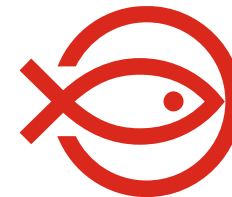


DCA

actalliance

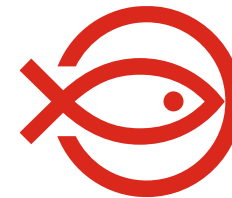


Oplæg: arbejde med jobskabelse, markeder og værdikæder

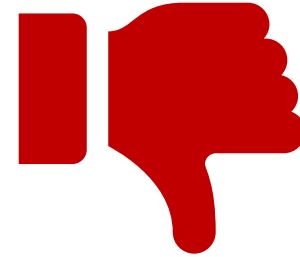
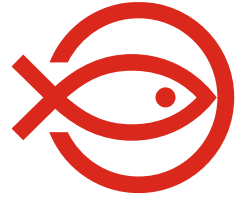
- CISU – 14. sept 2023

Karin Wied Thomsen, kwth@dca.dk

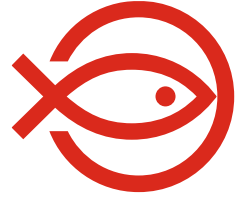
Senior Programme Advisor, Value Chains and Inclusive Business,
Folkekirkens Nødhjælp / DanChurchAid <https://www.danchurchaid.org/>



Let's get started!



Value Chains and Market-based development – cont'



Overall goal

To empower marginalised target groups
- by ensuring their market inclusion on fair terms

How?

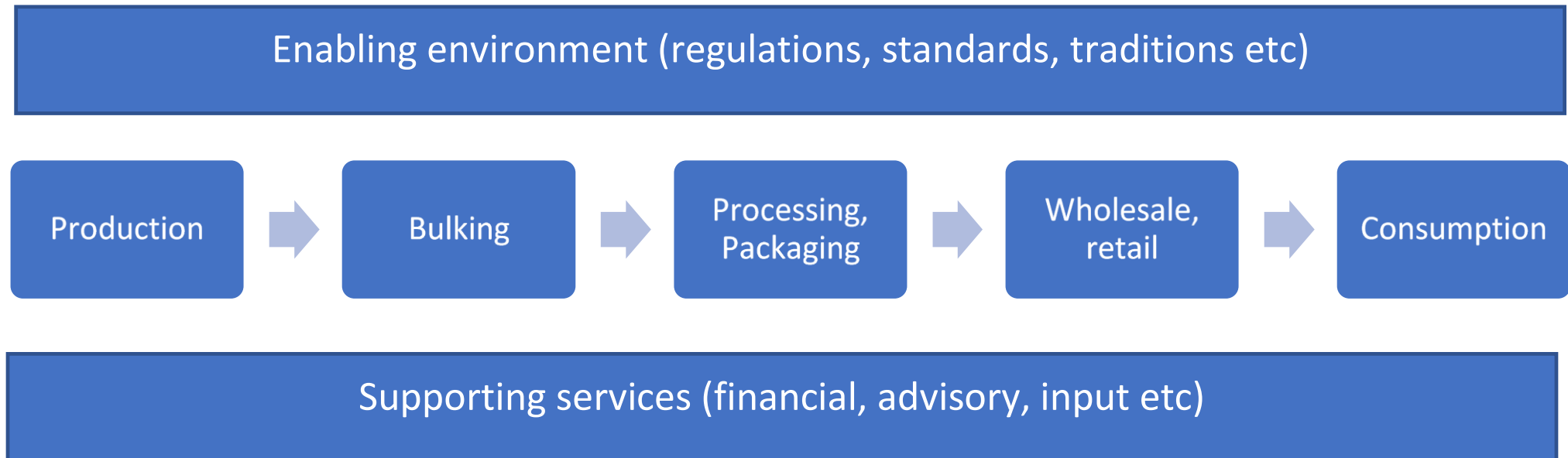
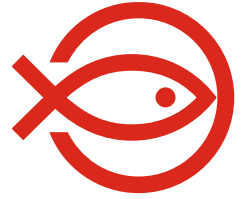
By creating *win-win situations* to both our target groups
and the private sector partners



‘

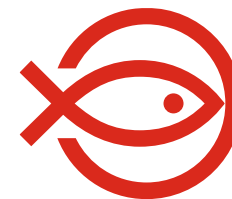
DCA works across the spectrum of the Market System

- the role of DCA and partners is to be a facilitator and a convener, working with different market actors

