required technical knowledge available within the group?
- If not, can this knowledge be easily obtained from elsewhere?
- Is there support for the solution from all the actors who will need to be involved in implementing it?
- Does the solution require long term support or involvement from market actors?
- Are there any government policies or institutions that could block the solution?
- Does it go against social and cultural norms?
- Is there any animosity between actors that needs to be overcome before the solution can be carried out?
Risk
- **Is there a danger of any actor losing out** as a result of the solution, for example with regards to financial security, social status, vulnerability or health?
- **Can you foresee any negative, unintended consequences** that could result from implementing the solution?
- **Are there any contextual risks** such as corruption, violent conflict or exposure to natural disaster?

Cost
- **How expensive** will the solution be to implement and maintain?
- **Who will pay for** the solution? Do they have sufficient funds and motivation to do so?
- **If not, is there anyone else available** who might be willing to fund the solution?
- **Do finance mechanisms exist** (e.g. loans or grants) to cover the costs of the solution?
- **Are more affordable solutions available?**
- **Can in-kind benefits be provided** by any actors as a way to reduce costs?

Note: this list is not comprehensive; it is intended to stimulate further thinking on the various factors that will affect the technical feasibility of potential solutions, as well as ideas for alternatives and ways to overcome the issues surrounding them.

It is important to keep in mind that one of the most important outcomes of a well-facilitated PMSD process is the reduction of difficulty, risks, and costs that comes about through the collaboration of the market actors involved.

Information regarding the **technical feasibility** of an action will be brought into the participatory planning process by the facilitators - or external experts invited by the facilitators, and by the market actors themselves.

The preliminary market mapping and related research done by the facilitators during the design of the interventions are important sources of knowledge about technical feasibility. However, remember that technical feasibility cannot be analysed in a vacuum; it depends significantly on issues such as:

- government policies,
- political or social stability,
- available technologies
- financial and technical collaboration between different market actors

For further guidance on helping market actors to plan and prioritise the best strategies, go to *Action Point A.*
Finding appropriate solutions: where passion and interest meet the technical stuff

The strategies and actions developed during participatory planning are considered appropriate when the plans not only meet the technical criteria, but also strike a chord with the participants’ interests and passions. Remember that it is the market actors who will eventually have to own and drive these plans, and they must have the passion and motivation to do this without the support of the facilitators. It is partly for this reason that it is so important for the market actors to take responsibility for deciding which plans and solutions to pursue.

For example, it is common to find market actors engaging in a committed way because of strong political opinions, such as a sense of injustice from how marginalised farmers are treated by powerful actors, or traumatic experiences such as witnessing famine due to market failures.

However a word of warning is required regarding the degree of emphasis placed on passion and interest. Whilst passions are an important source of creative energy, they can also lead market actors to behave in extreme and irrational ways. In order for passions to be used constructively, the facilitator can work to win the trust of actors to explore the root causes of these passions, and help them to channel the energy towards more coherent and reasoned actions to create positive change.
Solutions are appropriate when they satisfy the agendas of all actors involved

**BEFORE PMSD:**

Before PMSD, most actors’ agendas (needs, interests, motivations, etc.) – are different and even conflictive; overlaps are rare, but may occur where actors share common agendas, contractual agreements, partnerships, etc.

**DURING PMSD:**

During PMSD, market actors gain a better understanding of the agendas of others and of their own agendas in the wider context of the market system. This understanding, and the interactions with the rest of the actors modifies the nature or scope of the agendas of most actors, and can inspire them to come up with new ones.

**AFTER PMSD:**

As the facilitation moves forward, groups of market actors find areas of complementarity or synergy (where their agendas overlap). These are the points where facilitators should focus most of their energies to guarantee sustained participation and investments from the market actors. It is from these areas of “appropriateness” that collaboration, trust and optimal solutions are most likely to come.

Figure 3: Appropriate solutions satisfy the agendas of all actors
Analyse how strategies and actions are inter-connected:

Once the PMSD process starts to change the system (note that the system will start to change from the very moment the actors meet) it is likely that other plans will become easier or more difficult to execute. It is important for market actors to reflect on two things:

- **Which strategies or actions are easiest to implement** ("low hanging fruits"): Assess how much momentum each initiative gathers; in other words how much creative tension and attention they generate in the actors who have to act or contribute financially

- **How the “low hanging fruits” connect to the rest of the tree**: once one strategy or action is successful, it has knock on effects, some of which are difficult or impossible to predict; however, it is important to reflect about this, and - even more importantly - help the market actors to do the same. See Action Point A for questions that will help with this reflection.

In summary when trying to create good conditions for the market actors to do appropriate planning, keep in mind the following:

**Recommendations for appropriate planning:**

1. Help market actors to prioritise strategies and actions in an ascending order of difficulty, risk and cost. However don’t forget to factor in passion and interest!

2. Where two actions have similar levels of difficulty, risk and cost, encourage actors to prioritise the one that will make future actions easier, less risky or cheaper to implement

3. Encourage market actors to come up with strategies for each action that are sustainable in terms of which actors will be responsible for carrying out the action, and which actors will fund it ("who does, who pays")

4. Help actors prepare for the unexpected and sometimes negative effects of change. Help them to adapt to these rather than be dissuaded and to use failures as opportunities for learning
Action Point A – Prioritise the best strategies

In the context of a participatory planning workshop with all market actors:

- Help the market actors to identify the key blockages and opportunities in the market system, and group these together around common themes or root causes.
- Allow the market actors to vote on which of these groups they feel are most critical, making sure that they are well-informed about key factors such as the cost or difficulty of taking action on a particular theme/root cause.
- Give actors the opportunity to decide which area they (personally) want to focus their attention on.
- Facilitate market actors to come up with their own strategies and action plans, taking a step-by-step approach from the current situation to their future vision.
- Help the actors filter out actions and strategies that do not meet the criteria of technical feasibility (difficulty, risk and cost) and to find alternative solutions where possible/appropriate. Refer to the checklist on technical feasibility above.
- Help the actors to prioritise the remaining actions in terms of which are the “low hanging fruits”, and how actions will impact on one another. Reflect upon the following questions:
  - How is the successful solution going to affect other actors negatively and how will they react?
  - How is the successful solution going to affect other actors positively?
  - Should we include strategies and actions to minimise the possible negative effects of the plans of the market actors?
  - Do the new strategies and actions include actors that have not been involved? If so, why? How can we bring them in?
  - How is a successful solution going to build new assets, trust, confidence and experiences to undertake more challenging, demanding or risky plans?

- Encourage the actors to establish who will take on the roles for the proposed actions and help them to identify external support where required. As far as possible, avoid taking on the roles yourself as this will undermine your role as a facilitator.

For more information on how to run a participatory planning workshop see Module 7: Participatory Planning Facilitator Guide.
Section 2: Channelling market actors' energy into effective solutions

Channeling the positive and negative energy of the market actors towards finding appropriate solutions is one of the key roles of a facilitator during participatory planning workshops.

