



MDF Case Study No. 5 | Part 1



# IN SEARCH OF THE SWEET SPOT IN IMPLEMENTING MSD PROGRAMMES

Why and How Embracing Messiness  
is the Key to Success

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## Abbreviations and Acronyms

BAF	Biosecurity Authority of Fiji
CLT	Core Leadership Team
DFAT	Department of Foreign Affairs and Trade
FJD	Fijian Dollar
GDP	Gross Domestic Product
GMP	Good Manufacturing Practice
HACCP	Hazard Analysis and Critical Control Points
ICT	Information and Communication Technology
MT	Mega Tonnes
PMEX	Pakistan Mercantile Exchange
PNG	Papua New Guinea
MDF	Market Development Facility
MSD	Market Systems Development
NZ	New Zealand
TC Winston	Tropical Cyclone Winston

## About MDF

The Market Development Facility (MDF) is one of the leading market systems development (MSD) programmes funded by the Australian Department of Foreign Affairs and Trade (DFAT). MDF stimulates investment, business innovation and regulatory reform to create jobs for, and increase the income of, poor women and men in rural and urban areas in the Indo-Pacific region. MDF commenced operations in Fiji in 2011, expanded to Timor-Leste in 2012, to Pakistan in 2013, and to Papua New Guinea (PNG) and Sri Lanka in 2015. MDF commenced a second five-year phase in July 2017.

To achieve its aims, MDF negotiates partnerships with strategically positioned private and public sector organisations in its countries of operations. Each partnership builds on the partner's ownership and leverages their resources to create a tailor-made package of activities that enables them to innovate, invest and/or undertake reforms in such a manner that small farms and firms benefit from better access to production inputs, services and end markets. This makes them more productive.

Each partnership is underpinned by an innovative yet rigorous commercially-sustainable business model that contributes to broad-based, inclusive pro-poor growth. This drives systemic change in the market: innovations propel a new way of working that ultimately transform business practice within the market system.

Each MDF country has its own Country Team on the ground to engage the private sector. A Core Leadership Team (CLT), led by the Chief Executive Officer (CEO), works across all MDF partner countries to ensure uniformity and integration of approach and systems across countries, while at the same time providing sufficient operational flexibility for the Country Team on the ground. MDF can be scaled-up to support further market development activities within a country and activities in additional countries as needed.



This case study draws a comparison between the implementation experience in two MDF countries, **Fiji** and **Pakistan**.



**Fiji** represents a thin market context. The Fiji experience also applies to PNG and Timor-Leste.



**Pakistan** represents a mix of thin and thicker, more mature markets. The Pakistan experience comes closest to the dynamics observed in Sri Lanka. Importantly, all countries have thin markets in at least a part of their economy, and thus lessons learned in one thin market in one country are relevant for all other countries.



## About the Authors



**Harald Bekkers** is Chief Executive Officer of Market Development Facility. Having gained his PhD in Political Economy from the University of Amsterdam in The Netherlands, Harald began working on Market Systems Development in the Katalyst program in Bangladesh in 2005. Between 2008 and 2011, he worked as a consultant, first with the Springfield Centre, then independently. He specialises in programme and strategy design, programme management, results measurement and specialised research (e.g. on poverty). He also developed a two-week course on Market Systems Development and Results Measurement together with Hans Posthumus Consultancy. In 2011, he started the Market Development Facility, which 6 years later is active in 5 countries in the Asia-Pacific region and recently got extended until 2022.

Dr. Bekkers has authored a range of studies on the role of business services and markets in the development process: “Bangladesh: Changing Markets in Favour of the Poor”, with Nabanita Sen, *Asia Brief, Swiss Agency for Development and Cooperation*, 2011; “How to Assess if Markets Work Better for the Poor: Experiences and Results from the Katalyst Project in Bangladesh”, with Alexandra Miehlbradt and Peter Roggekamp, *Enterprise Development and Microfinance*, Vol 19. No 1, 2008; “Lowering the Professional Frontier: A Service Market in Development in Ahmedabad, India” In: P.W. Daniels and J.W. Harrington (eds.): *Services and Economic Development in the Asia-Pacific*, Ashgate Publishing, Hampshire & Burlington, 2007; “Between Fixing and Forecasting: Provincial Ahmedabad Brokered into a Bridgehead for Globalization from Below”, PhD thesis. University of Amsterdam, 2005; “The Growing Dependence of Public Banking on Private Consultants for Market Expertise and Risk Management in India”, *Asian Business and Management*, Vol. 3, No. 4, 2004.

He also authored a range of technical documents for Market Systems Development projects: *Poverty Strategy Paper for the Cambodia Agriculture Value Chain Program*, (CAVAC) 2011; *Program PemBangunan Ekonomi Desa (ProPED) Design Document*, (AusAID) 2010; *The Katalyst Income to Jobs Factor: Jobs Created Around Katalyst Sectors due to Additional Growth Within Katalyst Sectors*, (Katalyst) 2009; *Estimating Sector Growth: A Possible Methodology and Indicative Results*, (Katalyst), 2009; *Absorption and Conversion as Urban Pro-Poor Growth Strategies – An Assessment of Labor Mobility in the Furniture Sector in Dhaka*, (Katalyst) 2009; *Opportunities for Market-led Development in Fiji to Support Growth, Employment and Resilient Communities*, (The Springfield Centre with Katalyst) 2008; *Pro-Poor Growth in Practice: Pro-Poor Growth Strategies for Katalyst Phase II, incorporating Gender and Environmentally and Socially Responsible Business*, (Katalyst) 2008; *Katalyst Phase II Project Document*, with Peter Roggekamp and Manish Pandey, 2007.

For the Market Development Facility, Dr. Bekkers has written a number of Strategic Guidance Notes, which represent best practice in Market Systems Development: *MDF Results Estimates for Five Countries 2011-2017*, with Mujaddid Mohsin, 2015; *Achieving Change in Markets: The MDF Framework for Defining and Populating Pathways for Systemic Change*, with Shahroz Jalil, 2015; *How Women Contribute to and Benefit from Growth: Integrating Women’s Economic Empowerment in the MDF Approach*, with Victoria Carter and Linda Jones, 2015; *Managing Quality Amid Messiness: How to Foster Implementation-led Learning and Adaptation for Systemic Outcomes – The MDF MRM System for Researching, Analysing, Learning from and Reporting on Results*, with Samira Saif, 2017.



**Marshall Bear** is an independent consultant with extensive experience in the research, design, backstopping and evaluation of market system development programmes for inclusive growth. He has specific expertise in industry analysis, curriculum design and delivery of technical courses for staff of private sector development programs and facilitation of group-based strategic planning processes. He co-designed and delivered the core skills curriculum for the Springfield Centre’s Making Markets Work training program from its inception in 2000 through 2012.

Mr. Bear has also co-authored a number of papers on private sector and market systems development:

Think pieces: “From Principles to Practice – Ten Critical Challenges for BDS Market Development,” with Alan Gibson and Rob Hitchins, *Small Enterprise Development Journal*, Vol 14, No. 4, 2003; “Designing BDS Interventions as if Markets Matter” with Mike Field and Rob Hitchins, *Microenterprise Best Practices*, (DAI/USAID) 2000.

Technical guides: “Managing the Process of Change: Useful Frameworks for M4P Implementers” with Michael Field, *EDM Journal* (June 08); “Thai Silk: An Introduction to Subsector Analysis” with S. Haggblade, N. Ritchie and C. Gibbons, (CARE and DAI), video and facilitator’s manual, GEMINI, 1992.

Technical studies: “Aggregation and its Effects on Kosovo’s Fresh Fruit and Vegetable Market System”, a review of Helvetas/Swiss Inter-cooperation 12-year Involvement in Kosovo Horticulture (2012); “Enhancing Local Sourcing of Fresh Fruit and Vegetables in Uganda’s Domestic Market” with Richard H. Goldman, (ILO) 2005.

Mr. Bear is also a film producer: his latest release in March 2016 was the coming of age drama “Burning Bodhi,” starring Kaley Cuoco (‘Penny’ in *The Big Bang Theory*).





The Messiness Series



# The Messiness Series

## PART 1 Why and How Embracing Messiness is the Key to Success

This case study outlines the rationale for the series and presents its organizing framework. The central argument is that to create adaptive learning programmes able to manage messiness and embrace complexity, we need to embed 'flexibility contained by principles' in methodologies, programme design and results measurement. It examines why we should avoid overly rigorous, standardized practices and instead, focus on the underlying principles which allow flexibility, but prevent an 'anything goes' approach in which little could effectively be achieved. Use of an Industry Life Cycle tool allows us to compare the small island economy of Fiji with the much larger, mature markets of Pakistan and enables us to examine the reasons why messiness occurs, and how best to leverage different market and partner contexts.