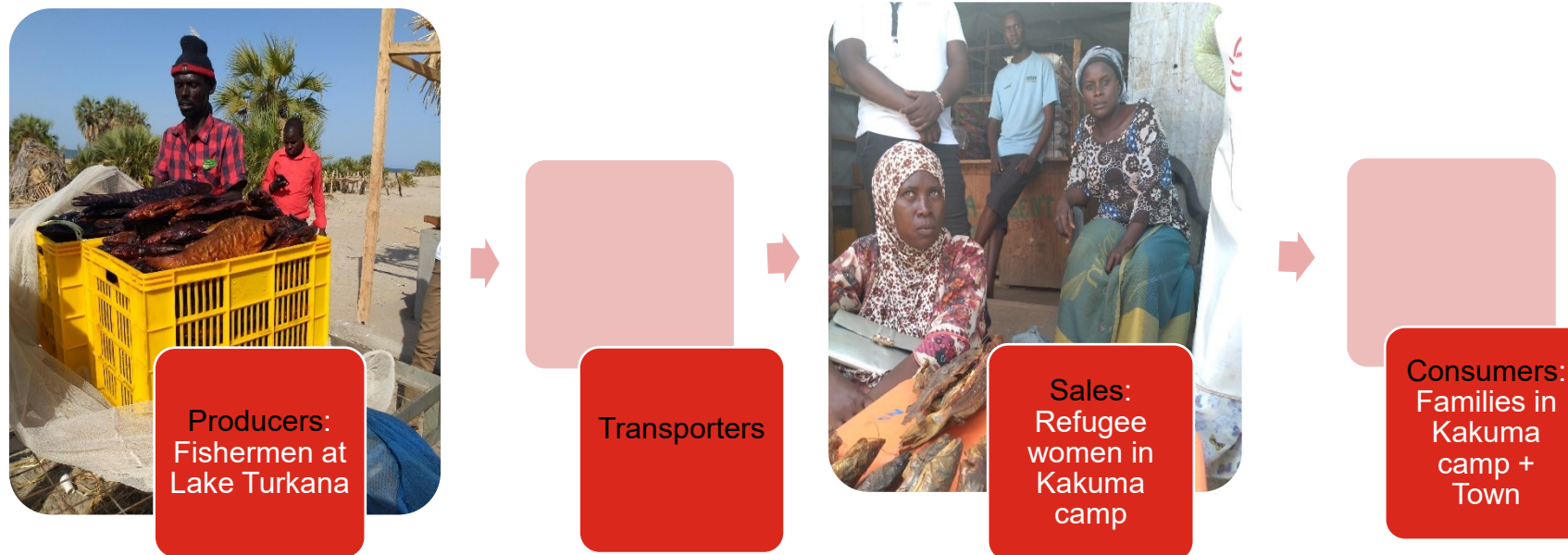


What is a system?