Help the actors come together around areas of creative tension and attention

When you facilitate participatory market mapping workshops, or other interactions between market actors, you will notice that there are moments when the tension and attention of the actors change. You need to be very careful to capture as much information as you can about these changes. Expect not only clearly visible or positive signals but also subtle and negative ones. Furthermore, these changes can happen in short bursts or during longer periods of time. In any case, you need to develop a sharp eye for these changes, register them carefully and reflect about ways to harness them to help the actors move towards real change.

Action Point B: keeping track of mood changes contains an example of a log that facilitators can use to keep track of changes in tension and attention. These can later be referred back to and provide useful clues about potential priorities.

Examples from the field: Cajamarca cheese: a life or death situation that got all actors to act together:

Cajamarca is a region in Northwest Peru renowned across the country for its cheese production. A study showed that there were quality control problems in different parts of the market system. These problems eventually turned into a public health problem that threatened to damage the reputation of Cajamarcan cheese.

During one of the participatory planning workshops one of the participants, who almost lost his son to contaminated cheese, demanded on the verge of tears and in a very emphatic way that this situation had to change. The burst of emotion from a distressed father who felt the quality problem first hand, combined with the technical information helped the group to come together around the idea that change had to happen in different parts of the system... and quick!

The first clues about collective areas of tension and attention normally come from the participatory market mapping workshops and from empowerment processes with marginalised actors. As a facilitator, you may already know, for example, that market actors see problems with a given policy, a relationship between buyers and farmers, or a business model; they may even have already mapped out the lack of a service or the low quality of an input. However, whilst these shifts in awareness are very important, they are not enough on their own. The facilitator has two main tasks at this point:

- To raise the awareness of the market actors about missing information -directly, inviting experts or engaging new market actors,
- To help them to prioritise amongst the set of blockages and opportunities they have already identified. It is important to remember that this set of blockages and opportunities is likely to change as you help them go through the prioritisation! Be flexible and open to this.

The following table provides examples of behaviours that facilitators need to be sensitive to. It contains key advice and suggestions on how to spot the ideas, strategies and activities that are capturing the interest and attention of the market actors. This is where the energy for change is. One of the
fundamental roles of a facilitator is to channel the energy in the room. To read more about the roles of a facilitator, see Step 6: Participatory Market Mapping.

Depending on the types of reactions that you encounter when strategies or actions are being discussed, you will need to take different courses of action. The following are recommendations from our experience. However, listen to your own experience and knowledge of the context and culture too; be sensitive and be intuitive.

Table 1: Classification and examples of market actor behaviour and concrete actions that facilitators can take

<table>
<thead>
<tr>
<th>Duration</th>
<th>Negative energy</th>
<th>Positive energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustained</td>
<td><strong>Scenario 1:</strong> • Excuses to avoid participating in the workshops • Frequent ranting, complaints or destructive criticism • Fear of the consequences of the process of participatory planning • Actors strategically trying to block ideas or capture the process for their own benefit (abusive actors or cartels).</td>
<td><strong>Scenario 2:</strong> • Desire to help others to overcome problems despite repeated rejection by others or despite the challenges ahead • The actor(s) share innovative proposals that require sustained reflection (that do not come spontaneously) • Repeated conversations and networking during breaks or after the workshops</td>
</tr>
</tbody>
</table>

**Recommended action:** Bring in objective evidence of past successes to shift actors from antagonism to engagement. Engage actors with similar functions as those who are blocking the process but who want to add value to the process. [read more on this below]

| Burst | **Scenario 3:** • Violent or aggressive reaction to someone who had an idea or proposal • Laughter as a product of dismissal or ridicule • Leaving the room in anger • High voice volume or shouting | **Scenario 4:** • Laughter as a product of empathy or excitement • The body suddenly leans forward when someone speaks • A participant makes signals to another to connect (e.g. a gesture waving their phone, or suggesting an exchange of business cards or a one to one conversation for the next break) |

**Recommended action:** Understand the emotional side of the reactions and try to defuse emergent conflicts using jointly agreed rules of behaviour [read more on this below]

**Recommended action:** Use these reactions to break the ice during a session or motivate actors to participate, but help actors to stay grounded, and to assess the potential risks of their proposals. Find out why actors’ emotions are positive and promote these reasons to the rest of the group. [read more on this below]
Recommendations for scenario 1 (sustained opposition):

This behaviour is normally linked to deep seated beliefs and attitudes. The actor normally comes to the workshops with preconceived ideas that they use to filter out or criticise strategies or actions proposed by others.

- Arrange one or more one-to-one meetings with the actor to discuss how they are finding the process. Help them to realise the purpose of PMSD, the workshops they are in, and the principle of connectivity that underpins a healthy market system. Help them to find areas of their business or activity that are affected by how others do in the market.
- Try to identify rigid positions, values or opinions that are not based on evidence. If possible, expose the actor to evidence that challenges their positions, values or opinions. It is possible to do this explicitly or implicitly.
  - **Explicitly:** Show the actor evidence that contradicts their view, or invite one or more experts to meet with them to share evidence and discuss it openly. This may be an expensive strategy (the expert may cost you money or social capital in the form of a favour) but it is worth it if the actor is both relevant and influential, and you know that that person is absolutely necessary for a given strategy or action to succeed. [To read more about determining whether an actor is both relevant and influential, refer to the Influence-Relevance matrix in Step 2: Preliminary Mapping and Analysis.]
  - **Implicitly:** Organise a “technical workshop” seminar or informal presentation where you or an expert present to all the actors (including the antagonistic actor) evidence that challenges their positions, values or opinions. This strategy is more cost-effective and promotes more collective learning than the explicit one, but it will tend to work better when the antagonistic actors are open to discussing their positions, values and opinions in public. Remember that the end game here is to help an antagonistic but essential actor to shift their mind-set in favour of the strategies or actions being proposed by the rest of market actors. An additional advantage of this strategy is that it has an element of social or peer pressure that can release some of the burden that you would have to carry in the explicit strategy.
- Find formal or informal opportunities to touch base or check how the antagonistic actor is feeling regarding the whole process, and the strategies or actions proposed
- If you detect that the antagonistic actor is not likely to change their position, values or opinions, it is important to temporarily re-assess the feasibility of the particular strategy or action being proposed. Help the remaining actors focus on other strategies or actions where the antagonistic actor is not so relevant or influential, or where the antagonistic actor is supportive. Once levels of trust have been built through the successful implementation of other proposals, actors could look into coming back to this strategy.
- In the worst case, one or more actors may be proactively trying to block the process to maintain their dominant position or to benefit from the process at the expense of the rest. Avoid confronting the actor on your own. Instead, invite other actors along to the workshops with similar functions to the actor in question (e.g. intermediation, processing, transporting, etc.) and who show a real desire to contribute to the process. This creates a healthy competition and a contrast that allows the rest of participants to realise that some of the options previously blocked by the problematic actor are possible.
- **Remember:** the important thing is to keep the process of change moving, and to focus on strategies and actions that the actors can implement together and which produce tangible
evidence of change. This evidence can increase the levels of trust and the value that actors give to coordination and collaboration, and it can positively influence the attitudes of antagonistic actors.