## PART 2 Analysing the Causes of Messiness via Two Further Diagnostic Tools

The second part of the Series builds on the Industry Life Cycle tool used in part one and applies two further diagnostic tools to assess and explore messiness at three different levels. An Ansoff Market Matrix is used to analyse the partner context and a Will/Skill matrix is then used to look at partnership deals. By looking at three partners in Fiji and three in Pakistan, the ways in which partnership outcomes affect and are affected by markets and partner dynamics is examined. The change process can be a bumpy ride with many of the challenges faced only emerging during implementation; the effects of these bumps in the road are explored.

## PART 3 How to let go of the 'Proscriptive Orthodoxy' Without Ending up with 'Anything Goes'

The final section of the series outlines some of the implications distilled from MDF's experiences as relevant to a range of contributors- from MSD practitioners to donors and consultants. It challenges the reader to accept the messy realities of day-to-day MSD implementation and look closer at how, with better and deeper understanding of that messiness, we can move away from inward-looking methodologies and towards a degree of flexibility that drives economic growth for the people who need it most.

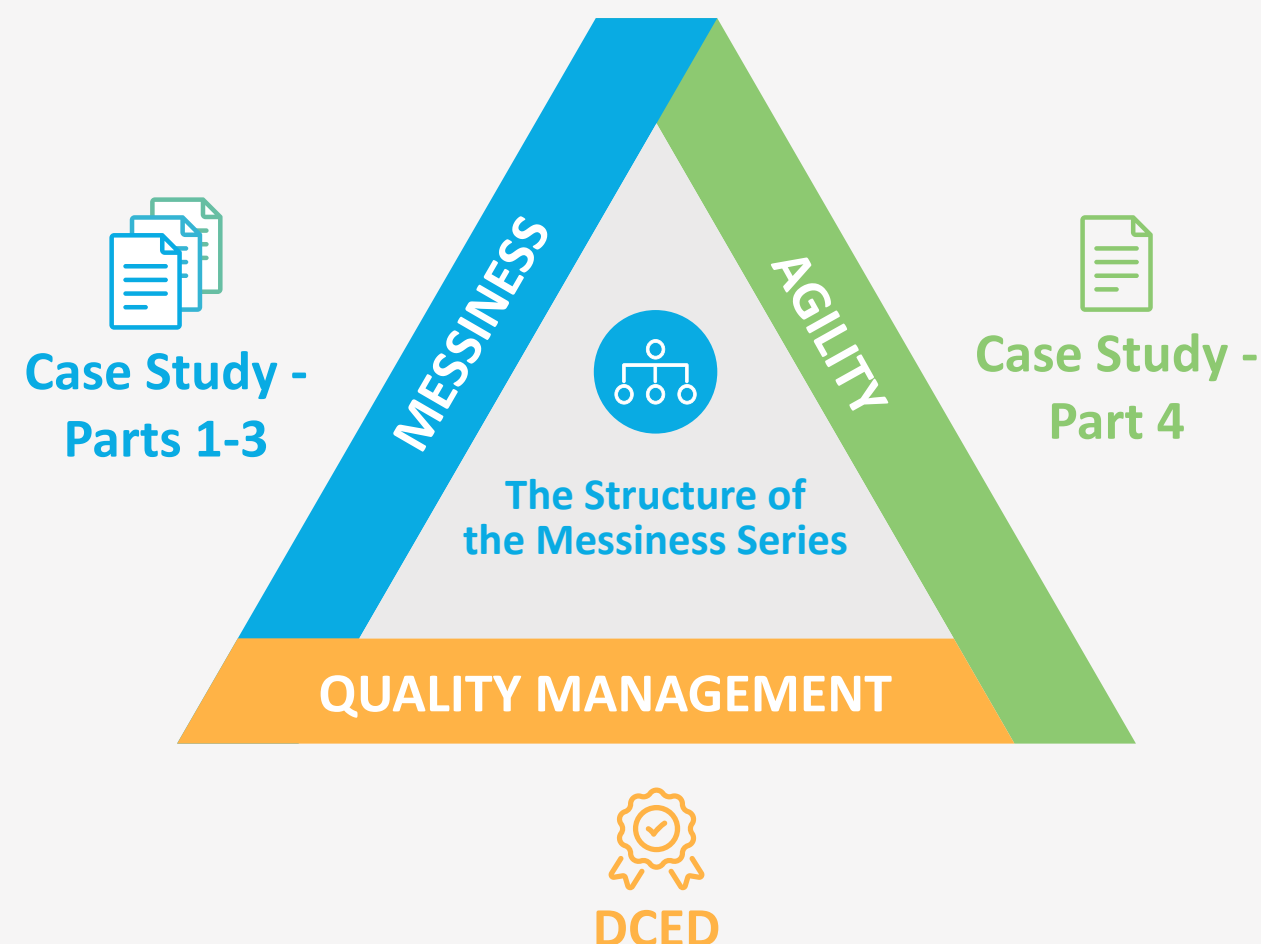


## PART 4 Managing Messiness for Success

This case study discusses why an agile learning organization is best suited to manage messiness for success. It will look at what the inter-connected organizational functions are that need to be aligned for programmes to really understand and respond to messiness and outline how they can do that without sacrificing accountability. It is expected to be published later in 2018.



## The Structure of the Messiness Series



The principles (control points) that guide a quality management system that stimulates learning from results, are sufficiently covered in the Donor Committee for Enterprise Development (DCED) Standard and are therefore not discussed in detail in this case study series.

Overall, the application of MSD principles for programme design and management, as well as results measurement, need to come together to help programmes manage messiness and embrace complexity. The authors therefore aim to illustrate that the success of a programme cannot hinge on a simple, proscriptive, standard set of practices, nor on an 'anything goes' approach that may be very flexible, but lacks the rigour to create sustainable results.

This case study forms the first of a four part series on messiness in MSD programmes. The reasons that the authors have decided to structure it this way are two fold: first, to allow for a wider scope, and second, to ensure that the reader can focus on the area that he or she wishes and can find that area easily.

The case studies will be published in series on the MDF website ([www.marketdevelopmentfacility.org](http://www.marketdevelopmentfacility.org)).

The authors ask the reader to bear in mind that while they are published separately, the studies nevertheless form different parts of a holistic package. Unpacking MDF's facilitation work was an extensive process which looked at its experience with breadth (across 21 partnerships) and in quite some depth (the patterns in opportunities and challenges and the similarities and differences between them).

Breadth alone would have limited the case study to a broad overview of MSD facilitation experience without a deeper understanding of the why. Depth alone would have limited the study to a series of idiosyncratic cases without a sufficient body of knowledge from which to draw conclusions with wider application to the field. Breadth and depth combined enabled the authors to assemble a body of knowledge of MDF's facilitation experience, from which robust conclusions could be drawn and implications considered for all MSD practitioners – donors, implementers and consultants.

A series of diagnostic tools were used to evaluate and explore the nature of messiness and how it plays out in different sectors, markets and partnership contexts. The first, an Industry Life Cycle analysis, allows the authors to look at the sectors within an economy and understand the context within which they function. This forms part of the first case study, with horticulture in Fiji and Pakistan as the focus of the analysis. In the second case study, an Ansoff Market Matrix is used to analyse the partner context and understand how businesses that operate within the market function, and finally, to evaluate via a Will/Skill matrix the capabilities and skillsets with which they work. Six partnerships were analysed in order to explore these dynamics and how they affect managing expected outcomes and impact.

The third part of the case study looks at how, when we embrace the messiness that comes with more nascent economies, we are able to find the right amount of flexibility to make MSD work. It aims to help MSD practitioners to apply flexibility to their methodologies in a way that doesn't ignore the 'ideal' form of MSD, but also doesn't blindly give in to it.

Finally, in part four, the functions needed for programmes to really understand messiness, respond to it and manage it are outlined. Agility, a good amount of common sense and a respect for context are required, as well as a willingness on the part of the reader to step out of their comfort zones. For the authors, this willingness is fundamental if we are to work together towards an MSD that works better and is more effective for those that need it most.



## The Origins of This Case Study

This case study originated at a November 2016 meeting of Team Leaders from six market systems development (MSD) programmes in Asia and the South Pacific.<sup>1</sup> As the Team Leaders unpacked their experience across several topics, they continually emphasised the need for flexibility – in programme design, implementation and results measurement – to satisfy both programme and donor results expectations. The degree of flexibility designed into these five donor-funded programme ranged from a lot (go forth and do good market development) to a little (don't deviate from the original sectors and interventions). Some programmes included steering and decision-making mechanisms that encouraged learning and adaptation, while others were steered more by control mechanisms (contractual rules, mid-term reviews, independent assessments) that encouraged adherence to the targets as they were negotiated in the contractual agreement.

While much of the Team Leader discussion centered on how to fight for and maintain the freedom needed to operate when taking a market facilitation approach, key questions emerged and were tabled for future discussion.

These included:

- Why is more flexibility needed to be accountable for programme results when taking an MSD approach?
- Are there unique characteristics inherent in this approach which require more flexibility in its implementation?
- If so, how much flexibility is enough? Or too much?