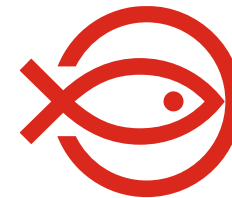




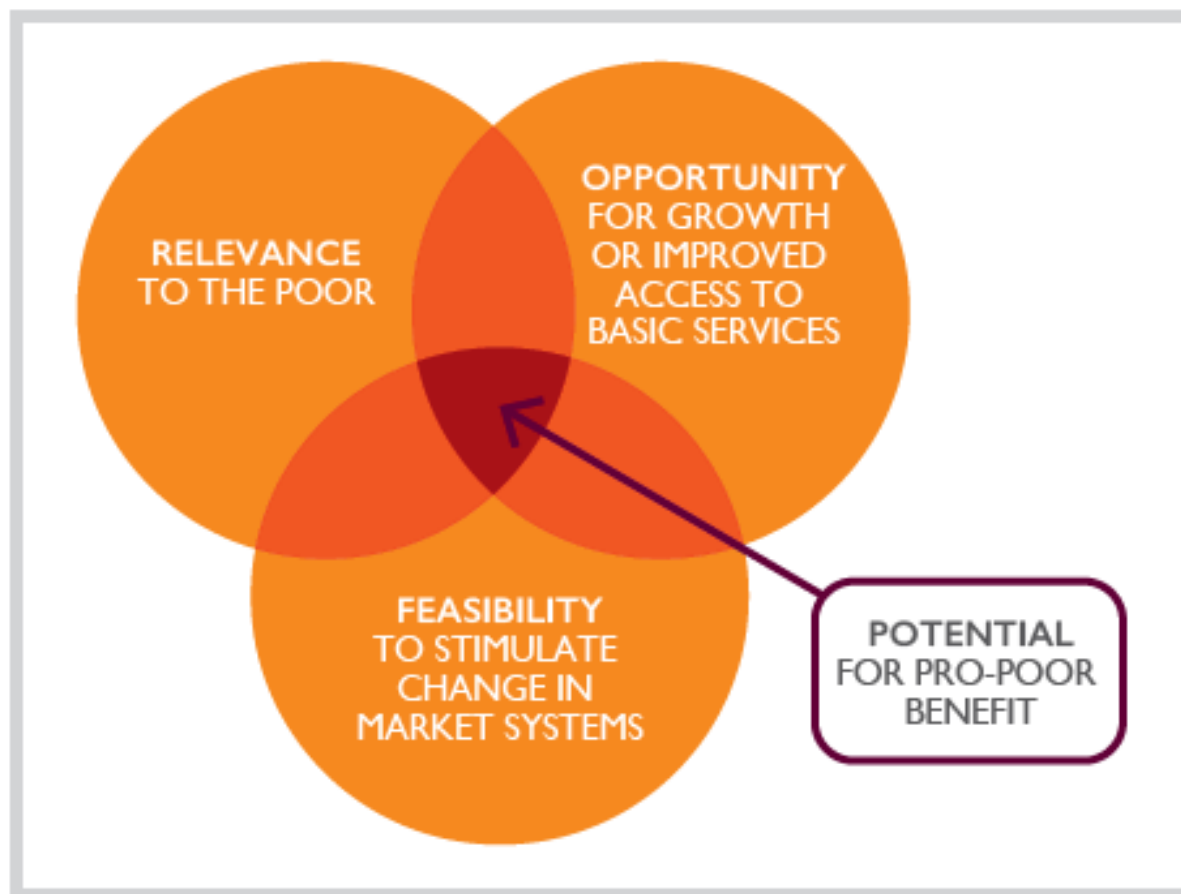
Dry fish value chain in Northern Kenya



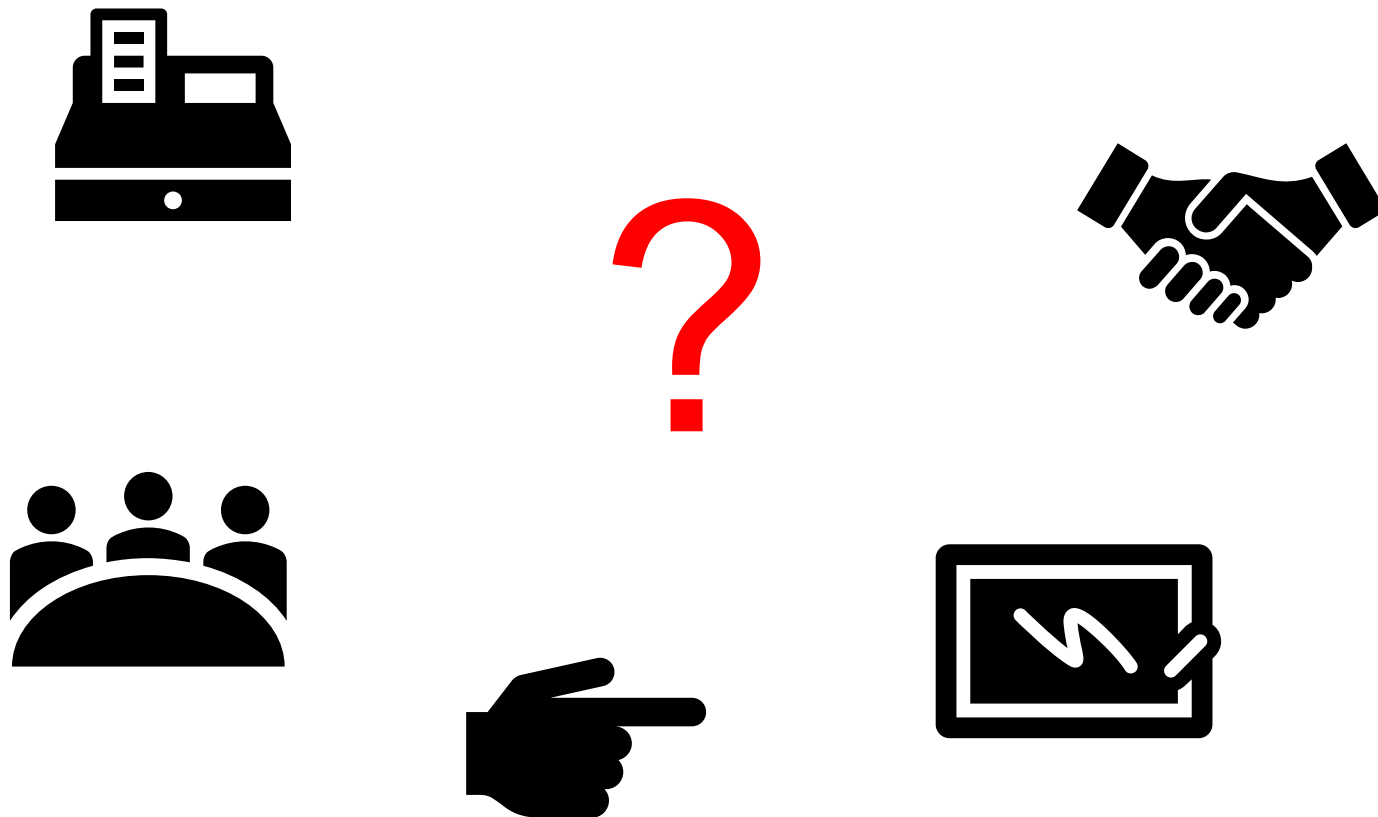
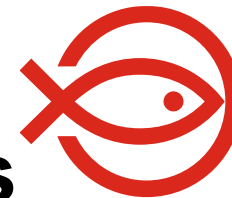
NGO as facilitator of negotiations, capacity building etc.
DCA and SAPCONE (NGO partner):