**Examples from the field: Overcoming resistance in lagoon fisheries in Sri Lanka:** During a project to develop the market system of lagoon fisheries in Sri Lanka, some of the regular traders were trying to convince the participants that new business models based on higher coordination between fishers were not viable and that they were not willing to pay a premium for increased volumes and more efficient collection. However, some of the other traders were willing to pay, which forced some of the uncooperative traders to leave the process. In some cases, when the traders left the process some of the fishers decided to become traders themselves, once they understood the business opportunities and models associated with this role.

**Recommendations for scenario 2 (sustained support):**

In this scenario the majority of influential and relevant actors support the strategies and actions that are being proposed. The actors maintain a supportive and open attitude most of the time during the participatory planning process and contribute with new ideas, resources and connections.

- Be careful: this scenario looks ideal but it can be dangerous because it can easily lead to reckless behaviour and bad planning. In this case, you need to be the voice of reason in the group. Do this by questioning, challenging and bringing missing information into the planning process (you can do this directly or by inviting experts).
- The main objective here is to help the market actors filter out excessively ambitious or unfeasible initiatives and prioritise amongst all the strategies and actions that the group want to undertake.
- Start with the “low hanging fruits” - that is, the actions that are easiest to achieve. Remember that implementation is important but the actors also need to build trust and learn how to coordinate and collaborate around increasingly complex and challenging initiatives.

**Recommendations for scenario 3 (bursts of opposition):**

The most important thing to keep in mind here (and in the following scenario) is that this behaviour is mainly instinctive; it has not been filtered or processed by rational analysis.

- The key principle here is that any reaction is better than no reaction at all. A reaction means that people care about what is going on and the process.
- Bursts of opposition signal instinctive concern about imagined negative impacts on the participants’ lives or business.
- The most dangerous aspect of these bursts is that they can damage relationships within the group of market actors, sometimes beyond repair. Helping the group to agree upon a basic set of behaviour rules including rules on how to give feedback can help to prevent them; however, they may not be enough. For more tips on giving and receiving effective feedback, see the box below.
- If a burst of opposition creates an environment of aggression or unrest that threatens the participatory planning, propose a short break. In some extreme cases it is better to end the session altogether. In this situation it is important to first summarise the positive things that have been achieved in the workshop.
- In this scenario it is unlikely that the solution will lie on technical evidence; it is more likely to lie on emotional aspects. Try to find out what produced the outburst (e.g. an offensive term, or disregard by one actor of the realities or needs of another) and try to help clarify this.
- Use the presence of the rest of participants, some of whom will probably take a more neutral and balanced view of the conflict, and ask them to share their views on what was “really” said and ways to clarify the “misunderstanding”.
- Help the actors understand that these outbursts are normal (and are the natural result of many actors with many competing interests) and help them to keep an eye on how they will benefit if they overcome these minor tensions or conflicts.

Giving effective feedback: The Situation + Behaviour + Impact (SBI) model:

For example:

Situation: On Monday, during the workshop
Behaviour: you interrupted me several times
Impact: I felt rejected (this is focused on how the receiver felt)

This method does not convey assumptions, just the impact that a particular behaviour has on you as an individual. It avoids accusations such as “you were rude”. Instead it focuses on how people felt (these are facts).

When giving feedback:
- Be specific
- Focus on what is changeable
- Don’t make judgements (positive or negative): don’t say “you were a fantastic facilitator”; the behaviour was “you organised the agenda very well and provided clear introductions and instructions”. Feedback should give something to chew on.
- Speak for yourself
- Speak directly to the person
- Provide balanced feedback
- Don’t explain away [for example, to apologise or minimise the importance of the comment]
- Be honest – be kind
- Avoid prescriptions (for example, you should, you must)
- Practice the SBI model
- Use words and language that are clear and cannot be misinterpreted. Check that the feedback was well understood.

When receiving feedback:
- Listen and look at the person who is giving you feedback
- Treat the feedback as a gift
- It is ok to ask questions for clarification only (i.e. about the meaning of the feedback, not about the motivations behind it).
- Understanding is not the same as agreeing with something – people are sharing their perceptions
- Be alert for the themes and patterns
- Do not defend, justify or “explain away”
- Say “thank you”
- Give yourself time to reflect and process.

Recommendations for scenario 4 (bursts of support):

- As in the previous scenario, keep in mind that these reactions tend to be instinctive. Use opportunities like this to get market actors to talk more about a given strategy or action. Help them to reflect about the cons and to achieve a more balanced view.
- Use these bursts to break the ice or to get participants who seem antagonistic or even bored excited about ideas that look appropriate and feasible. For example, make a joke or ask a silent actor to comment.
- Try to understand what produces these bursts of support. Is it how the ideas are presented (e.g. by a charismatic presenter or a high-quality video)? Is it their content? Or is it how the actors imagine the benefits that the strategies or actions will bring to their business or lives? If needed, meet with them during a break or after the workshop to get a better understanding of this. Use this information to improve how ideas are communicated to the participants.

*Remember:* in this scenario, timing and improvisation in your reactions are of the essence. Do not force jokes or comments from participants if the right moment is gone.

In all the scenarios discussed, your role as a facilitator is to balance the tensions and attentions of the group, either directly or indirectly (For example involving some of the participants who can introduce balance or even “special guests” such as experts, peers or academics). If any of the above recommendations fail to achieve this, try a new one. Be intuitive; be sensitive; and apologise if your attempts backfire (e.g. create more tension). It is OK to ask for help from the actors themselves.
**Action point B - Keeping track of mood changes**

The following template is an example of a log that facilitators can use to keep track of changes in tension and attention. These can later be referred back to and provide useful clues about potential priorities, behavioural trends regarding problematic issues and records of decisions made throughout the process...

<table>
<thead>
<tr>
<th>Date</th>
<th>Situation</th>
<th>Actors involved</th>
<th>Nature of changes</th>
<th>Comments</th>
<th>Ideas to use these changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>14/3/12</td>
<td>Eg. Argument over prices</td>
<td>Eg. cheese makers and wholesalers. [NB: We recommend that you identify actors by name whenever possible]</td>
<td>Eg. Long running argument changed course to a discussion of how to resolve - started seeing each other’s point of view</td>
<td>Eg. Quality of X was main issue</td>
<td>Eg. Facilitate the setting up of a working group to tackle this issue?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><em>Note: this column can be used after the workshop.</em></td>
</tr>
</tbody>
</table>
Section 3: Promoting and strengthening groups of actors to drive change

In this section we will explore how facilitators can promote and influence the capacity of multi-stakeholder groups or interest forums, market opportunity groups and lead firms to drive change in the market system.

