Self Selection to Ensure Ownership

Self selection is the process of setting preconditions to any form of project assistance. The preconditions have to be directly related to the change in behavior being sought by the project. For example, agricultural input firms have to conduct promotional events with their own funds in various communities before a project is willing to support the firms with technical assistance and cost share to improve the firm's input sales in rural areas. Self selection offers are directly tied to the commercial goals of the firm so they have value from the perspective of a serious business. For businesses that are uninterested in taking on risks or are interested in obtaining "free" donor funds, they would 'select' out of the program by not performing the required action.

A project would manage its resources and interactions based on self selection at multiple levels and in all programmatic areas. For example if a lead firm shifts away from acceptable management of its ME/farmer suppliers a project should withhold any support. A clearly articulated agreement based off of a strategic plan can be an effective tool at stating the role and responsibilities for each party.

A project that actively uses self selection tools can be seen as applying a rolling exit strategy. A rolling exit strategy uses self selection tools with wait-and-see tactics to constantly test and challenge private sector partners' (including MEs/farmers) ownership and capacity to function without the project's support. Wait and see tactics include strategic decisions to stay away from or limit any support to a partner as a means to assess how they respond. The process can be passive by letting support die without active communication from the project or actively refusing to work with a partner until they shift behavior.

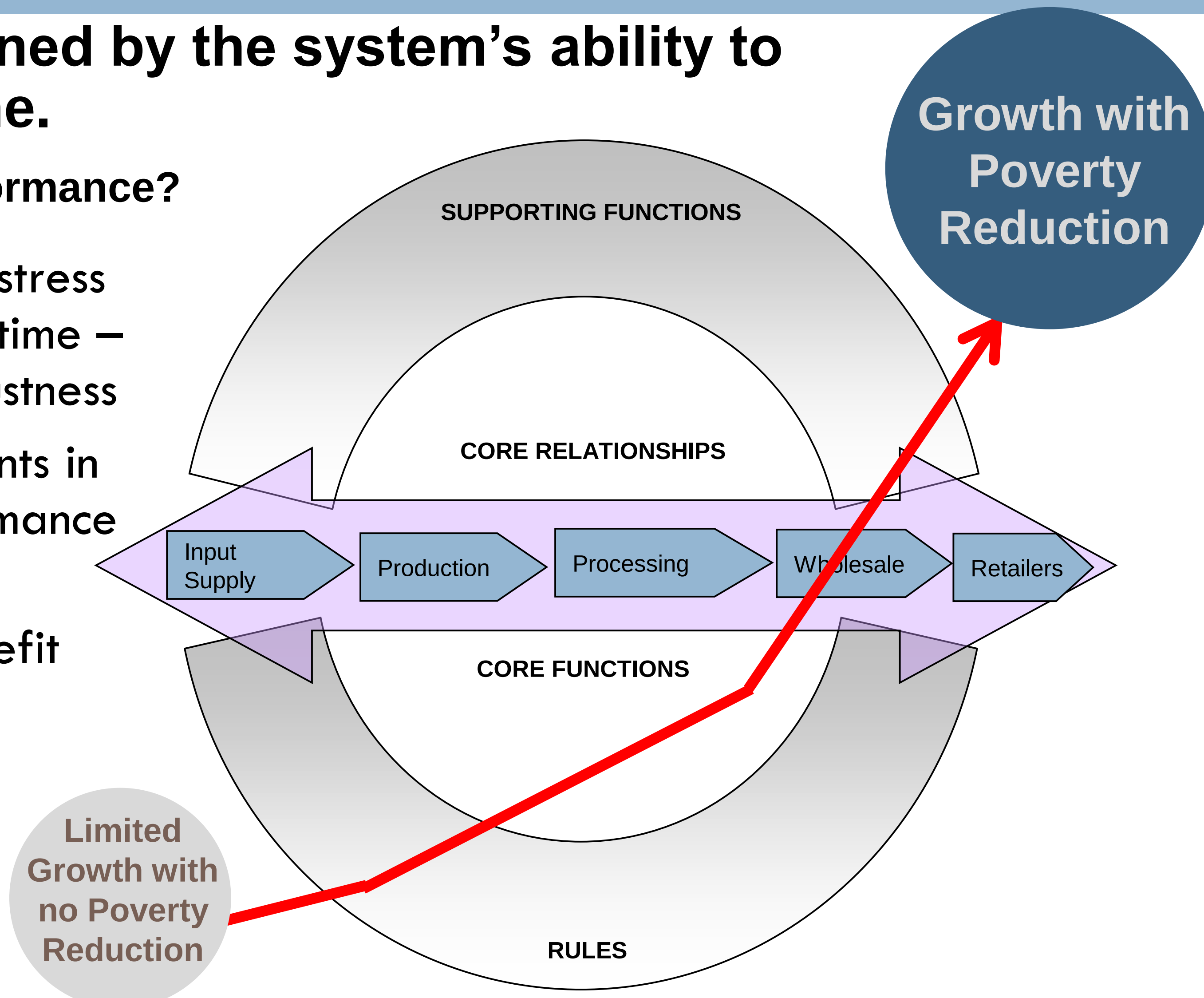
Passive cases are observed typically when relationships established or fostered are functioning well and project support is not seen as critical by the partners. In this case support should fade away to assure sustainability by a deepening of experience and hopefully trust. The project should avoid reinserting itself in that relationship unless necessary. Essentially the project is exiting from the activity and since resources are not required at that level they can be diverted to new constraints or opportunities where warranted. For example, in Zambia as input providers established solid relationships at the community level allowing the project to exit at that level, it became clear that many of the input firms had minimal mid-level management capacity to deal with the substantial growth in transactions. As a result, the project exited consumer level interventions and shifted to the firm level interventions to address the identified limitation in the industry.