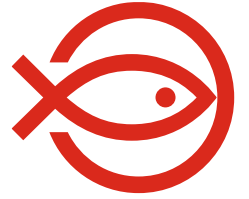


Relevance – Opportunity – Feasibility



Key components in market-focused interventions



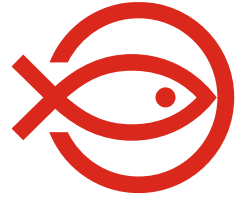


Key components in market-based interventions

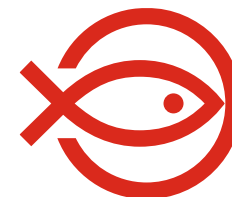
- our role as NGO's:

- Improving our target groups' **access** to markets, jobs and services/inputs (*training, investments (micro finance), advisory services etc.*)
- Facilitating **dialogue** between market actors: our target groups and other key market actors (*employers, buyers, customers, service providers, authorities etc*)
- **Capacity building** target groups (technical-voc. skills, business/entrepreneurship skills, cooperative governance, standards/quality assurance etc.)
- Ensuring **certification** and **formalisation**

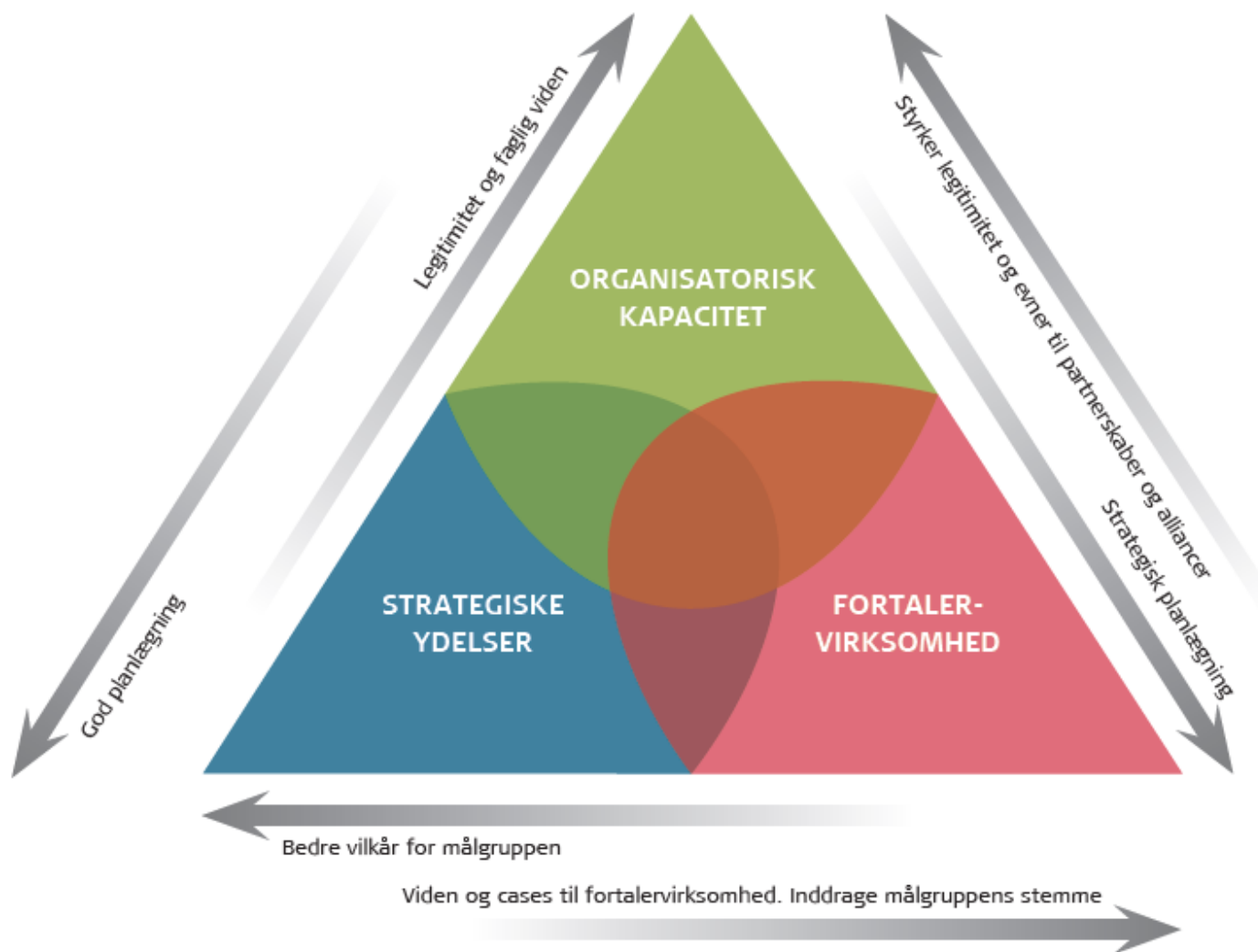
Value Chains and Market-based development – what's different?