## The Writing Process

MDF CEO, Harald Bekkers, offered to attempt to find some answers to these questions. He invited Marshall Bear, who had facilitated the Team Leader discussion, to join him in looking at MDF's operational experience to shed light on this topic. A consultant with expertise in the MSD Approach, Marshall Bear brought an independent perspective to this exercise as he had no in-depth knowledge of MDF.

This case study was written by Marshall Bear and Harald Bekkers. The process began in January 2017 when the authors agreed on the analysis frameworks to be used to unpack and re-pack MDF's experience and to examine if and why more flexibility correlates with effectiveness and results.

Pakistan and Fiji were selected as the candidate countries for this case study because of the differences in their market/partner contexts. MDF also had sufficient operational experience in both countries to assess the process of formulating and managing partnerships over time. Marshall travelled to Pakistan and Fiji in March 2017,

spending approximately 10 days in each country to allow enough time to interview staff and partners and make field trips to project sites.

An eight-month period of frequent interaction between Marshall and Harald and the Pakistan and Fiji teams ensued, during which time the case study findings were reviewed for their accuracy on distilling MDF's partnership experiences, to fill information gaps critical to understanding this experience and to arrive at a shared interpretation of MDF experience against the chosen analysis frameworks. This final case study draft was reviewed by MDF's Leadership Team prior to its publication.

Throughout the case study process, the authors consulted published papers, blogs and conference papers looking for insights, experience and opinions on how to find a workable balance between flexibility, effectiveness and accountability when taking a market facilitation approach to inclusive growth<sup>2</sup>.

<sup>1</sup> Katalyst (Bangladesh), Promoting Rural Incomes through Support for Agriculture (PRISMA) (Indonesia); Market Development Facility (Fiji, Pakistan, PNG, Sri Lanka, Timor Leste); Investing in Infrastructure (3i) (Cambodia); Nepal Market Development Programme (SAMARTH-NMDP) (Nepal); Markets for Chars (M4C) (Bangladesh).

<sup>2</sup> "The Beam Exchange" ([www.beamexchange.org](http://www.beamexchange.org)), Springfield Centre Publications ([www.springfieldcentre.com](http://www.springfieldcentre.com)), DCED ([www.enterprise-development.org](http://www.enterprise-development.org)), USAID ([www.microlinks.org](http://www.microlinks.org)), Katalyst ([www.katalyst.com.bd](http://www.katalyst.com.bd)), "Thinking Out Loud" a blog by Shawn Cunningham ([www.cunningham.org.za](http://www.cunningham.org.za)).





## Why Use MDF for a Case Study on Messiness and Creativity?

MDF's six plus years of implementing MSD in multiple countries position it well to share its learnings on this topic as it has had the benefit of the following:

- 👍 An enabling programme design that allows for robust practice of the MSD approach across a diverse range of country, sector and market settings;
- 👍 Enough time in implementation that allows for a comparison of actual vs planned outcomes;
- 👍 Management continuity that allows for a shared, sustained vision on MSD principles, strategy, staffing, structures, systems and their reasonably consistent application across all country programs;
- 👍 A robust results management system that produces Annual Reports and aggregates data annually on impact across all country programme portfolios; and
- 👍 External reviews and related audits that endorse the credibility of reported results.



## Why is This Case Study so Important Right Now?

The genesis of the case study derives from the observation that the need to embrace and manage messiness has not fully filtered through the development process. It is true that in recent years there has been a stronger focus on results measurement and 'adaptive management', but are these practices being straight-jacketed by a drive toward greater 'accountability' in the short timeframe of a project?

Without a better illustration of why learning from results is so important, or what adaptive management really is (is it about rewording logframes or reworking the way programmes are designed and contracted?), we risk missing the key point. We may think that programme accountability improves because of the trends listed below, but in reality these might do more harm than good and undermine accountability. True accountability, and true effectiveness, rest on a programme's capacity to embrace and manage messiness. The trends below can prove counter-effective to this need, and ability, to work within the 'messiness'.

In the process of developing this case study, the authors observed and identified a range of donor expectations of MSD programmes. These expectations require careful management and negotiation if a programme is to remain able to work with 'messiness', while also ensuring donor priorities and objectives are met.

The authors therefore seek to understand whether MSD programme methodologies and designs are heading in the right direction and to illustrate and discuss the implications of messiness, with a view to building understanding of its importance. They aim to give meaning to the messiness of putting core MSD principles into practice. They illustrate and explain the messiness that MSD practitioners must manage, and document just how creative practitioners must be to apply the approach in a broad range of country and market settings, without knowingly compromising the core MSD principles.

?

How much  
flexibility  
is enough?





What is Messiness and Why Do We Need to Talk About It?



## Messiness Matters for Methodology, Programme Design, Management and Results Expectations



### Markets are Messy – Development is Messy!

Why is it that on one day a female silk producer in a remote village in north-east Thailand can sell all her silk thread at a favourable price, while on the next day she can't sell any? The answer is that the rules can change overnight. When the government imposes duties on silk thread imports in response to pressures from large silk producers, the village producer wins. When the government removes duties on silk thread imports in response to pressures from weavers of silk apparel, then the village producer loses.

Why is it that when the technology is known and proven to increase agriculture productivity- better seeds, knowledge of agronomic practices- so many small holders are reluctant to adopt better technology to improve their yields and farm incomes? Once again, the answer may lie in a dysfunctional market system: fake seeds or chemicals may discourage purchases in the absence of penalties enforced against cheaters; or legitimate input supply companies may lack information on small holder demand and chose to compete for a larger share of the commercial farmer market.

When the many other factors affecting market dynamics – the addition of the second example above covers technology advances and large firm behaviour, information

asymmetries, misalignment of functions and players, capacity gaps, distorting subsidies, informal norms – are added to changing formal rules and technology advances, it reinforces what is clear to all MSD practitioners: market messiness means that the implementation of MSD programs will also be messy.

This has significant implications on approach (one size does not fit all), on expectations (context dictates what can be achieved and by when) and on programme design and management (staffing, systems, structure etc.). It is important to emphasise that messiness is not a result of poor programme design or implementation, or that messiness is only inherent to working with markets. Messiness is inherent to the practice of stimulating innovation and development. Change rarely unfolds in a predictable, linear fashion. Context matters!

Ignoring messiness means ignoring the complexity of the development process. The question is not whether messiness – or complexity – can be avoided, but rather, how we can equip our methodologies, programme designs and results expectations to both embrace and deal with the inherent messiness?



### So What is Messiness Exactly?

What is messiness? Attempting to influence how society, or parts of society (such as the economy) work, means getting entangled in a complex web of existing relations, conventions, ambitions, goals, and differences in access to capital, skills and services. Influencing change in society is similar to planting a seed in a petri dish already brimming with life. Signals for change are interpreted (and possibly misunderstood) and prioritised (and possibly shelved as too

risky). Because of all these competing interests, it is difficult to predict how change will unfold. This does not mean that we should throw our hands up in the air and say, "this is all too complex!" but we should be prepared to analyse how change is really unfolding and be able to learn from it. This should be the core mission of development programs.



## Current Trends Towards a More Restrictive Approach to Development

1

A historical focus on the definition of core principles, analytical tools for programme design and measurement and gathering evidence of results, especially at the nexus between systemic change and poverty impacts (this is positive as quality comes from rigorous implementation). However, this often comes at the expense of insufficiently factoring in how much flexibility is warranted while maintaining this rigour.

2

The desire for documented and standardised best practices – and step-by-step guides to implement them – where experience suggests that clarity and understanding of core MSD principles determine the best practices in responding to variations in the country/market context.

3

A quest for 'what works' or 'models' for engaging in market systems, when experience teaches us that what may work in one country/market may not work in another.

4

A growing emphasis on accountability for results as forecast in project proposals, and measured by more income/jobs with a related (and possibly unintentional) narrowing of the flexibility required for appropriate responses/adjustments to improve pro-poor outcomes in different country/market settings.

5

The continued value placed on traditional organisational set-ups (leadership, systems, reporting) when experience teaches us that programmes with a strong learning culture tend to be more responsive/effective in facilitating systemic change for inclusive growth.

6

A tendency to make simple comparisons between programmes on results, team size, timeframe and other parameters without acknowledging that different country/market contexts have a huge influence on such parameters.