Power for change can be in many (and sometimes unexpected) places

It is clear that existing and well established organisations, institutions and networks, such as large firms, chambers of commerce or government agencies are influential and powerful, and facilitators should find ways to engage them from the beginning of the PMSD process.

There are also groups and networks that facilitators can help to create or strengthen, such as multi-stakeholder platforms, working groups and market opportunity groups, that can have a considerable influence on how the market system functions.

However, there are other latent or hidden drivers of change that facilitators should also pay attention to; for example: grassroots organisations, political parties, the police, religious groups, local radio stations, primary schools or groups of teachers. Remember to assess their value in terms of both their influence and their relevance. For more on this see Step 5: Engaging Key Actors.

Facilitators need to be constantly scanning the horizon for the obvious and not-so-obvious actors and groups that can make change easier, faster, more sustainable, more appropriate or less expensive. The key to deep, sustainable or structural change may be in the hands of atypical actors. Keep an open mind and never underestimate a market actor.

Interest Forums

Nurturing interest forums can be a powerful way of catalysing fundamental, structural changes in the market system that affect large numbers of people.

What are interest forums?

Interest forums are groups of diverse market actors working together to improve how the market system works. The changes they focus on might be in the market chain, in the structure of the supporting input and services or in the enabling environment. The important point here is that the changes achieved by these forums benefit not just the members of the forum, but also participants of the market system more widely.

Examples from the field - Interest forums in Sudan, Peru and Bangladesh:

The Livestock Forum in Sudan: Formed of 35 market actors selected democratically by their peers, who agreed to work together on a number of priority issues identified in a participatory market mapping workshop. The Livestock Forum improved the livelihoods of pastoralists when it successfully lobbied the government to remove the double taxation of livestock moving across the state borders of Kassala. It continues to represent Kassala’s livestock sector at the regional and national level, and proactively advocates and lobbies on a number of critical issues in the sector such as barriers to export.
Codelac (Dairy Forum) in Cajamarca, Peru: Codelac originally brought together a small group of NGOs, local government and leaders from farmers' organisations to analyse the results of a piece of research on small-scale dairy production. The research study looked at why the sector was shrinking fast, and discovered serious problems relating to hygiene standards in milk and cheese across the market chain. The participants used the results of the study to plan a vision of change for their system, mobilise resources and take coordinated actions to tackle key issues. These issues included poor quality cheese linked to poor water quality, poor milk processing practices and standards, and negative consumer perception. The participants decided that it was valuable for them to continue meeting and to formalise the forum. Codelac has grown ever since, becoming a policy and practice reference and influencer across the whole region.

Management committees of Sales and Service Centre in Bangladesh: A very different example to the regional forums described above is the case of the management committees of Sales and Service Centres in Bangladesh. Sales and Service Centres are local 'one-stop shops' based on a partnership between local service providers and small producers in fields such as agriculture, livestock and fisheries, to bulk up their supply and demand of inputs and produce in order to reduce transaction costs and attract larger suppliers, buyers and government extension support. As such, the Sales and Service Centres are market actors, playing important functions in the market system and coordinating access to inputs and services. We have found that the committees that manage the centres exhibit many of the same characteristics of larger forums: They comprise of 8 to 12 people; a mixture of service providers, leading small farmers and trusted committee leaders. They are fundamentally changing the market chain and the provision of inputs and services. Finally, the services they deliver spill-over across the local area: monitoring data about usage shows that a very large number of farmers not directly involved in the centre’s management benefit from its services.

Nurturing interest forums

Facilitation of interest forums can be a powerful, strategic activity in the PMSD process. They offer a mechanism through which deep, structural changes in the market system can be achieved, impacting large numbers of people.

Commitment from members of the forum is paramount from its initiation and throughout its existence. It is important that prospective members want the forum to exist. You can judge this interest and commitment during participatory market mapping workshops (see Step 6: Participatory Market Mapping). If some market actors volunteer their time and resources to lead, coordinate and finance the forum, this is a good sign of commitment, but you should look for interest across different market actors too.

Alongside tackling critical or structural issues in market systems, forums are also a space where market actors can interact and build trust in each other. Informal side meetings and networking often take place when market actors come together for the forum, out of which new business arrangements between individual members are often agreed.

Interest forums can also contribute to widespread adoption of new business models through the business and social networks of their members, or by proactively communicating successful innovations during the PMSD process to strategic audiences (more guidance on strategies to promote widespread uptake can be found in Step 10: Communicating for Uptake at Scale).

A facilitator can decide to engage an existing forum (even if it’s weak) or to promote the creation of a new one, depending on the context of the market system. In either case, what is important is that the
interest forum makes sense and it is relevant to the members. They are the ones who will have to own it and drive it in the future.

Facilitating interest forums is a complex, iterative and messy process. It involves helping the members of the forum to:

- **Build the foundations** for their group
- Interact productively and purposefully to improve **interdependence of members**
- Decide on the most appropriate **management and capacity** mechanisms
- Maximise the forum’s capacity for **effective communication** with other market actors to widen their impact
- Take full control and ownership of the forum and **self-determine** its future direction

Figure 4 summarises key elements of this process. Recommendations for the facilitation of each of these elements are presented below.

**Build the foundations**

Whether it is better to support the revitalisation of an existing platform or to establish a new platform depends on the context. In the right conditions, facilitating an existing forum can make it much easier to achieve concrete results, as the forum is able to draw on existing awareness and capacity instead of starting from scratch.

**Examples from the field – Setting up a new livestock forum in Zimbabwe:** The Livestock Forum in Zimbabwe emerged after a dialogue promoted by Practical Action made market actors realise that they needed a meeting platform to appraise policies and develop strategies to lobby for improvements in the policy environment. Once market actors accepted and supported the idea of a livestock forum, Practical Action helped them to set it up and took the leadership in the organisation of the initial meetings. Later on, the local community-based organisation called Lower Guruve Development Association took over the coordination tasks.
You should always begin the process of facilitating an interest forum by carrying out a short survey of the forums, networks and platforms that already exist to determine whether they could be leveraged or revitalised. Figure 5 on the right offers a set of 10 questions you should consider when assessing existing forums. Seek the opinions and perspectives of the forum’s members, and other market actors and stakeholders to gather useful information quickly. It is sometimes possible to make the decision about whether to work with an existing forum or set up a new one based on the preferences of the market actors. You should make sure that marginalised actors are fairly represented if you do this. For more on assessing forums, see Step 4: Empowering Marginalised Actors.