- It's all about making money!
- The NGO as a facilitator of links
- Market inclusion for our target groups
- Sustainability: 'Exit before you enter' – easier said than done 😊
- 'Due diligence' assessment of private sector partner: labour rights, effects on communities etc.



UDVIKLINGSTREKANTEN



Engaging Markets

as a part of Development Strategies

Guide to key principles for Danish Civil Society to facilitate and advocate for long-term pro-poor market development



Danish Forum for
Microfinance

Principle #3: Facilitate change indirectly and discreetly through local entities

Guidelines:

- Work through local market actors
- Work through key points of influence
- Have clear exit strategies
- 'Crowd-in' new behaviours and activities
- Leverage stakeholders' motivations and interests as drivers of change
- Create demonstration effects
- Work with multiple partners
- Facilitate market pressure to incentivize market actors to behave more favourably

NGOs should work as temporarily change agents for sustainable change creating the conditions for public and private market actors to drive change themselves. Good facilitation is at the heart of sustainability, because it is underpinned by the ownership that the key market actors have over their own process of change.

3a. Work through local market actors with win-win strategies

NGOs should work through local entities rather than directly delivering services to the poor. In this capacity, NGOs are well-positioned to facilitate change indirectly and discreetly.

Through advocacy or capacity building, NGOs could take on functions such as:

- contributing to the introduction and dissemination of new ideas, practices or business models
- supporting conflict resolution and mediation structures for markets
- supporting processes that protect the poor as suppliers and buyers, e.g. consumer protection structures or processes
- supporting access to technical assistance for the poor or entities effecting the poor in various ways
- supporting mobilization and organization of the poor

Civil Society Organization' Principles and associated Guidelines for advocating for and facilitating pro-poor market development

PRINCIPLES	GUIDELINES
#1: Support pro-poor market development	<ol style="list-style-type: none"> Select markets with opportunities for large impact on social progress and fighting poverty Advocate for and support environmentally-sustainable strategies and green market growth Advocate for and support human and labour rights
#2: Base interventions on appropriate analysis	<ol style="list-style-type: none"> Analyse market systems and labour contexts Analyse informal rules and norms Analyse at household and intra-household level Analyse behaviours and coping strategies
#3: Facilitate change indirectly and discreetly through local market entities	<ol style="list-style-type: none"> Work through local market actors with win-win strategies Work through key points of influence Have clear exit strategies 'Crowd-in' new behaviours and activities Leverage stakeholders' motivations and interests as drivers of change Create demonstration effects Work with multiple partners <ul style="list-style-type: none"> market pressure to incentivize market actors to behave favourably demand-driven approach impeting with local products or services ze the value of both competition and cooperation ze the informal systems already in use by the poor ze unintended consequences access to inputs access to buyers linkages between producers and producer organisations access to finance cross-cutting market systems supportive policy and regulatory environments market-relevant knowledge exchange and skills building improved quality assurance systems

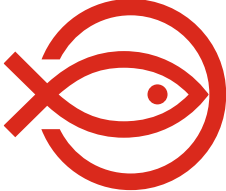
- sharing ideas with various entities to motivate improved action and business or other strategies to benefit the poor
- analysing contexts and sharing ideas about resulting opportunities with existing local entities
- building joint visions between stakeholders
- identifying and facilitating strategic partnerships between entities for the benefit of the poor that they serve (supply products, services or technical assistance to, or buy from)
- building trust and strengthening relationships between different types of entities for the ultimate benefit of the poor
- facilitating advocacy for the ultimate benefit of the poor and more efficient and fair market practices
- creating linkages between different types of entities for improved operations and benefit to the poor
- promoting dialogue between different types of entities for the ultimate benefit of the poor
- building capacity of various entities for improved operations and functions
- conduct learning/exposure visits to entities
- exhibiting good practice (locally, nationally or even in countries nearby)
- facilitating collaboration between different entities for the ultimate benefit of the poor

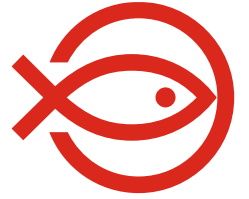
NGOs can work through existing local entities such as farmers' cooperatives or associations, local enterprises supplying to or buying from the poor, smallholder producers, media in poor communities such as local radio stations, or local government structures such as local associations or extension agents.

Illustrative Example:

An NGO realizes that poor producers have no ability to report bad practice by firms or entities that they work with - such as buyers claiming that they are supplying lower grades which cost less or input dealers selling expired inputs. Poor business practice and corruption are creating challenges for the poor producers; productivity and dis-incentivizing them to reinvest in their activities. Instead of the NGO setting up a consumer complaint system itself, the NGO works with a local government entity or local trade association to set up and manage a consumer hotline, which farmers can use to call or send text messages to, in order to report poor practices. The NGO also trains local village representatives of the various crop associations

