

Management Response & Recommendations Action Plan

Evaluation Report Title:

Independent Evaluation of Wealth Creation Development of Rural Markets in Zambia

Response to Evaluation Report

DFID provided £4,600,000 of funding between 2012 and 2016 under the Wealth Creation Development of Rural Markets Programme (WCDRM), which was implemented by a Zambian NGO called Musika. This funding was combined with similar finance from the Swedish International Development Cooperation Agency (SIDA).

Musika's approach, using this finance, was based on providing grants and advice to private sector organisations working in agricultural input, output, service, finance and environmental (e.g. solar energy, biofuels) markets.

WCDRM aimed to reduce rural poverty by integrating farm households into better functioning agricultural markets. The Theory of Change of the programme was based on helping private sector companies build their human and physical capacity and develop their strategic alliances and networks. Companies should improve their outreach and build farmers knowledge of their products and services developing local outlets or purchase points for supply of inputs or purchase of outputs. Farmers with better knowledge and locally available markets were expected to change their agricultural practices thereby increasing production and productivity. Other firms were expected to 'crowd in' to supported markets and additional farmers were expected to 'copy' promoted practices. This was expected to contribute to an increase in smallholder's income and reduce poverty.

The evaluation used a theory-based approach that aimed to assess whether, why, and how programme interventions produce intended results by testing the cause-and-effect mechanism described in the WCDRM Theory of Change. Contribution analysis explored the validity of causal links that underlie the programme's individual interventions. To do this the evaluation used a case study approach. Six case studies were assessed from the twenty four WCDRM interventions present at the start of the evaluation.

We welcome the findings of the evaluation both in reviewing the success of the WCDRM programme and in providing a larger evidence base for programmes working the making markets work for the poor thematic area.

Due to the success of this programme, DFID is no longer providing funding to Musika. However, Musika have agreed to take forward the specific project recommendations of the evaluation, alongside SIDA. There are also a number of lessons that DFID should take on board in terms of learning how to better implement making markets work for the poor programmes. Finally, the use of a theory based contribution analysis evaluation approach was quite innovative and should be shared with the evaluation community.

The DFID Zambia office has agreed a set of short communications products in order to achieve this. The following communication products will be shared with key evaluation stakeholders within Zambia, DFID and the policy community by e-mail and social media:

- Evaluation Policy Brief;
- Evaluation Infographic;
- Case Study Papers; and
- Paper on Evaluation Contribution Analysis approach.

Our response to key findings is summarised below.

Management Response & Recommendations Action Plan

Evaluation Report Title: Independent Evaluation of Wealth Creation Development of Rural Markets in Zambia

Key Recommendations (for more detail please refer to the Evaluation Report, Section 6, pages 76 – 83)	Accepted or Rejected	If “Accepted”, Action plan for Implementation or if “Rejected”, Reason for Rejection
1: Musika should make greater use of market systems analysis.	Accept	<p>Musika views market analysis is a continuous process that carries both initial in-depth market analysis and scan and continuous observations of the market dynamics.</p> <p>Musika is now conducting intervention performance analysis to strengthen and modify the implementation of supported interventions. This analysis takes into account how the market is responding at a given time.</p> <p>Facilitated interventions are guided by market systems principles, with Musika’s role mainly to align incentives to motivate market players to participate in the market, while at the same time facilitate productive linkages between agricultural market actors.</p> <p>While there is an emphasis within the project on impact, scalability, sustainability, value for money, and return on investment, more in-depth work will be conducted by Musika at the initial stage.</p>
2. Musika should undertake more in-depth financial due diligence of proposed interventions that includes profitability analysis with financial projections. An integral part of this profitability analysis is projecting an intervention’s likely outreach (number of farmers served) and what this implies in terms of costs, sales, and profits.	Accept	Musika plans to table this recommendation at the July 2017 Staff Management Training Meeting. At this meeting a set of follow up actions will be agreed.
4: The programme should continue monitoring and disseminating the results of the case study and non-case study interventions.	Accept	SIDA is planning to carry out an evaluation of their support to Musika in the future. At which point they will consider the inclusion of the evaluation case studies in the design.
5: There were number of key policy recommendations around how DFID could improve how it works on programmes in the area of making markets work for the poor:	Accept	The DFID Zambia office will share the evaluation results and will engage in a dialogue with Policy Division in October 2017 to look at how the lessons from this evaluation could actively inform how DFID works in similar making markets work for the poor

Management Response & Recommendations Action Plan

<ul style="list-style-type: none">• Investing in creating greater capacity to perform market systems analysis, both internally and within the practitioner organisations they support;• Documenting and disseminating information the relative strengths and weaknesses of a matching grant vs. systemic approach to market systems development;• Greater use of combined or clustered funding to multiple organisations operating in the same market system;• Market support interventions should integrate explicit emphasis on facilitating demonstration effects into market system analysis and market system interventions;• When targeting gender, Market support interventions should specifically find market opportunities and developing sound business strategies to target women in their analysis and provide support to market actors to implement them;• Market support interventions should target/prioritise interventions with private sector partners who either have an existing extension network or who are committed to creating one; and• Market support interventions should continue to exercise flexibility and adaptability in interventions mid-stream if conditions on the ground warrant it. At the same time, donors should continue to allow implementers the flexibility to make appropriate adaptations.		<p>interventions across our global portfolio. DFID in-country offices using a similar approach will also be invited to participate.</p>
--	--	---