Whether you facilitate an existing forum or a new one, effective forums always stand on strong foundations that are reinforced over time. Think about the following factors that we’ve found consistently important:

1. **Purpose**: What is the overall purpose of the forum?
2. **Function**: What are the specific functions of the forum?
3. **Membership**: Who are the members of the forum? Who in the market system is excluded from the forum? (Focus especially on marginalised actors and disadvantaged social groups such as women)
4. **Leadership**: Who leads the forum? Does the forum have a strategic vision? How are key decisions made, and by whom?
5. **Coordination**: How is the forum coordinated and managed? Are the processes formalised or are they informal and fluid?
6. **Finances**: How sound is the financial management of the forum?
7. **Location**: Where do the members meet? How often? How long does it take members to reach the meeting place?
8. **Perceptions of stakeholders**: What are the members’ perceptions of the effectiveness of the forum? What are the perceptions of other non-member stakeholders? How does the general public perceive the forum?
9. **Track record**: What is the forum’s history and track record? What are the forum’s biggest success stories and past difficulties?
10. **Current challenges and opportunities**: What are the forum’s current challenges and opportunities?

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**Figure 5: Steering questions for assessing existing forums**

- **Help market actors nominate a dynamic leader** to represent them;
- **Choose the location carefully**: time and distance to the forum and identity of hosts are strong attractors or detractors;
- **Forums need dedicated coordination**: look for market actors who can contribute this as an in-kind investment;
- **Ensure transparency in the way members are selected**: This can contribute to higher levels of trust and fairer representation of marginalised actors
- **Forums don’t necessarily need to be labelled as ‘pro-poor’** in focus. Often, for the commitment of more powerful actors, it is important that they are not. Interest forums are spaces for win-win outcomes. Very few well-off actors will engage if we promote the forum as a space to help the “poor”.
- **An indirect participation strategy** can sometimes be used by facilitators when the direct participation of marginalised actors is proving too difficult. Indirect participation can be used to make sure that the marginalised actors learn about the forum, benefit from it and see the relevance it can have for
their lives. As a result they can increase their incomes, relationships, quality of their produce, social standing, visibility, etc. This can lead to more capacity and better organisations, and in turn to better representation in the future. The trick is to use this process to create the conditions for direct and regular participation in the forum in their own time.

Examples from the field – The challenge of ensuring participation of marginalised actors in Peru’s dairy market:

In Cajamarca city in Peru where the dairy interest forum Codelac operates, Practical Action’s project team struggled to facilitate the direct participation of marginalised milk and cheese producers from the wider Cajamarca region. The distance that marginalised producers had to travel, the costs of travel and accommodation and their awareness that trusted Practical Action staff would represent them if they didn’t show up were the main causes of this situation.

Cajamarca is a vast region with highly dispersed rural population. In many rural areas, transport services and infrastructure are dysfunctional. Travelling at night is difficult and dangerous, and road accidents are common. Marginalised producers (and even better-off actors based far away) either lacked, or did not wish to invest the time and money required to participate. Travelling to the Codelac meetings would normally take them a total of 2-3 days (compared to a couple of hours for people living in Cajamarca city). As a result, the members of the project team and other Codelac members ended up becoming the de facto representatives of the marginalised producers in the forum.

The team tried to tackle the lack of direct participation in two ways: first by promoting similar forums at provincial level, and secondly by subsidising the travel costs of marginalised producers. The first solution did not work out; one renowned NGO in the Bambamarca province tried to lead the creation of a dairy forum without success. The second solution proved to be unsustainable because the organisations providing the subsidies realised that the cheese producers who participated were there for individual gain and not to represent or mobilise other marginalised producers.

The team is currently promoting the engagement of marginalised actors with Codelac through its initiatives, such as the annual Dairy Festival which Codelac created in 1996 and the ongoing process to obtain a certification of origin for the traditional Cajamarcan cheese. The Festival has created a space for dozens of small-scale cheese producers to participate in quality contests and to promote their products and brands, leading to increased sales and quality awareness.

Several members of Codelac have to interact with marginalised producers on a regular basis due to the nature of work. These members help to channel the voices, interests, needs and opportunities of the marginalised producers. Nowadays, when Codelac members deem it necessary to have discussions directly with representatives of marginalised producers, they invite them along to the forum and pay for their travel costs.

In 2011 for example, Codelac participated in a wider forum to discuss skills standards and certification for livestock extensionists, which ended up being approved by the IPEBA (Peruvian Institute of Evaluation and Certification of Basic Education). For this event, Codelac invited and covered the travel and accommodation costs of a group of community-based extensionists and representatives of milk producers. The process is proving to be a success: it is the first time in the history of the country that community-based extensionists can confidently certify their skills with the approval of the Ministry of Education. It has been recognised that part of the success of this process was the level of direct participation in the design of the curriculum and certification procedures, rather than direct and regular participation in Codelac.
Interdependence of members

We have found that nurturing greater interdependence of members is a virtuous cycle. As members interact with each other in the forum, they build their relationships. Market actors will increasingly look to the forum as a place where they can network, collaborate, seek support and learn from each other, and seek validation in what they do.

When interaction between members in the forum leads to benefit, it reinforces the value of the interdependence and members are more likely to continue to use the forum to tackle challenges and take advantage of opportunities in a collaborative manner.

This does not mean that the forum, no matter how well it is facilitated, will be free from conflicts and tensions. However, if the members understand the value that it has for them, they will invest energies to protect it and nurture it. This is why it is very important that the facilitator helps the members to achieve and recognise small successes as a group early on in the process and to manage conflicts that take place in the initial stages.

We have found the following factors particularly important in nurturing this interdependence:

- **Members rally around issues that affect them directly:** The more critical these issues are, the greater the initial support for the forum tends to be. As facilitator, help the members find those ‘life or death’ issues and ‘golden opportunities’ that members prioritise highly together.

- **Helping each other:** Alongside the ‘big agenda issues’ above, the facilitators should help members to help each other with individual needs; things that members can’t deal with on their own, or things that are much easier to deal with through collaboration. Small team achievements on lower priority issues can help strengthen the commitment of members towards the forum and the trust between them.

- **Shared sense of responsibility:** From the beginning, it is important that members feel a sense of responsibility towards the forum and share the costs. It may not be appropriate for all members to contribute equally, but facilitators should encourage all members to share the sense of commitment and investment (either in cash or of kind).

- **Organisational buy-in:** Facilitators should encourage members to commit themselves to the forum as organisations rather than as individuals. This is often challenging but it will contribute to greater sustainability in the event of staff turnover at member organisations. Facilitators should check regularly with the forum members how the organisational buy-in is going and help them to come up with internal mobilisation and communication strategies to achieve this.

Examples from the field – Encouraging organisational buy-in at Codelac: Codelac, the dairy forum in Cajamarca in Peru, is exploring what they call a “principal-substitute” approach to secure representatives of member organisations. Each member organisation commits to appoint two representatives: a main (“principal”) participant, and a substitute in case the principal participant cannot attend. This makes it more likely that organisations are always represented at meetings. The approach was also adopted to encourage membership to become more organisational instead of being led by particular individuals in the organisations.
Management and capacity

The forum needs to be managed soundly, and members should have confidence in the forum’s management systems. To facilitate this, it is important to think about the following factors:

- **Participation and transparency in decision-making:** Encourage wide participation of members in key decisions of the forum, including those involving the way that the forum is managed. Where participation is not possible, ensure transparency with frequent communication and accessible minutes of meetings and documentation.

