

Making Markets Work for the Poor: Putting the poor at the heart of economic development

Summary and implications

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M4P as a framework for assessment and change

- n We have looked at M4P in terms of project design and implementation
- n However M4P is also useful as a framework for evaluation, orientation and change processes
 - n Eg a common basis for reviewing a portfolio of E&I / SED projects
 - n Re-orientation and building coherence across portfolios for the future



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Balkans / Caucasus... *starting situation*

Post crisis and transitional situations in both cases

- n Humanitarian attitude (focus on “for free” projects, income generation on individual basis as a focus (production))
- n Donor competition (esp. in the Balkans)
- n Understanding of markets is on a low level: understood in a wild-west mentality
- n Informal markets with strong internal dependencies

Political importance for CH

- n Fast starting programmes in technical cooperation
- n Mixture of different projects and approaches
- n Political influence on programming



Balkans / Caucasus... *starting situation (cont)*

- n Mixed portfolio with a high number of E+I projects
 - n Different approaches
 - n Focus on production and income generation
 - n Not really interlinked
 - n Very limited exchange between the different countries
- n SDC's first response in the Balkans
 - n Strengthening Knowledge Management
 - n Fostering regional exchange and learning
- n Podgorica Workshops as regional networking events: a general review of the different E+I - projects in the region
- n Review missions in the Balkans which should lead to a sample of best practices
- n Springfield offered an analytical framework with M4P



Balkans / Caucasus... *key findings*

Systemic Orientation...?

- n Generally not to start with – GROUPS
- n But most projects forced to assume more systemic focus (F-B linkages)

Explicit poverty reduction objective and logic...?

- n Balkans generally not (GROWTH) – Caucasus generally yes, but limited

Sufficient understanding of markets...?

- n Knowledge increasing as forced to think systemically - BUT LIMITED

Vision of future...?

- n Some yes, but lose aspiration rather than tight business plan
- n Paradox – provide “soft services” – valuable, but no plans for embedding

Matching interventions...?

- n Transactional relationships – give defined, get back often ill-defined
- n Building partners into valid market roles – limited view of market sustainability



Balkans / Caucasus... *primary outcomes*

- n More systemic approach to E+I projects
- n Relevance for all E+I projects
- n Increased market orientation
- n MMW4P as a reference in self- evaluation
- n Capacity building within SDC and partner organisations



Balkans / Caucasus... *challenges*

- n Humanitarian attitude within SDC, the partners and the beneficiaries
- n “Political” interference in programming
- n Knowledge needs to be deepened within the operational part of SDC
- n Level of support often in single projects instead of conceptual work
- n Frequent changes in partner organisations
- n How long-lasting is the intervention?

Balkans / Caucasus... *future*

- n The process in the Balkans is in limbo; revitalisation?
- n In South Caucasus still at the beginning and often at project level, more systemic approach is envisaged for the future
- n Rooting of the concept as an analytical approach within SDC

Summary

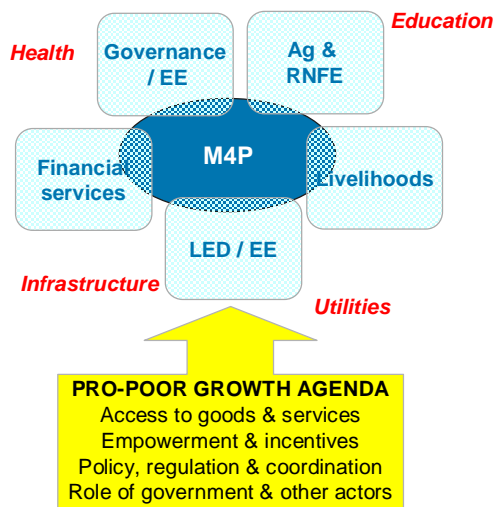
- n M4P evolved as a practical response to real world and development experience
 - n It is evolving as its application spreads (as cases illustrate)
- n M4P is integral to an agenda of pro-poor growth
- n M4P enhances other existing approaches...
 - n ... Governance to livelihoods...
 - n ... Value chains to enabling environment
- n M4P is an overarching framework into which existing approaches and techniques can be placed
 - n Providing clarity, coherence and rigour
 - n Rationale, understanding and guidance for action



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M4P and pro-poor growth: crossing cutting, not standalone

M4P's prime motivation:
How development agencies can intervene to promote inclusive, sustainable economic development...
 ... To include the poor in the economic mainstream



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Implications of M4P

- n M4P means evolution rather than revolution
 - n Builds on, rather than replaces, existing approaches and techniques...
 - n ... But asks how they can be used differently
- n This has implications...

Flexible projects

- Strategic direction, but flexible implementation
- Pilots/measures to build intelligence and credibility
- Integrated PSD activities
- Funding arrangements

Allocation of resources

- Less direct financing
- More TA/HR-oriented

Important roles for small, innovative, informed agencies

- On the ground
- Disruptive innovation
- Distinctive competencies

People

- Development & market
- Generalists & specialists
- Long term & short

New opportunities

- Funders
- Partners
- Mechanisms



Conclusion

- n M4P presents exciting and innovative opportunities for agencies in a number of fields
- n It emphasises inclusion and sustainability rather than isolation and dependency
- n It is optimistic that development assistance can make a difference...
 - n By harnessing the dynamism, incentives and resources of market players to leverage sustainable pro-poor change