Practical exercise: Market map



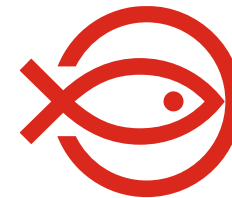


Practical exercise: Market system mapping

- **Visualising** the value chain and the involved market actors

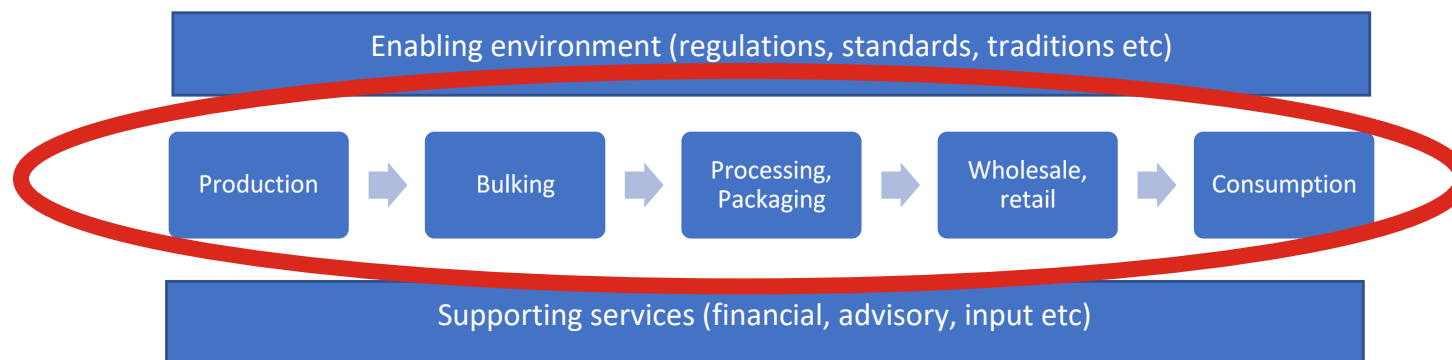
Why:

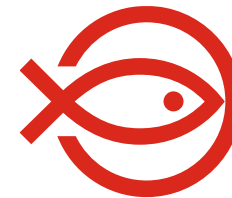
- To identify involved market actors (direct and indirect)
- To map their relationships, respective roles and inter-dependency
- To identify bottlenecks and risk areas in the value chain



Practical exercise: Market map – cont'

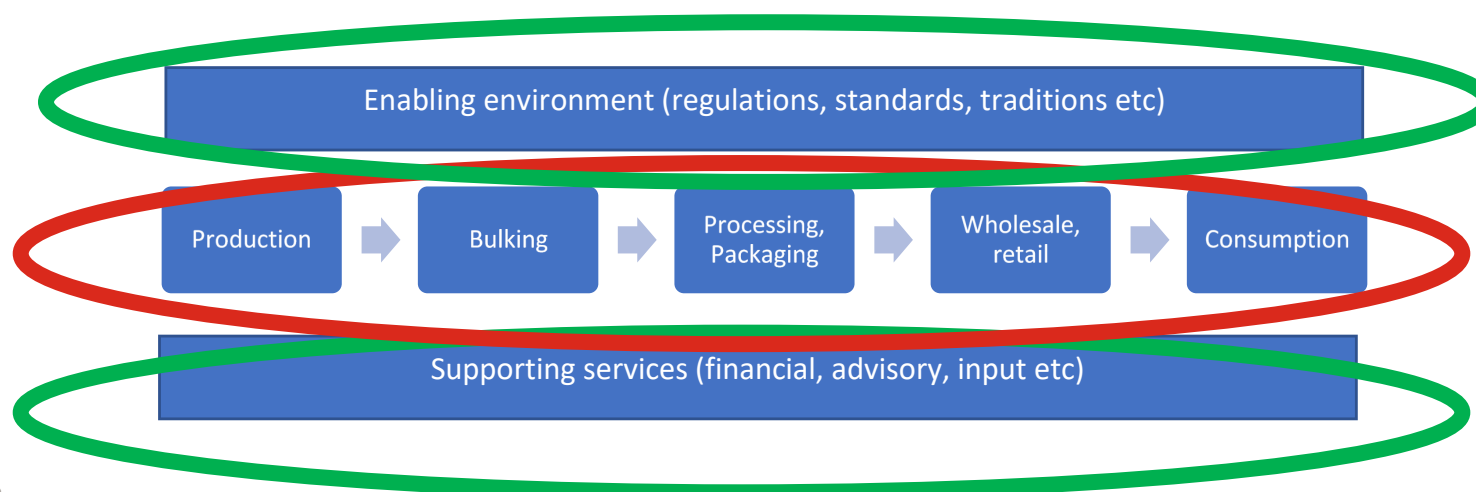
- Start by **mapping the value chain** itself: the directly involved actors

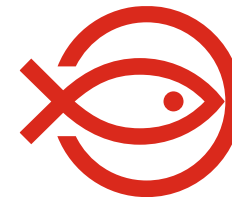




Practical exercise: Market map – cont'