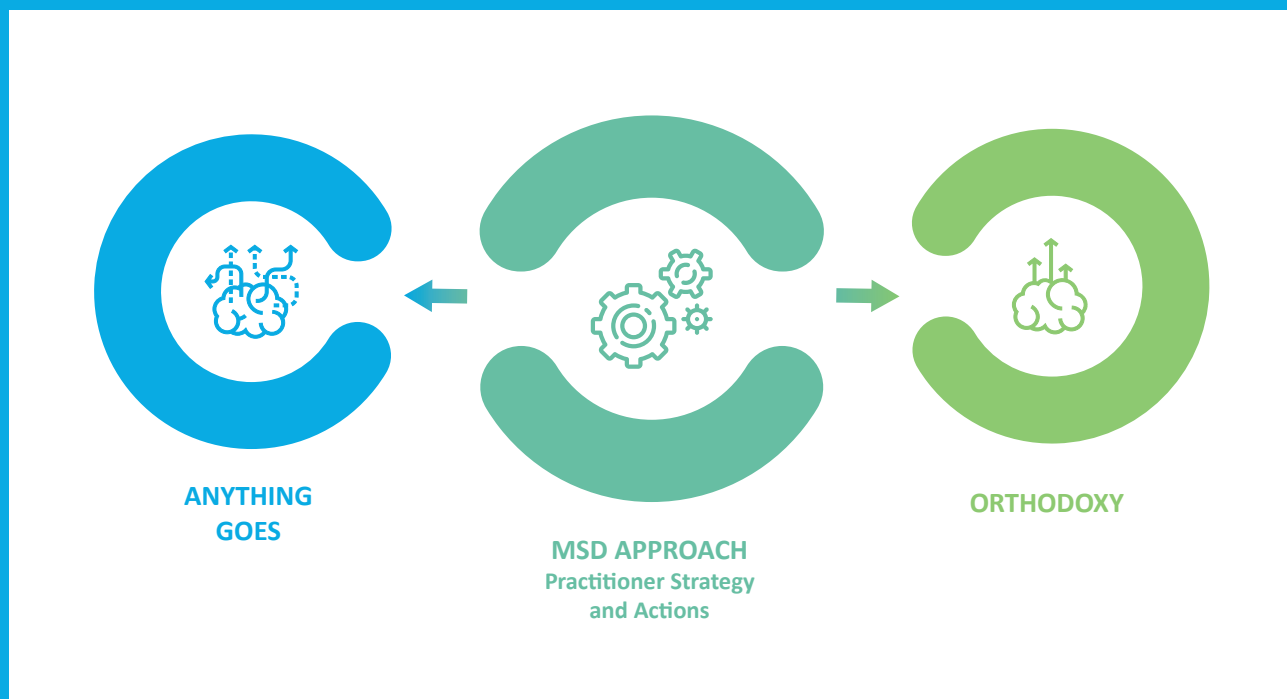


# The Central Argument



Flexibility Contained by Core Principles is Critical

The authors make the case for why flexibility contained by core principles is essential to operationalising the MSD approach to enable practitioners to be more – not less – accountable for achieving pro-poor outcomes. This flexibility contained by core principles must be accounted for in methodology and programme design, programme management and results measurement and learning.



The sweet spot is placed equidistant from the opposites on the continuum to show how the lines might extend in either direction depending on the market and partner context. But how far can practitioners go before they stretch it too far, either by being too flexible or too proscriptive?



# The Core Principles of Market Systems Development

- 1 Select partners with a shared vision of inclusive growth
- 2 Build on the partner's agenda using local ideas and solutions
- 3 Support with clear mutual commitments of time and resources
- 4 Strengthen the partner's incentives and capacity for success
- 5 Do this by being flexible and responsive in the change process
- 6 Remain informed through continuous learning and a search for scale
- 7 Rolling exit as success in one part of the system will likely require entry in another part to achieve inclusive and sustained growth





In Search of the Sweet Spot in MSD Programmes: Understanding the Messiness of the Market Context



## Flexibility Contained by Principles: An Organising Framework for the Series



### In Search of the Sweet Spot of Good Market System Development Practice

#### BETWEEN 'PROSCRIPTIVE ORTHODOXY' AND 'ANYTHING GOES'

In reaction to the messiness around them, some MSD practitioners opt to hold on to strict guidelines to avoid feeling overwhelmed – a lifeline to a process perceived as ensuring results are generated no matter the messiness. Others may seek to throw the rule book out, finding it too hard or restrictive. This raises the question as to how much flexibility is too much? Or indeed not enough?

The authors adopted an organising framework through which to frame the discussion on this topic and assess what practitioners do and how they engage in a market system and how this can range from an 'anything goes' approach to being highly 'proscriptive' in their strategies and actions.

Neither extreme looks very attractive. The drawback of the 'proscriptive orthodoxy' is that too much rigidity ignores, instead of acknowledges, market messiness and creates the illusion of a predictable process. Over reliance on being 'proscriptive' can often be linked to a practitioner 'with a

model', providing light touch support to a market leader to change the system, while overlooking market system dynamics and misconstruing individual company growth with wider system change. The 'anything goes' approach might lack the rigour to build things that really last. Over reliance on 'anything goes' is likely to reflect a practitioner who generates lots of activity, but has no strategy for system-wide change or sustainability.

Over this past decade of fit-for-purpose MSD programmes, practice has informed theory on the role of facilitation. While few, if any, MSD practitioners would position their facilitation approach at either end of the continuum, the field still requires a method of defining a sweet spot that helps avoid both extremes – Figure 1.

Figure 1 The Sweet Spot Between 'Proscriptive Orthodoxy' and 'Anything Goes'



In Figure 1 the sweet spot is placed equidistant from the opposites on the continuum to show how the lines might extend in either direction depending on the market and

partner context. But how far can practitioners go before they stretch it too far, either by being too flexible or too proscriptive?

#### HOW TO POSITION THE SWEET SPOT ALONG THE CONTINUUM: PRINCIPLES TO THE RESCUE!

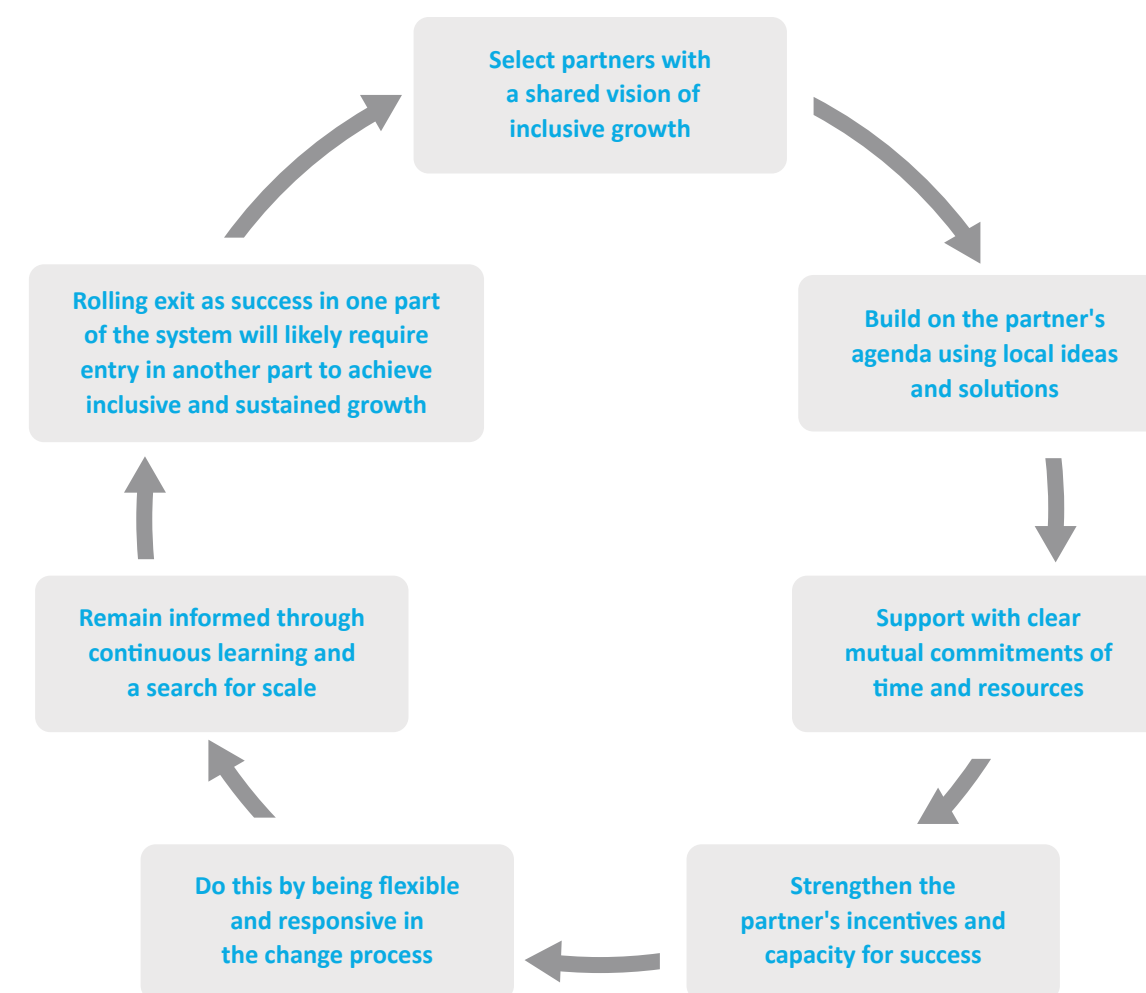
If market messiness dictates that development won't emerge from a light touch nudging of a few market leaders, yet practitioners also want to avoid just 'doing anything with anyone,' how can a sweet spot be found that realistically marries flexibility with rigour?