- **Let the participants take responsibility:** The daily operation of the forum (e.g. arranging meetings, following members up, production of minutes, etc) should be undertaken by the members themselves; however, you may need to get your hands dirty at the beginning, making clear to the members that they will need to take over as the forum gains momentum and credibility.

- **Help the forum seek market-based support:** If the forum needs technical support in financial management or other aspects of its management, facilitate the forum to seek professional, market-based services to deliver this support rather than delivering it yourself, wherever this is feasible.

- **Formalisation:** As the forum grows it may need to seek legal or formal registration. This will depend on the local context.

- **Action commitment mechanisms:** Being able to capture commitments that are made by members ‘on paper’ is a powerful mechanism to encourage members to keep to their words, and communicate with members if they can’t.

**Examples from the field – Geographic scope of forums in Sudan and Sri Lanka. Big isn’t always better:**

In Sudan and Sri Lanka, forums (covering hibiscus and coir respectively) have been found to be more effective at state and district levels than at national levels. Smaller forums are more manageable, tend to be better at effectively nurturing interaction and participation of members and can find it easier to identify their unique value. These advantages can outweigh the disadvantage of losing the claim to be representing interests nationally.

Whether bigger or smaller is better is very context specific. Codelac, the dairy forum in Peru, is expanding across the Cajamarca region to increase its influence.

**Effective communication**

How the forum communicates with different audiences has a big impact on its effectiveness. Facilitators should help the forum build their capabilities in the following kinds of communication and audiences:

- **Member-to-member:** Building opportunities for members to network within the forum increases trust, coordination and collaboration which therefore increases members’ confidence in it.

- **Internal communication:** this is the communication between an organisation’s representatives within the forum and their own colleagues and superiors. It is one of the most challenging types of communication and it is critical to the success of the forum because it allows the forum to tap into resources and expertise beyond those of the individual members, and to scale up its
initiatives. The facilitator should monitor how this communication is happening and provide support to improve it.

- **Communication with other market actors and key stakeholders:** A forum often needs to forge relationships with other key market actors who are not members, including for example government decision-makers, large companies and other development programmes relevant to the market system. These networks and contacts often prove critical for forums to meet their objectives. The nature of the strategic benefit of these relationships can vary greatly, from collaborative alliances to entry-points for lobbying and advocacy.

- **Communication with potential members:** When forums first get off the ground some strategic market actors are often not part of it. The forum must therefore think carefully about how to communicate with potential members to attract them to join, using evidence of progress (e.g. action plans agreed, implementation of an initiative, investments made by some actors). Further guidance on how to engage strategically with key actors can be found in *Step 5: Engaging Key Actors*.

### Self-determination

It is not always necessary or desirable for forums to be sustainable. Some forums come together around a specific issue and members choose to close the forum when the issue has been addressed. In other situations members want forums to continue so that further issues can be tackled and new opportunities exploited. In any case, the decision has to be made by the forum members.

As with all facilitation activities, facilitators should keep in mind how forums they facilitate will sustain themselves after the end of the intervention. If members want the forum to continue to exist, it is very important that by the time facilitators end their support, the forum has become able to manage and determine itself. The following factors are particularly important:

- **Organisational buy-in:** Facilitators should encourage members to commit themselves to the forum as organisations rather than individuals. This is often challenging but it will contribute to greater sustainability in the event of staff turnover at member organisations.

- **Strategic thinking and participatory planning:** It is important that the forum is able to respond and adapt to new challenges and opportunities as they arise. To be able to do this, the forum must know how to strategize and have some tools to manage change. It is valuable for facilitators to work with forums to help them understand how to create visions, set goals and objectives, and plan. It is common for many of the members to come to the forum with significant experience in strategic planning and management. Facilitators should be aware of this and create an environment conducive to peer-learning, particularly about how to design and implement their strategies. This makes strategizing more participatory, and so increases the chances of sustainability and the level of commitment and buy-in of its members.

- **Understanding and playing into the forum's unique value:** When a forum plays a unique role in a market system, and other stakeholders are well aware of this, the forum is more likely to attract interest and support from others. When members and leaders of the forum know about the unique value that they add to the system, they are able to use this as part of their strategy to influence others and to secure funding when it is required.
Management, capacity and communication: By the time the intervention ends the forum must be able to manage itself soundly (including its internal and external communications) and know how to seek market-based support when it requires it.

Market Opportunity Groups

Market opportunity groups represent the marginalised and vulnerable actors in the PMSD process and the interest forums in particular. The market opportunity groups give voice and influence to these actors and connect them to other market actors and sources of knowledge.

What are market opportunity groups?

Market opportunity groups are small groups (5-10 people) of representatives of marginalised producers. They are normally selected democratically or through consensus amongst larger numbers of peers. Market opportunity groups act as mobilisers of wider groups of marginalised producers, and as a bridge between these and the members of the interest forum. The degree to which they can be effective in these two functions will have a significant effect on how inclusive and scalable the process of market development is.

Market opportunity groups play a critical role in making markets more inclusive for their peers or constituencies. Their main functions are:

- To explore market opportunities, challenges and solutions with other market actors in the interest forums on behalf of their peers (other marginalised producers)
- To take these opportunities, challenges and solutions back to their peers
- To explore adaptations to these opportunities, challenges and solutions with their peers that will make them more appropriate or relevant to them and therefore increasing the chances of sustainability and scalability.
- To bring counter-proposals or new ideas from the marginalised producers back to the interest forum
- To mobilise their peers around plans agreed upon by the interest forums

Examples from the field: Cajamarca cheese: reputational risks mobilise cheese producers to form an association:

Cheese producers in the Cajamarca region in Peru are mainly small-holder farmers, who used to see themselves and were seen by others as the decisive factor in the quality of cheese. Consequently, they tried to improve their know-how, technologies and processes on their own or with the help of the government and NGOs. However they realised that their individual actions were not enough to improve and maintain the quality of their cheese, because the product was being contaminated and mishandled by other actors over whom they had no control (e.g. inappropriate refrigeration and transport). To tackle this problem (and sense of powerlessness), they decided to form their own association: the Asociación de Productores de Derivados Lácteos (Association of Dairy Producers). The association advocated for a project called Competitive Cajamarca Cheese which contributed to raising quality standards in increase sales. They also participated in the Codelac meetings that led to the creation of the annual Dairy Festival.
How can you facilitate the engagement of market opportunity groups with other market actors?

In Step 4: Empowering Marginalised Actors we learned how to empower market opportunity groups; in this step we will explore how to facilitate their engagement with other market actors so that they can influence the process of change.