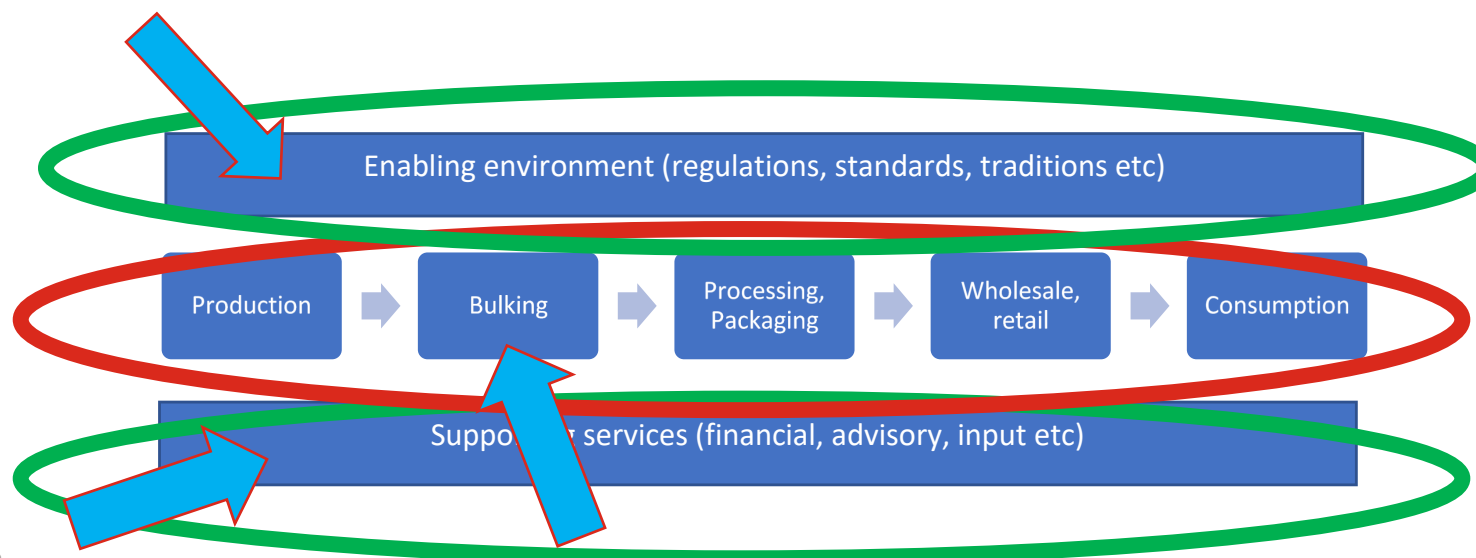
- Start by **mapping the value chain** itself: the directly involved actors
- Then **add the service providers and the enabling environment**

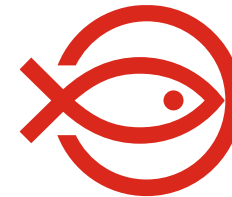




Practical exercise: Market map – cont'

- Start by **mapping the value chain** itself: the directly involved actors
- Then **add the service providers and the enabling environment**
- Subsequently **identify and analyse the possible bottlenecks and risks**, focus on smallholder producers' business conditions

