



19 years in facilitating market systems change! Lessons from the field. (Lesson -3)

Lesson 3: Donor's interests need to be matched with market's interest to facilitate a systems change. Beware of the difference between public good and private good.

A private sector #agribusiness company is pursuing the goal of making money by solving the end market's demand for a product. It can be a safe food, an organic food or just a processed food packaged for convenience. Their first aim is to establish a viable business. They are of course solving a pain for the customer. That can be the issue of convenience, safety, quality, affordability. The agro-processing company creates jobs in the process. If they are investing in farmers to produce the right output that is because that makes their business viable. If they are engaging female as farmers or labor force that is because that contributes to their competitive advantage. There is no humanitarian motivation in this process. Even if they are selling a human side to this story related to #hunger #safefood #organicfood #WEE #sustainability #sustainabledevelopmentgoal it is because there is money attached to it. It is because the shareholders want to feel good and they pay for it. Tobacco companies try to monetize the #SDG goals more than anyone else. Suddenly, many #FMCG companies have started to change their image to #socialbusiness. They are all following the money.

This is a hard truth that we need to understand when we work with markets. It was the job of the government to create jobs, to ensure equal growth, to address the issues of empowerment and such. But in this ever so increasingly connected world, the systems have all become interconnected and intertwined. It is all a massive interconnected system. A nudge in one system creates a butterfly effect. In this world, if the interests do not match, they collide. Collisions do not lead to a cohesion. A facilitator thus needs to ensure that the donor's goals of common good is translated to currency for everyone in the market and the value chain. How do we do it?

Start with what is given- for example, say a donor has funded a project to address the issue of #climatesmartagriculture as part of its efforts to support #climateresilience. The whole farming system is addressing the current need. As such, they will immediately adapt solutions that would address a current pain. For example, declining soil fertility, erratic weather conditions, increased salinity and such. As such, I will select value chains that have the highest exposure to these issues. But I will then also use another filter- I will select value chains for which some solutions/ innovations already exist in some way either in the country of implementation or in the region or in the world. I will focus on adapting it to the context I am dealing with. If it works, I will focus on promoting blue ocean strategies as we approach exit. The market can move from that point onwards.

Read the second part: <https://innovision-bd.com/wp-content/uploads/2023/05/Lesson-2.pdf>