The sweet spot of good MSD practice should move along the continuum depending on the context – we want flexibility, but not in the extreme. To marry flexibility with rigour, we must first identify the principles of good MSD practice and, second, work out how to do justice to these principles in different market contexts.

We want to do what makes sense in any given context without forfeiting the key dimensions needed to stimulate lasting change. The aim is therefore flexibility contained by principles.

MDF's operations – and what the programme believes to be good practice – are guided by the set of core MSD principles presented in Figure 2. These principles are listed as per the sequence by which they guide practitioner strategy and actions:

Figure 2 MDF's Core Market Systems Development Principles



These principles play out differently in different contexts, and therefore influence the shape and exact position of the sweet spot within that context. Four dimensions

inform this positioning and are explored in this first and the subsequent two case studies in light of MDF's experience in Fiji and Pakistan in the section below.





## Four Dimensions that Help Inform the Position of the Sweet Spot in Fiji and Pakistan

MDF uses the following four key dimensions to determine a sound market facilitation approach in its diverse range of country programmes.

### DIMENSION 1 MARKET CONTEXT

MDF country programmes range from thin markets (Fiji, Timor-Leste, PNG) to thicker markets (Pakistan and Sri Lanka). MDF must account for the inherent differences in the number of buyers and sellers, the volume of transactions, the presence or absence of competitive drivers and the degree and intensity of supporting services when adopting an appropriate facilitation approach.



### DIMENSION 2 PARTNER CONTEXT

The range of MDF's prospective partners is largely determined by the market context in which it operates. In thicker markets, potential partner options are more diverse, ranging in size and sophistication from a family business to local or multi-national corporations. In thin markets, the choice of partners is quite narrow, often with a mix of only recently established sole proprietors or more tradition-bound family-owned businesses.



### DIMENSION 3 PARTNERSHIP DEAL

MDF's initial offer of partner support and its engagement strategy over time is dictated by several variables: the inherent challenge associated with the partner's inclusive growth strategy, and the relative degree of a partner's will (incentive) and skill (capacities) to adopt and/or advance a business growth strategy with significant and scalable pro-poor outcomes.



### DIMENSION 4 TEAM AND TIME

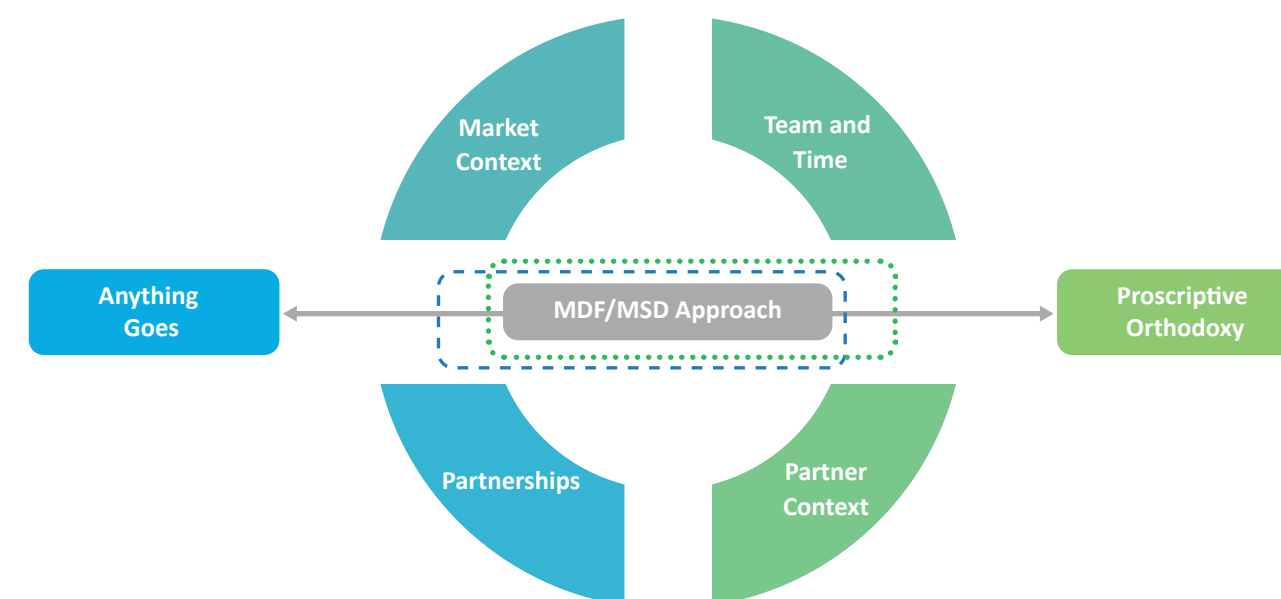
Team refers to the level of MDF staff (and other) resources invested in steering and guiding a partnership. Time refers to the duration of time needed to manage the process of partner engagement to deliver the desired system change and pro-poor impact.



Figure 3 shows how these four dimensions 'encircle' and shape the sweet spot of the market development approach. Each dimension informs the next. The market system context, and choice of sector, sets the stage and informs the choice of potential partners to work with. This then informs what valid partnership offers are (i.e., don't offer technical assistance to an entrepreneur if the

priority need is investment in machinery and storage). This, in turn, informs what kind of team is needed to facilitate the innovation process and the time required to let this come to fruition. The green and blue dotted lines in Figure 3 indicate the different positions of the sweet spot in Pakistan and Fiji, with green representing Pakistan, and blue representing Fiji.

Figure 3 The Four Dimensions that Shape the Sweet Spot



### POSITIONING AND STRETCHING THE SWEET SPOT IN PAKISTAN

The MDF programme in Pakistan operates predominantly in a thick, or more robust market context where there are many buyers and sellers engaged in a high volume of transactions across all MDF's sectors of engagement: Dairy, Meat, Leather and Horticulture. Although Pakistan's borderlands – Baluchistan, Khyber Pakhtunkhwa and Gilgit-Baltistan – are comparatively thinner markets than Punjab and Sindh, inclusive growth opportunities can be found across Pakistan. The country's growing domestic markets, fuelled by rapid urbanisation and population growth, create a strong demand for many agricultural products.

There are export market prospects in all the sectors where MDF is active. Support service markets exist with increasing specialisation and intensity as the firms they support respond to competitive pressures to innovate and change. Market functioning is less susceptible to unwanted political influences (e.g. vote-buying, public/private sector collusion) because of the size and complexity of Pakistan's political economy.

Finally, because Pakistan is a mix of thicker, more mature markets and thinner markets, business skills/specialisations/market functions that were first able to grow in more mature markets systems can be 'exported' to new frontiers in thinner markets. Thus, thinner markets, to a degree, can piggy-back on more mature markets where market players move to expand their business to new markets.

The green dotted box in Figure 3 extends more towards the 'proscriptive' end on the continuum of a facilitator's strategy and actions due to the number, type and maturity of prospective partners in Pakistan and the number of innovating firms willing to adopt inclusive business growth models. A partnership deal with these types of partners may require only an initial push for proof of concept, followed by a secondary push to take innovations to scale. MDF's Pakistan team tends to focus more on learning from the partner's experience and sharing lessons with key market system stakeholders. The time required to manage the process for desired results can be accelerated by the partner's capacity and the push of competitive pressures.

However, the green dotted box also extends slightly towards the 'anything goes' end of the continuum to account for the thin market context in Pakistan's borderland areas. Partner options are fewer and partnership deals must be written to allow for the many larger, riskier steps needed to facilitate inclusive growth. In these areas, the MDF team resources tend to focus more on direct technical support to the partner while the time needed to manage the process of engagement for results may be slower due to the weaker partner and market context.

By contrast, the MDF program in Fiji operates in a thin market context where there are few buyers and sellers engaged in a low volume of transactions across all MDF's sectors of engagement: Tourism, Horticulture, Export Processing (e.g. Garments and IT Services). Pro-poor growth opportunities in Fiji are primarily linked to exports as domestic demand for goods and services is limited and stagnant. Support market functions – such as specialised technical/business services, enabling public services and infrastructure – are either weak or missing as thin markets are often too small to support much specialisation. Market functioning is more susceptible to unwanted political influences (e.g. vote-buying, public/private sector collusion), primarily because the power to influence a system is concentrated in a few players.

The blue dotted box in Figure 3 extends towards the 'anything goes' end of the continuum due to the narrow

range of partner options in active businesses with limited volume, scale, maturity or even awareness of the wider system in which they are a part. Partnership deals must allow for added flexibility to discover better ways to solve problems as they arise. More team resources are needed as advancing innovation in thin markets requires more 'ground' work; partner capacity must be built from a low base while also fostering new relationships with other firms with similar business incentives to advance an innovation. More time is required to manage the process of partner engagement through many large, risky steps in both the partner and system change process.