Skilful facilitators should keep an eye out for tensions and attentions from the marginalised producers, as these can often be a useful catalyst for engaging market opportunity groups. For example in the case study above, the catalyst was provided when the cheese producers’ attention was drawn to the issue of quality, and they were feeling frustrated about their lack of control over other actors. The facilitator should consider using these tensions and attentions to promote the emergence of a new market opportunity group, or to mobilise existing groups of marginalised producers in the interest forum. In the case of pre-existing groups or associations:

- Make sure representatives of the group are invited to the participatory market mapping workshops (see Step 6: Participatory Market Mapping for more on these), the participatory planning workshops and the interest forum
- Explore the possibility of the group becoming the market opportunity group or one of the market opportunity groups (there can be more than one!)
- If necessary, help the group to communicate effectively to the other market actors regarding the opportunities and challenges they face and their ideas or solutions (this may require training and preparation; see Step 4: Empowering Marginalised Actors)

Facilitators should be aware that the market opportunity groups need to go through their own processes of participatory planning with the people they represent. Seeing them as facilitators in their own right can provide hints about how to help them go through this process, and how they can also use the PMSD Roadmap to achieve this. For example, you can help the market opportunity groups to:

- Do preliminary market mapping [Step 2: Preliminary Mapping and Analysis]
- Go through their own, internal strategic planning [Step 3: Strategic Design and Planning]
- Facilitate participatory market mapping workshops with their constituencies [Step 6: Participatory Market Mapping].
- Use all the relevant information gathered by you in previous steps and by the other market actors in the full blown participatory market mapping workshops or other discussions within the interest forums
- Go through the sections mentioned previously in this step with their own constituencies: help them to filter out and propose the most appropriate plans, find areas of creative tension and attention, and mobilise their peers behind them
- Translate ideas back and forth between the marginalised producers and the interest forum. In other words, help them to become effective communicators.
This section aims to clarify the difference between market opportunity groups and interest forums, and their respective roles.

One of the key objectives of PMSD is to empower and give voice to the marginalised actors in the market. However, it is important to note that marginalised actors vary according to the specific market system; they are not just producers or farmers, but also traders, processors and others. The categorisation depends on their relative size and power, and it is important for facilitators to analyse this dynamic early on in order to know where to focus their efforts.

**Market opportunity groups** are made up of representatives of the marginalised actors. These representatives are important participants in PMSD processes such as market mapping workshops and participatory planning workshops.

An **interest forum** is made up of representatives of the whole market system brought together by shared interests, needs, opportunities and challenges.

Interest forums can focus on a single issue or on several issues at a time; often through sub-groups that come together regularly to share their progress and build synergies between them.
Market opportunity groups maintain a close connection with the significant numbers of marginalised actors they represent. They work in several ways: conveying the voices, needs, potential, and knowledge from their peers into the interest forum; disseminating knowledge gained in the interest forum amongst their peers; and mobilising and aligning their peers around decisions made within the forum. These functions make MOGs critical for scale up.

In turn, the interest forum can drive the dissemination of innovations that take place in its midst throughout the whole market system by virtue of the connections between its members and their organisations, networks and institutions. Once the interest forum has completed what it set out to do, it can either choose to disappear or continue to tackle other issues. For more on scale up, see Step 10: Communicating Evidence for Uptake.
Lead firms

Lead firms are actors who can have a significant influence over other market actors. Getting them on your side can allow you to create good conditions to leverage changes in the market system, and test and scale up new business models.

Useful leverage points for influence at scale

Lead firms can be very useful leverage points for facilitators to drive large-scale change. Whereas intervening directly in a situation can be unsustainable, risky and expensive, working with these influential market actors can provide a way to create changes that will continue after your intervention has come to an end.

Definition – Lead firms: Strategic market actors who can help facilitators of inclusive market development to bring about sustainable and large-scale change for marginalised people.

They are influential actors, well connected within the market system and with a willingness to commit finance, personnel or time towards creating positive change within the market system.

A lead firm’s influence can have many sources; not just size, but also distribution networks, political contacts, consumer and provider loyalty, etc. The key is their ability to drive and mobilise broad change.

Lead firms are not necessarily large organisations. They are fundamentally defined by their ability to lead or mobilise processes of structural change whilst relying on their own resources, their influence on other market actors, and their links up and down the market chain. For example, a large buyer of coffee or milk who sources produce from vast areas and sells it nationally and internationally is a lead firm, but so also may be a small-scale shop owner who sells veterinary drugs or tools to hundreds of farmers in a community, or a coffee cooperative that despite its management struggles can mobilise thousands of its members to adopt a new agricultural technique. When marginalised actors organise themselves into an association to coordinate their efforts and build economies of scale, they can become a lead firm in their own right; for example a network of local paravets (agricultural service providers) can be highly influential over the farmers they work with.

How to engage lead firms?

It is important to take the following points into account when trying to engage lead firms in the PMSD process, and in participatory planning in particular:

- They may require evidence that there is business potential in the process you are inviting them to join before they engage. Gather this evidence and present it to them using business language.
- The lead firm will be eager to know what will be required from them and how they will benefit from the changes in the market system that will result from their participation.

- Provide evidence to show the lead firm how the current situation of inefficiency, marginalisation of producers and consumers (e.g. poor consumers in the urban areas), and low productivity has a negative effect upon their own interests.

- Highlight how participating in the PMSD process will give lead firms a competitive advantage over their competitors by allowing them to build relations with other market actors, and creating opportunities to increase productivity, quality or efficiency. Make sure the lead firm understands this; it is a win-win for you, the lead firm and the producers, and an incentive for other competitors to engage as well.

**Lead firms - things to watch out for**

- **Avoid any agreement of confidentiality** whereby the lessons learnt from their participation in the PMSD process will remain hidden from other firms who could benefit from them. This will rarely be a problem, given that the factors that make their participation a success can easily be understood by competitors.

- In typical markets, where commoditisation is the norm, the lead firm will be aware that any investments they contribute to a given group of producers could end up benefiting their competitors. This is a difficult challenge to overcome. Explore ideas with the lead firm and the producers about ways to promote mutual loyalty and commitment.

- **Contracts in a dysfunctional market system tend to be difficult to enforce.** Try to build trust and closer relationships between the lead firm and the producers. Explore the possibility of involving local media and traditional institutions that are respected and even feared by the actors involved to monitor and report on how the lead firm and the producers move the process forward and stick to their promises.

- Whenever you engage lead firms there is a real risk of creating conditions that can be used by them to gain an excessively dominant position in the market. This possibility needs to be discussed openly with the lead firm before they decide to engage. It is possible to negotiate a plan whereby this advantage (whenever it is realised) is exploited by the firm for a while before sharing the details of the business model with other competitors. These conditions must be known to the rest of actors in the PMSD process. It is also possible that the lead firm will be willing to share the business model with competitors from the start, with the exception of their back office operations (e.g. the management of information about clients, use of ICTs to collect info about payments, how they manage inventories, etc.). This is not problematic because most competitors will have their own back-office operations in place. Remember that the most important role of a lead firm is to show the rest of the market system actors that new ways of working and interacting with marginalised producers make business sense. The competitors will figure out the rest.
Examples from the field: Cajamarca: two “small” lead firms bringing about structural change in the system:

Following the setup of the Association of Dairy Producers mentioned above, the processes of interaction, advocacy and awareness-raising started to pay off; the importance of quality (particularly in fresh cottage cheese) started to be recognised by both public and private market actors.