Durability

Durability is defined by the system's ability to perform over time.

What is effective performance?

- Ability to manage stress and still grow overtime – resilience and robustness
- On-going investments in upgrading/performance improvements
- More inclusive benefit flows



Market Facilitation

What is it?

Is an action or agent that catalyzes the market system to develop and grow inclusively, but does not become permanent part of it

Facilitation Concepts

Why: to increase the competitiveness of the whole industry/sector over time by catalyzing:

- Broader and deeper commercially grounded relationships that are aligned with systemic change objective
- On-going investments in innovation that improves performance
- Benefit flows that are more inclusive – perceived as more fair

How:

- Foster local **relationships**
- Catalyze **ownership** of the change process
- Appropriate **intensity** (i.e., role and resources of project)

Facilitation Tactical Concept

Managing Momentum Through Self Selection:

- Ensuring ownership
- Initial selection based on market actors' demonstrated commitment to change process (from their perspective)
- On-going adjustment of intensity based on observed behaviours of market actors
- Rolling exit to manage momentum towards durable change

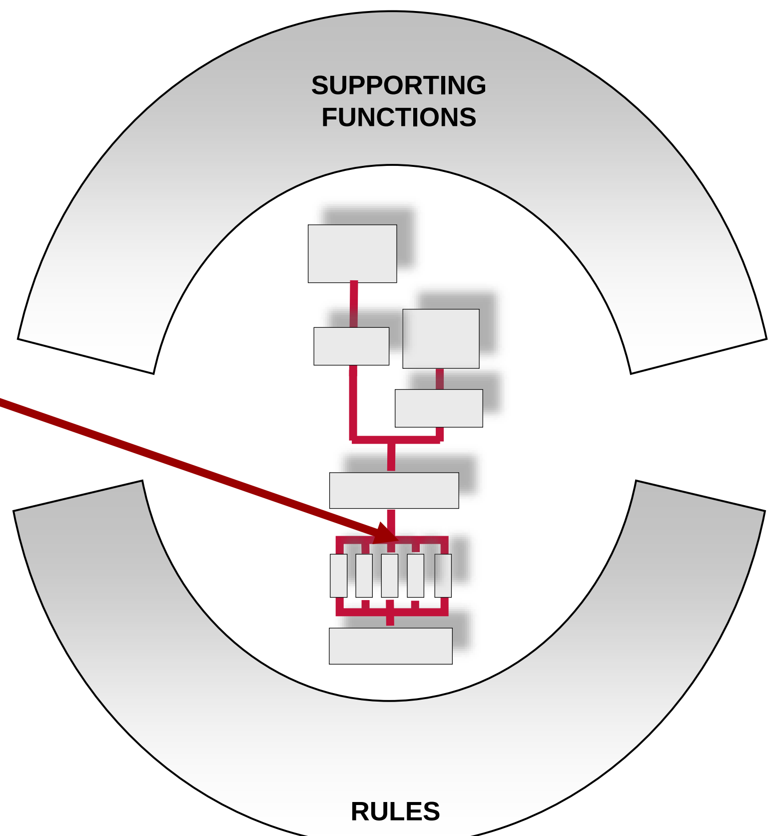
Initial Selection

Self Selection examples: Multiple rice millers agree to a strategic planning process to define their growth strategy