MDF's facilitation strategies and actions must extend towards the outer edges of the blue and green dotted lines on the continuum to feasibly implement the MSD approach in both thin (Fiji, PNG, Timor-Leste) and thicker (Pakistan, Sri Lanka) market settings.



**i**

In Part 3  
of this series,  
the Sweet Spot  
in thin and thick  
markets will be  
shown in a more  
detailed diagram.





Understanding Market Systems:  
Horticulture in Fiji and Pakistan



# Introducing the Market Context: Horticulture in Pakistan and Fiji



## The Horticulture Value Chain

By focusing this case study on horticulture, only one of MDF’s many sectoral engagements, the intention is to isolate the influence of two very different market contexts on MDF’s facilitation strategy and actions. This ensures a more valid comparison between the two country contexts, as horticulture shares a common value chain structure, set of opportunities and related challenges whatever the country setting.

The horticulture value chain covers input supply, collection and cultivation, harvest, post-harvest handling, processing and packaging of fresh fruits, vegetables and spices (including apricots, dates, eggplants and chillies) and root crops (taro, kava) for destination markets in country and for export.

Figure 4 shows the basic, common links in a horticulture the value chain.

Figure 4 The Horticulture Value Chain



### WHY WORK IN HORTICULTURE?

MDF’s research in both Pakistan and Fiji revealed that the horticulture sector in both countries offered meaningful and significant opportunities for sustained growth. This growth potential was inclusive of disadvantaged groups

(women) and working in more remote locations, provided the market system in both countries could evolve its capacity, with MDF support, to address the challenges associated with these opportunities.



### Opportunities

- Changing consumer preferences in both domestic and export markets for a diverse mix of products which meet more strident quality and safety standards
- Wide-ranging agro-climatic conditions (mainly Pakistan) creates early and/or late season niches which offer premium prices
- Increasing urban, middle class populations where changes in income favours more spend on horticulture (versus other food groups) and convenience products (e.g. processed and packaged horticulture products)



### Challenges

- Improved access to genuine and affordable agriculture inputs on a timely basis
- Better sourcing arrangements between farmers, their buyers and customers to ensure timely supply of quality goods at market volumes
- Improved farm-to-market efficiencies to reduce post-harvest loss inherent in the movement of fresh fruit and vegetables over distance and time
- Improved information flows and quality control mechanisms to allow for traceability and standards compliance
- More investment in certification of product quality and production processes to signal market readiness to quality conscious buyers

# Analysis of the Market Context (Applying an Industry Life Cycle Analysis)



## Industry Support Functions and Rules Form Market Systems

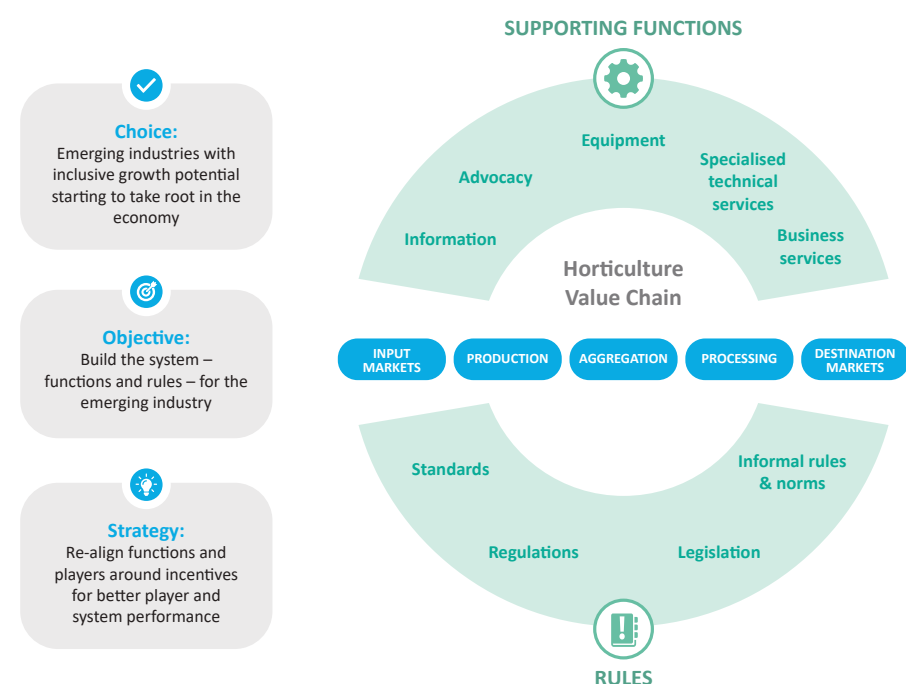


Industries – much like a product or service – go through life cycles. First there is a nascent, sometimes hesitant, pioneering phase during which a new business model is conceptualised, tested and put into operation. This is typically followed by a ‘take-off’ phase in which growth accelerates, supported by a more finely-tuned and proven business model. This, in turn, is typically followed by a consolidation phase in which the market space within which the new business model can excel has been saturated and the pace of growth decreases. Here, competitiveness becomes linked to efficiency and margins, rather than innovation. This can be followed by a phase of gradual (or sometimes rapid) decline as a newer business model enters the market and out-competes the established, prevalent model.

As an industry matures, so does the market system of specialised technical and business services, representative bodies and, sometimes, specific legislation around it (Figure 5). Competitiveness ultimately depends on functional specialisation, therefore as industries mature and competition increases, access to a support system becomes more important. Mature industries typically have ‘thick markets’ with many suppliers, many options, many niches covered. Conversely, when an industry is nascent, specialised support services will be largely absent. Services may not be targeted toward the needs of the new industry, or are absent all together. These are ‘thin’ markets with few players and characterised by system-wide gaps.



Figure 5 The Market System that Emerges Around a Growing Industry<sup>3</sup>



An MSD approach typically does not work well in very mature industries in which most support functions are in place including high levels of specialisation, margins are under pressure and the greater likelihood that politics and connections, rather than markets, determine the well-being of industry. An MSD-like facilitation approach may be too generic, may not carry enough weight to change the power dynamics, may run up against a limited appetite for investment and, ultimately, may not be able to add much value in trying to facilitate more inclusive growth in mature industries.

At the other end of the spectrum, an MSD approach may not be sophisticated enough to foresee the emergence of new industries, but once new industries start to take root, an MSD approach is very suitable to support innovation, help overcome teething problems, give new inclusive business

models a push to prove themselves, and help them reach a critical scale. The MSD approach is more about building systems than working within mature ones or creating them from scratch. Systemic change is the process of building up and/or realigning market players and functions to make an emerging industry competitive and inclusive.

In both Pakistan and Fiji, MDF chose to work in horticulture, an emerging industry starting to take root in the economy, because it was feasible to build a better functioning system so that market players could pursue their inclusive growth business objectives.

The section below will discuss MDF's strategic positioning in horticulture and how this positioning influenced its search for the sweet spot of a facilitator's strategy and actions.



Pakistan's wide range of agro-climatic conditions, including within the poorer, more remote and insecure borderland areas, offer significant opportunities for value chain participants to increase their incomes if they are willing to invest in organising their value chain around quality and differentiation to take advantage of market trends. At the time of writing, these market trends included:



- ✓ Increasing domestic demand resulting from growing awareness of healthier diets, food safety and quality among a growing and increasingly urban population
- ✓ A growing supply gap in satisfying domestic demand for horticultural products
- ✓ Competitive advantage in serving domestic and export markets with a diverse range of early or late season horticulture products
- ✓ Value added processing of juices, tomatoes, pickles and other favoured foods packaged for convenience
- ✓ Changing retail formats (e.g. supermarkets) and increasing demand for horticulture products from institutions such as fast food restaurants and the military