One buyer was instrumental in this push for quality, by helping marginalised fresh cheese producers to form a network where transparency and quality are rewarded; to do this he would buy cheese using exact weights, and pay a premium for quality. He also formed a group of agents (who were cheese producers themselves), who would visit other cheese producers striving for good quality cheese and provide them with logistic and technical support. The message they brought with them spread amongst fresh cheese producers, and acted as an incentive for them to improve.

Another seemingly small-scale actor - this time a farmer, decided to set up his own small cheese-production unit, and helped three other farmers to do the same. His brother bulked up the production, and now sells in the Cajamarca market. Other cheese makers started to coalesce around this lead producer and now sell their production to him.

The moral for facilitators is clear: never underestimate the capacity of seemingly small actors to produce structural change in the market system.

Some considerations about the role of interest forums and lead firms in policy change

Earlier in these guidelines it was mentioned that one of the most common actions proposed by market actors relates to changes in legislation, regulations or standards (i.e. changes in the enabling environment of the market map). Interest forums and lead firms play a crucial role in the process of policy change.

It is very important to remember that facilitators do not only have a responsibility to deliver a successful project or programme; they also have the responsibility for doing so whilst using every possible opportunity to create a learning experience for the market actors so that the changes can continue once their intervention is over. Therefore where policy issues are being addressed, it is vital that the main focus is on building the capacity of market actors to advocate for, mobilise, implement and enforce policy changes themselves.

However, there can be some situations where facilitators have to take a lead in the process of policy change in order to overcome or move beyond a major blockage in the PMSD process, or when it is necessary to create the right conditions for the scale up of a successful innovation. For example, the facilitator may do some advocacy or influencing work on their own as a way to convince government agencies or policy-makers of the importance of a policy change as a pre-requisite to deeper changes that will benefit large numbers of market actors (who are also voters), or as a way to motivate them to participate in the PMSD process. It is important for facilitators to ensure that these actions are carefully considered, and are the exception, not the norm.

In general, we recommend involving relevant policy-makers in the PMSD process from the very beginning (see Step 5: Engaging Key Actors for advice on how to get them involved).
Recommendations for facilitating policy change

When facilitating processes of policy change, keep in mind the following:

- **It is messy.** Do not believe the simplistic models that make it look like a linear and neat process.

- **It can get nasty.** Policy change often comes down to power, and nobody is willing to give it away without a fight. Help the market actors prepare for this by reflecting about who will lose out from the process, and how those affected will attempt to block it. Do all you can to bring those actors into the process to find appropriate solutions that will capture their interests.

- **Every negative change can be turned into an opportunity.** However, sometimes people will have to end up losing out for the market system to become more inclusive, productive and efficient. For example, corrupt intermediaries or politicians, abusive managers or community leaders, etc.

- **Politics is about big numbers, votes and public opinion.** Bring local and even national media in to raise the profile of policy makers who are doing a good job (it is in their interest) and of those who aren’t (this may get them to behave differently).

- **This is not your fight; it is the fight of the market actors.** This is why interests and passions are so important. If there is one field in which the technical feasibility of a solution is relatively marginal, it is in politics and policy change.

- **Be ready to allow the process to slow down** or pause for a while, or even to allow the market actors to give up the fight completely if progress is not being made. Policy change is also about timing and so there can be benefits to waiting for the best moments to strike.

- **Find allies in other regions or subsectors** who are also working to get the same policies changed, and help the market actors to collaborate with them.

- **Before you start facilitating policy change make sure that there is enough diversity and critical mass** behind the issue and that the people who want to advocate for change are interested and passionate about it.

- **Some policies are easier to change than others.** Keep this in mind when helping the actors to prioritise and sequence their strategies and actions. Remember that easy to change policies can provide the perfect ground for the actors to learn how to change more challenging policies.

- **Policy change whilst the facilitator is present is only the beginning.** Consensus and convergence between different stakeholders, capacity to identify “the next policy issue” and to engage the right policy makers after the facilitators have left is where the real success lies.
Action Point C – Evaluating interest forums

This exercise can be used to evaluate existing interest forums, to establish whether they are suitable to be leveraged or revitalized, and brought into the PMSD process.

1. **Purpose:** What is the overall purpose of the forum?
   How close is this to the PMSD purpose?
   1 (completely different)  2  3  4  5 (identical)

2. **Function:** What are the specific functions of the forum?
   How useful are these to the PMSD purpose?
   1 (completely different)  2  3  4  5 (very useful)

3. **Membership:** Who are the members of the forum? Who in the market system is excluded from the forum? (Focus especially on marginalised actors and disadvantaged social groups such as women)
   1 (many are marginalised)  2  3  4  5 (fully inclusive)

4. **Leadership:** Who leads the forum? How are key decisions made, and by whom? Does the forum have a strategic vision?
   Leadership and decision making:
   1  2  3  4  5
   (weak, rigid, undemocratic) (strong, adaptive, democratic)
   Vision:
   1 (unclear and un-strategic)  2  3  4  5 (clear and strategic)

5. **Coordination:** How is the forum administrated and managed? Are the processes formalised, efficient, clear to all and agreed upon by members?
   Efficiency, clarity and ownership of administration and management:
   1 (poorly coordinated)  2  3  4  5 (well managed)

6. **Finances:** How sound is the financial management of the forum?
   1  2  3  4  5
   (poor; highly subsidised, no member contributions) (good prospects of financial sustainability)

7. **Location:** Where do the members meet? How often? How long does it take members to reach the meeting place?
   1 (distant, inconvenient for many)  2  3  4  5 (convenient)

8. **Perceptions of stakeholders:** What are the members’ perceptions of the effectiveness of the forum? What are the perceptions of other non-member stakeholders? How does the general public perceive the forum?
   Members’ pride and confidence in forum:
   1 (low)  2  3  4  5 (high)
Stakeholders’ perceptions of forum:
1  2  3  4  5
(not well known or well regarded) (desire to join, seen as relevant or essential)

Public image of forum:
1  2  3  4  5
(unheard of, or poorly regarded) (in mainstream media, well regarded)

9. **Track record:** What is the forum’s history and track record? What are the forum’s biggest success stories and past difficulties?
1  2  3  4  5
(few successes, struggle to overcome difficulties) (many reported successes)

10. **Current challenges and opportunities:** What are the forum’s current challenges and opportunities?
1  2  3  4  5
(no relevant challenges/opps in sight) (focussing on strategic challenges/opps)

As a rough guide, if the forum scores less than 35 out of a possible 65, it may be worth facilitating the creation of a new interest forum, rather than bringing this one into the PMSD process. Note however that this exercise is fundamentally intended to promote reflection. Use your intuition and experience regarding whether a poorly performing forum can be supported to improve.