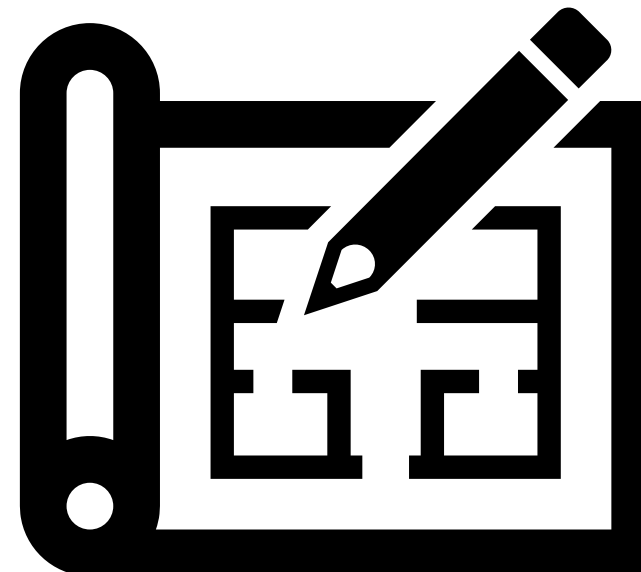




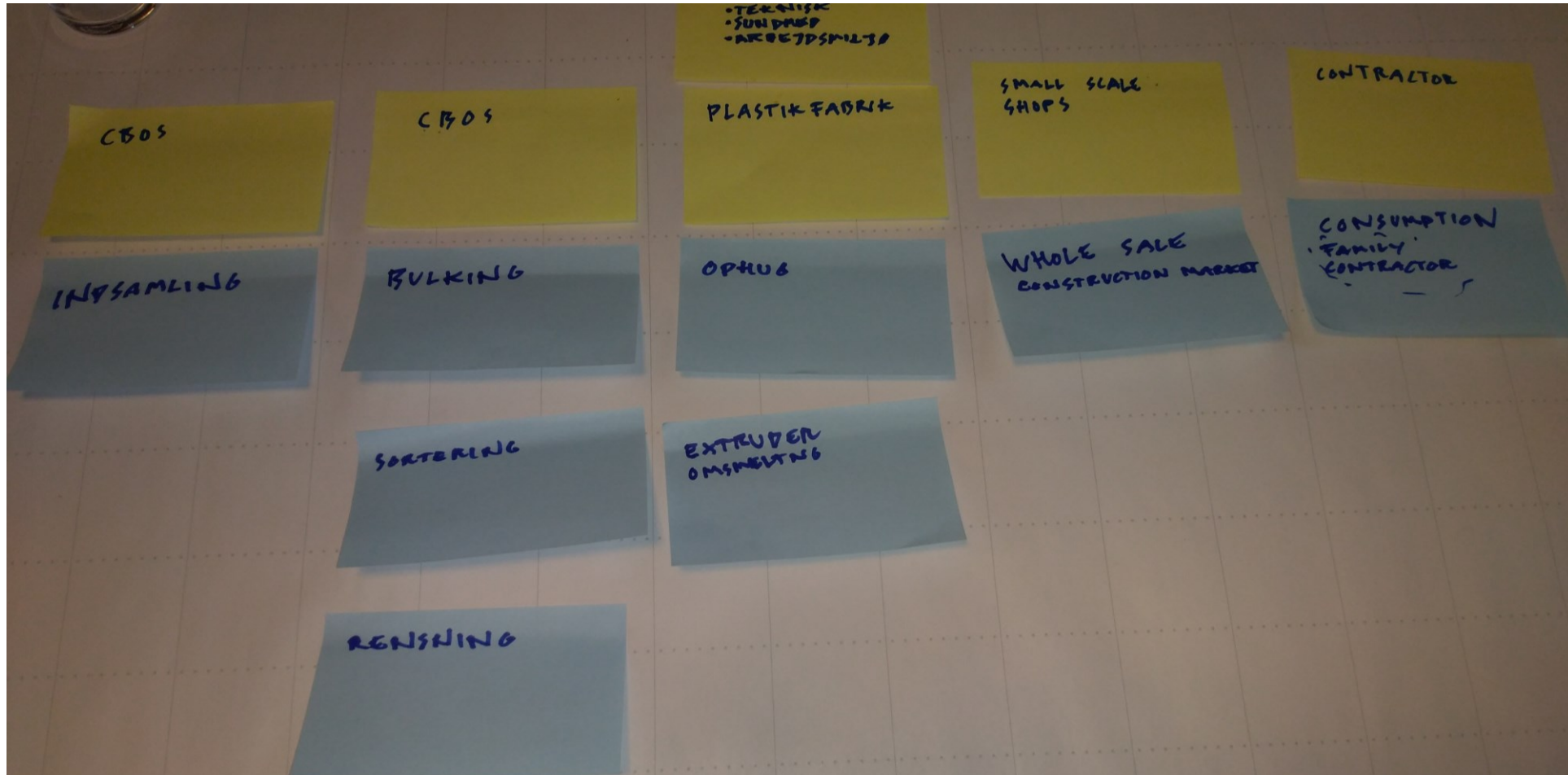
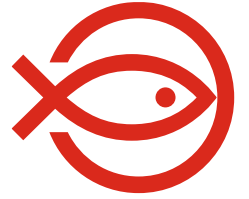
Bottlenecks!

Typical bottlenecks to our target groups

- Access to **land** , land rights
- **Transport** - expensive, challenging
- **Climate change** issues, eg. Instability of rains, recurring droughts
- **Mistrust** between the market actors



Analysis/Identification of bottlenecks in Market System → Action Plan → Intervention design

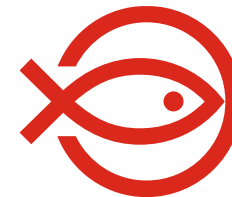




Practical exercise: Market map – cont'

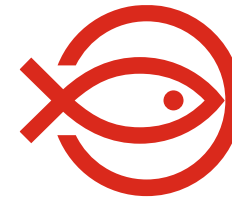
Common bottlenecks identified in exercise (DCA staff, Asia + Africa):

- Restricted (and expensive) **access to finance** and inputs for smallholder producers
- **Mistrust** between value chain actors, lack of transparency in transactions
- Fluctuating **prices** (eg. Imported produce overflowing markets)
- **Production** challenges: pests, diseases, poor quality of produce
- **Transportation** expensive and difficult
- Smallholder producers' lack of **business skills**
- Political priority not in favour of value chain



A few links

- ***Participatory Market Systems Development*** (PMSD), Practical Action (engelsk NGO) <https://www.pmsdroadmap.org/>
- ***Making Markets Work for the Poor (M4P)*** – den ‘oprindelige’ markedstilgang, udviklet af SDC og DFID (opdateret version) <https://beamexchange.org/resources/167/>
- ***Engaging Markets as Part of Development Strategies*** – en guide for danske NGO’er, udgivet af Dansk Forum for Mikrofinans http://mikrofinans.dk/component/docman/cat_view/24-publikationer-fra-dansk-forum-for-mikrofinans?Itemid=33



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