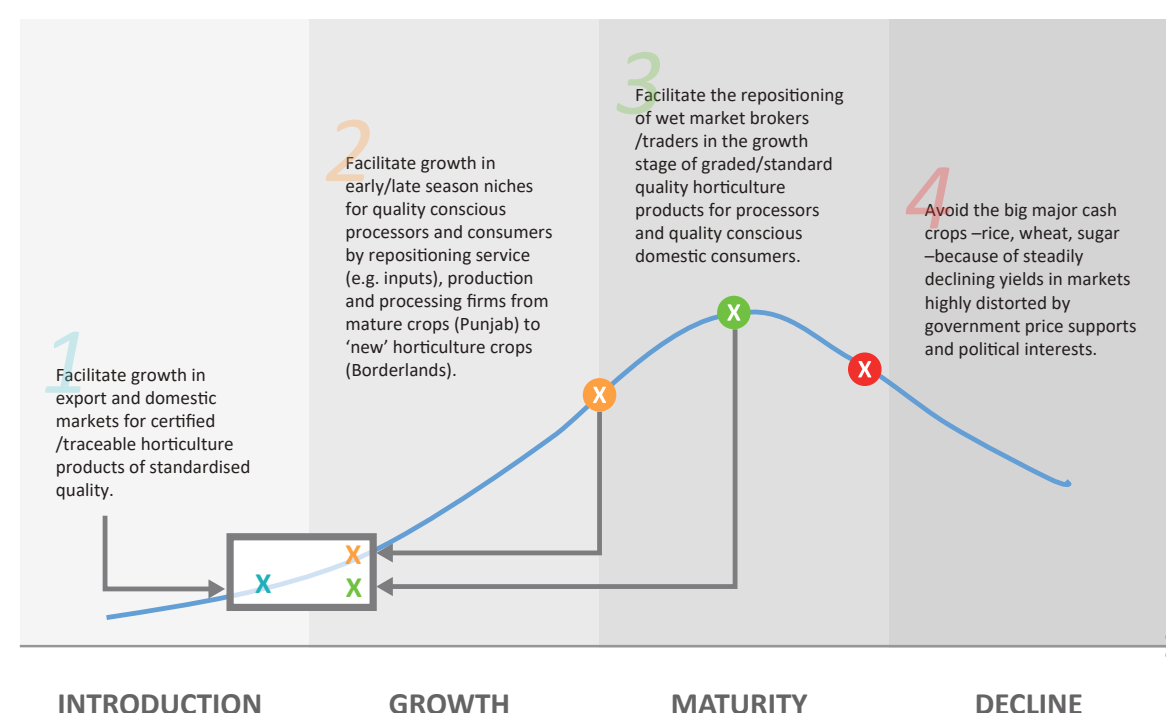
<sup>3</sup> Adapted from the Springfield Centre, Making Markets Work Training Program materials, contact The Springfield Centre for more information via <http://www.springfieldcentre.com>

MDF's horticulture growth strategy in Pakistan aims to connect production centres (firms and their products) across the country with growing domestic markets and potentially lucrative export markets. This is possible due to a high degree of system awareness by all market players; how the trading system works and the advantages and disadvantages of participating in alternative and competing value chains is well understood. Greater participation in growing local and international markets would lead to horticulture contributing a larger share to agricultural (and national) GDP. Greater connections and more reliable pathways – backward to inputs and forward to markets – would enable farming households to earn higher and

more stable incomes. A mature and more sophisticated horticulture sector would also lead to greater investments in processing and value addition, which will result in higher employment opportunities at farm and formal business levels.

Figure 6 presents MDF's horticulture programme at the time of writing, strategically positioned at the nexus between the introduction and growth phases in the horticulture industry. This is where MDF believes it can feasibly intervene to advance growth that is inclusive of women and poor people in disadvantaged regions of the country.

**Figure 6 Horticulture Industry Life Cycle in Pakistan**



Applying an industry life cycle analysis, MDF Pakistan's strategy in horticulture can be explained as follows:

**1. Facilitate growth in export and domestic markets for certified and traceable horticulture products of standardised quality (the blue X in the box in Figure 6).** This market segment in Pakistan, and in regional Gulf markets, is small and in the nascent or early introduction phase of its lifecycle. However, growth is expected. First movers in this segment must invest in creating demand and/or discovering a scaleable business model to attain appropriate quality certifications and traceability back to the source. A few high-end retailers have established themselves near suburban gated communities, offering Food and Drug Administration-certified meat or vegetables and claims of traceability (most likely their own farms). Small farmers with links to specialised aggregators and/or their processing partners can be included in this segment. Some MDF partners are positioned in this market segment.

**2. Facilitate growth in early/late season niche products for quality conscious processors and consumers (the orange X in the box in Figure 6).** A growing urban middle class is fueling demand for a diverse range of high quality fresh and processed horticulture products. This segment exhibits all the characteristics of the early growth phase. There is more competition between input supply firms to serve the small farm segment. More buyers of fresh produce are also investing in intensive (embedded services) and extensive (geographic expansion) sourcing strategies backed by use of new information and communication platforms to communicate with their suppliers in rural areas.<sup>4</sup> The majority of MDF Pakistan's horticulture partners – input suppliers, farmers and processors – are positioned in this segment of the sector. Note that MDF's strategy entails both the repositioning of existing services from the mature crops in Punjab Province, to 'new' crops in Pakistan's borderland areas as well as the launch of new industry players in these borderland regions which house relatively less local businesses.

**3. Reposition wet market brokers/traders to enter quality-conscious horticulture markets (the green X in the box in Figure 6).** MDF's horticulture program in Pakistan is not currently engaged in this segment of the industry. A total of 75% of all horticulture is traded in wet (wholesale) markets which are dominated by a phalanx of middlemen of various size and sophistication who buy, assemble and trade a broad range of products throughout the year. These middlemen compete for slim margins and drive hard bargains with farmers by using their expert knowledge of crop pricing by season and location. These supply chains are difficult to influence by a third-party facilitator as the business models employed and the related seller-buyer relationships and/or norms are deeply entrenched in these traditional family businesses. MDF could, however, move into this space once it has gained more experience and credibility in the sector. The challenge here would be to find brokers and/or traders in wet markets willing to reposition their business interests to serve the quality-conscious horticulture market.

**4. Avoid the big mature cash crops (the red X to the right in Figure 6).** MDF has consciously avoided working in Pakistan's major staple crops (rice, wheat, sugar) as these are generally very mature and in some cases nearing their decline. The yields are steadily declining against a backdrop of government price supports and contested political interests. As mentioned, few, if any, opportunities for inclusive growth will be found in mature markets trending towards the decline phase of an industry life cycle. However, in Pakistan most support services are still geared toward supplying these crops (mainly grown in Punjab).



In summary, MDF in Pakistan stimulates the pro-poor growth of emerging horticulture crops – consciously ignoring the more established staple crops – through a combination of strategies designed to foster:

- 👍 Better market connections for emerging, mostly regional, market players and potentially re-orient existing wet market players to new products and standards at a later stage
- 👍 Growth of the processing industry by supporting emerging, mostly regional players, and re-orienting existing national players to new products and production regions
- 👍 Better cultivation methods and exploitation of higher return, seasonal demand-supply gaps by facilitating the entry, once again, of new regional players and re-orienting existing national information and/or service providers to these opportunities
- 👍 Better access to inputs mainly by re-orienting existing national players to new borderland markets

MDF works with players in all parts of the Pakistan horticulture value chain, in geographic areas that are less developed but demonstrate great potential, and re-orientes or establishes new support functions to help build and/or form a market system around an emerging industry.

<sup>4</sup> Competition between telecoms for customers has encouraged Telenor to expand into rural areas and offer services useful to farmers. MDF will partner with Telenor to expand and diversify its ICT programs – such as weather alerts, call-in shows, advice – better targeting horticulture and dairy farmers.





Fiji's domestic markets for horticulture products are small and stagnant due to a steadily declining birth rate<sup>5</sup> and a slow but steady out-migration of Fiji residents to Australia, New Zealand and other Pacific Island Countries. Pro-poor growth opportunities exist almost exclusively in export markets for an estimated 50,000 Indigenous and Indo-Fijians, as both horticulture producers and workers in agro-products processors. These opportunities include:

- ✓ Serving a growing diaspora made up of nationals from Fiji and other Pacific Island Countries (PIC) in Australia, New Zealand, USA and Europe
- ✓ Penetrating mainstream markets in Australia and New Zealand with the aid of preferential trade agreements with those countries
- ✓ Penetrating Fiji's large tourist market (an export market) and catering to the dietary preferences and tastes of visitors, mainly from Australia and New Zealand

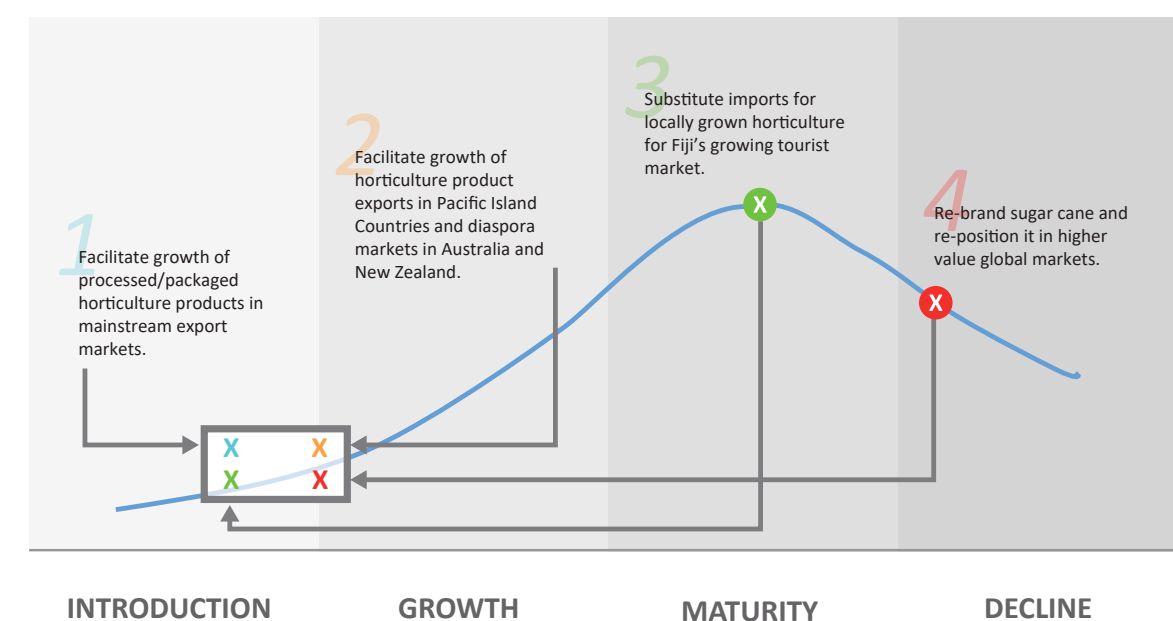
<sup>5</sup> World Bank Group (2017), online at <https://data.worldbank.org/indicator/SP.DYN.CBRT.IN?end=2015&locations=FJ&start=1960&view=chart>