Rice millers select into the project by agreeing to SH management and identify specific managers to initiate the change in business tactics

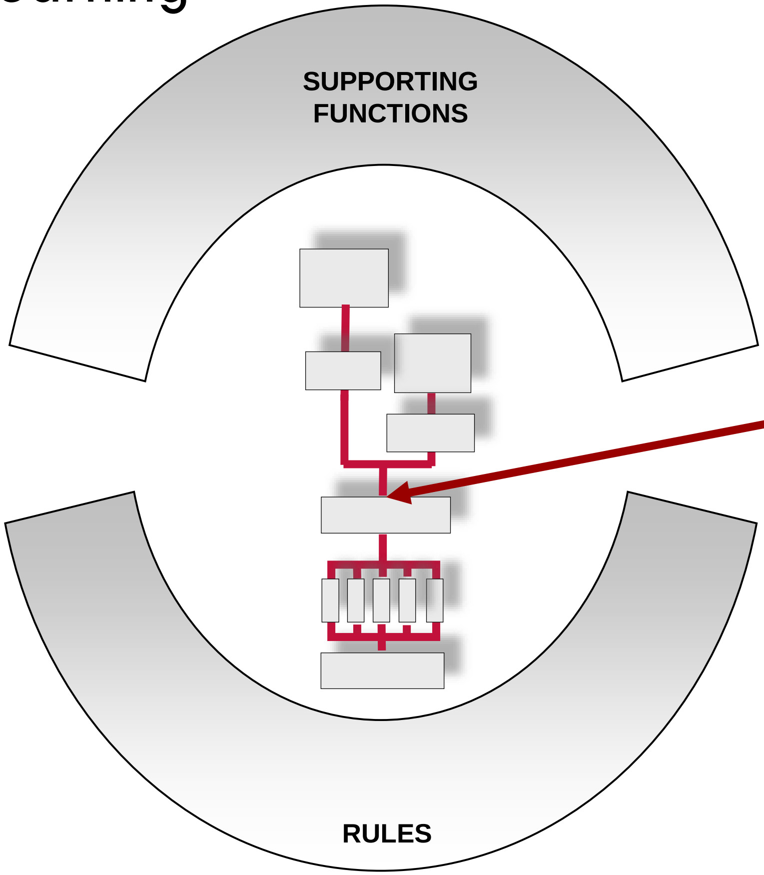
Then

Project provides technical assistance in training of mid-level managers on new supply chain management skills



Managing Process

Rolling Self Selection: Multiple rice millers agree take on new smallholder management tactics but need improved tools to mange information/learning



Rice millers select into the project by conducting internal systems review to identify inefficiencies and information gaps

Then

Project cost shares upgrading of IT system to support new SH management strategy

Practical Recommendations

- Shift to using planning tools and processes with market actors as foundation of agreements
- Investment/commitment to implementing the plan determines project support – project only supports market actors that demonstrate ownership/commitment to implementing their plan.
- Project activities are always in the context of the market actor and overall system behaviours/biases
- Adjust resource allocation to support market actors that are driving systemic change – the key is to frame systemic change in the perspective of the market actor
  - Specific project activities are defined in response to market actor behaviours – stopping/starting/adjusting activities constantly
  - Putting activities on hold with a market actor is a powerful tactic
  - Door stays open 24/7/365

Questions?