Unlike in Pakistan, individual firms in Fiji have very little awareness of the market system of which they are a part. Buying/selling relationships exist between value chain participants, but there is only a rudimentary understanding of how the wider market system works – how shared incentives could lead to investments in new capacity and relationships, how cooperation could be a means to share risks/costs on new ways of doing business, or how changes in the rules of the game could be both an opportunity and threat to one and all. This is because many elements of what would be a developed support system around an industry such as horticulture are missing; the industry is best represented as 'dots on a map' with big gaps between the dots.

MDF Fiji's strategy in horticulture therefore aims to build, through each partner engagement, a greater system awareness by demonstrating to individual participants – producers, their input suppliers and buyers – the benefits that accrue from stronger inter-firm relationships. Once these market system fundamentals are in place, MDF's strategy can shift beyond interventions in the value chain itself to a greater focus on crowding-in more system functions and players. These would include specialist aggregators, capital for investment, better information through media companies – all of which are required for and evolve from a more dynamic, thicker market system.

Figure 7 shows that MDF's current portfolio is strategically positioned in the nascent and start of the growth phases of the horticulture industry life cycle.

Figure 7 The Horticulture Industry Lifecycle in Fiji



Applying an Industry Life Cycle analysis, MDF Fiji's strategy in horticulture can be explained as follows:

- 1. Facilitate growth of processed and packaged horticulture products in mainstream export markets (blue X in the box in Figure 7).** Exports represent a significant horticulture market segment in Fiji, yet only a few Fijian firms are tapped into the export market. Most, if not all, firms involved in horticulture exports have at some point partnered with MDF. Entering this segment is costly. A processor/exporter must attain the appropriate quality certification, an export licence and upgrade facilities, staff and management practices. A processor/exporter would likely have to adopt a business model far more sophisticated than their current model in order to consistently meet importer specifications at scale. Achieving economies of scale in a small island nation with poor logistical infrastructure is arguably the biggest challenge. However, Fiji has a preferential trade agreement with Australia which allows for duty free import of 49 agriculture products; however, Fiji currently exports only 23 items. This segment of the industry therefore demonstrates room for growth for first-moving firms with strong business acumen and an ability and willingness to invest.



**2. Facilitate growth of more processed horticulture exports in Pacific Island Countries and target diaspora markets in Australia and New Zealand (orange X in box Figure 7).** The Fijian and other Pacific Island Countries’ diaspora, primarily in Australia and New Zealand but also elsewhere, is large and growing and retains many of the dietary practices and favoured foods from the home country. This market segment is relatively easier to tap into than the mainstream markets mentioned above. What began as informal channels of supply (family to family), have developed into formal supply channels with licensed and certified horticulture exporters supplying importers who, in turn, supply ‘corner stores’ in the main urban centres of these countries. More Fijians are investing in horticulture export firms as they see rapid growth in this segment. Most of MDF’s horticulture partners are positioned in this segment of the industry.

**3. Substitute imports for locally grown horticulture products for Fiji’s tourist market (green X in box in Figure 7).** Fiji hosts more than 50,000 tourists annually from all parts of the world – although primarily Australians and New Zealanders – with tastes and dietary preferences unique to their home countries. In this industry, more than 70% of all food items are currently imported from either Australia or New Zealand by home country aggregators despite the fact that most (but not all) imported horticulture products can be grown in Fiji. The support system that has formed around this mature industry is therefore import dependent. The constraints that local firms face are the same as those faced by firms aiming to enter the mainstream export markets, with scale the single biggest limiting factor. This has discouraged local firms from entering this space with the exception of one firm, an MDF partner, that was set up to source horticulture products from farmers in Western Fiji to supply big tourist hotels in Denarau, Fiji’s main tourist hub. MDF’s strategy is to work with potential local suppliers to support them to operate in a manner that ensures they are credible and suitable suppliers to the sector. Supplying the tourism sector could then be a stepping stone for entering exports.

**4. Re-brand sugar cane into higher value global markets (red X in box in Figure 7).** Fiji’s sugar cane industry is in a decline phase as it is unable to compete against the yield and volume of other sugar cane producers, such as Brazil, China and India. It is included here, however, because of a key link between sugar cane and horticulture due to a recent move by sugar cane farmers to inter-crop vegetables in their sugar cane fields. MDF has had some discussion with Fiji’s Sugar Cane Corporation and re-branding experts to explore the feasibility of a re-branding strategy. The potential re-branding strategy could be similar to the one successfully taken by the Barbados Sugar Cane industry to avoid decline due to the global competitive environment. If sugar cane is to retain value of farmers, Fiji sugar needs to be repositioned from a bulk commodity to a high-value niche product.



In summary, MDF in Fiji focuses on new export crops with growth potential, consciously avoiding both cultivation of horticulture crops for a saturated domestic market and the declining traditional export markets of sugar cane and copra. MDF helps make this happen by strengthening weak demand signals from destination markets, almost exclusively export markets (including Fiji’s tourist market) and strengthening the incentives and capacity of input supply companies to target and develop new offers to small holders. Additionally, it supports a gradually growing commercial market segment in the context of declining sugar and copra export industries and targets support at all functions of the value chain while at the same time building awareness between value chain actors on the benefits of inter-firm cooperation.



## Pro-Poor Growth Opportunities Amid Messiness Early in the Industry Life Cycle

Most opportunities for pro-poor sector growth, inclusive of women and a country’s disadvantaged regions, are found in market segments in the nascent or early growth phases of their life cycle, as MDF’s choices in both Pakistan and Fiji reflect. Where the curve starts to take off in the life cycle diagrams shown above is where most growth potential can be found. This is where firms take risks on new innovations to open new markets beyond the mainstream, to find room for expansion (as opposed to getting squeezed by competitive pressures in mature markets). These bets on innovation tend to favour the poor, who are often disconnected from growing and rewarding parts of the economy (often the reason why they are poor).

Pro-poor growth is therefore often found in markets that are messy. The industry players may be inexperienced, the business models may be untested, new and unknown markets need to be opened up, and the support systems around the industry that should help deal with all this

messiness are still in their infancy (in emerging markets and/or developing economies the support systems typically follow, not lead, the development of industries; this may differ in mature economies). Messiness guaranteed!

Here the practitioner will be confronted with a high degree of fluidity and variability in the market context. This, in turn, requires an approach to facilitation which adheres to good practice on sector analysis and market segment understanding. There can be no shortcuts or an ‘anything goes’ option, regardless of the market context.

A more detailed picture of what makes these markets so messy will be revealed in the next part of this series. Part 2 unpacks the business strategies, incentives and capacities of MDF’s 21 active horticulture partners. Gear up for more messiness in exploring the search for the sweet spot in implementing MSD programmes!





## Looking Forward

1

**PART 1** applied an Industry Life Cycle tool to analyse how differences in the horticulture sector influence sector choice and MDF's strategic positioning in the sector. It has concluded that the sweet spot for good MSD practice is shaped by four different dimensions of messiness. It has also examined the reasons behind the messiness of implementing the MSD approach via the use of an Industry Life Cycle analysis to compare the partner and market contexts within horticulture in Fiji and Pakistan.

2

**PART 2** will continue the narrative by applying the Ansoff Market Matrix to analyse how the partner context influences partner options. It goes on to use a Will/Skill Matrix to determine the benefits, costs and risks of partnership engagements to advance MDF's and its partners' inclusive growth objectives. The road towards that is long, bumpy and certainly not linear, but it produces a lot of valuable information and learning opportunities, from which MSD practitioners can certainly benefit and apply to their programmes.

3

In **PART 3**, the authors argue that creativity, flexibility and pragmatism are fundamental to finding that Sweet Spot, and urge their MSD peers and other development experts to engage with them on this crucial journey towards poverty eradication.

4

**PART 4** discusses why an agile learning organization is best suited to manage messiness for success. It will look at what the inter-connected organizational functions are that need to be aligned for programmes to really understand and respond to messiness and outline how they can do that without sacrificing accountability. It is expected to be published later in 2018.



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