

# **Lessons and Insights in Participatory Market Chain Analysis (PMCA)**

An action-research of PMCA applications in  
Bangladesh, Sri Lanka, Sudan, Peru and Zimbabwe

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(Long Version of a PPA Report to DIFD)

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## **Lessons and Insights in Participatory Market Chain Analysis (PMCA)**

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### **1. Overview**

This research explores the ways in which the five project teams of the Markets and Livelihoods Programme (IA2) understood and used Participatory Market Chain Analysis (PMCA) to facilitate the development of markets in different contexts and for different products. It is also a way of testing whether PMCA could be a useful tool for the structural transformation of market systems.

**The core concept of PMCA** is fairly simple: get a wide range of market actors together to identify blockages and opportunities in the market system and allow them to build their own strategies to tackle the former and take advantage of the latter. Of course, there is a long way to go from the concept to the reality of field implementation. This research is about understanding how to get there successfully.

To increase cross-case comparability, each team began the process with a common set of concepts, tools and methods that they applied in their contexts. However, reality proved more complex and exciting than expected. The final results provide insights and lessons about both PMCA and the project teams, and constitute a valuable baseline to design appropriate strategies to improve the effectiveness of IA2's work.

**Our goal as IA2 is** to contribute to the improvement of the livelihoods of poor rural producers working in market-based production systems. In order to achieve it, we are pursuing a strategy that assigns a central role to the markets, understanding them as complex socio-economic systems of relations amongst individual and institutional actors. The strategy is based on: (i) structural transformations of market systems in order to eliminate or minimise critical blockages that marginalise poor producers and (ii) the empowerment of the latter in order to help them to participate in such markets with autonomy, influence and profitability.

## **2. The research**

### ***2.1. Countries and selected sectors***

Using different sources of information (e.g. direct knowledge, past experiences, information given by rural producers and market studies), each team decided to focus on one subsector or product in a particular context, as follows:

- Bangladesh: Milk in Dinajpur district (Northwest).
- Sri Lanka: Fisheries in Rakewa and Panama lagoons (South).
- Peru: Cheese in Tongod district (San Miguel Province, Cajamarca department, Northern Peru).
- Sudan: Hibiscus in North Darfur and North Kordofan.
- Zimbabwe: Guar bean in Guruve and Rushinga districts in the Zambezi Valley (North).

As it will be shown later, the selection of subsectors responded to a mix between opportunistic and strategic behaviour.

In all cases, with the exception of Bangladesh, PMCA was 'inserted' in an ongoing project.

### ***2.2. What the project teams set out to do***

Each project team agreed to follow a common framework and a common sequence of phases and steps that are explained below. This setting represented, at least in theory, a challenging but exciting possibility to gain knowledge, insights and lessons about PMCA and its application in the field, not only for Practical Action but for other organisations that have similar interests.

### ***2.3. What the teams did***

All five project teams produced different types of reports and working documents to share information and insights about the progress of their PMCA. Additionally, the five team leaders and some of the project managers involved in the implementation of the PMCA were interviewed at least once (in some cases twice) by UK staff using a common semi-structured questionnaire.

## **2.4. Some methodological challenges**

The methodology has the characteristics of an action-research initiative and uses both within-case analysis and comparative analysis (across cases). However, it is important to highlight that **the conditions were far from ideal as to pretend to have produced conclusive results**. This research should be seen as a step forward towards a better understanding and application of participatory tools and processes to make market systems work better for the poor.

Some of the challenges that affected this research are:

- From the beginning, this research was supposed to be a very pragmatic attempt to begin fleshing out critical issues about PMCA applications. This does not only respond to external constraints of time and budget, but also to an explicit attempt to learn how much we can achieve using simple concepts, tools and methods. This is important because sophisticated or time-consuming approaches tend fail in the contexts where AIM2 is trying to make the greatest impact; i.e. marginalised, low-income communities making a living in extremely weak and dispersed markets.
- In terms of the detailed PMCA design and implementation by the teams, **any process-related comparison is difficult and should be approached with care**. The five teams implemented the process in five different contexts and subsectors. Furthermore, they adapted the original approach to the realities and needs of those contexts and products; and implemented the process following the interpretations and perceptions of the individuals involved.
- Any attempt to measure and compare PMCA short-term impacts must also be made with caution. **It impossible to attribute any visible impact entirely to the implementation of a PMCA process**. Some cases of apparent success rest upon long term processes of capacity building made by Practical Action or other organisations; cultural predisposition to collaboration or mutual trust; exceptional individuals involved in PMCA; or even expectations or fears (such as market collaboration induced by the threat of increased international competition). However, as it will be shown later, even in the cases where attribution is difficult, PMCA can act as an invaluable catalyst towards the transformation of market systems.

### 3. PMCA model

This section briefly presents (i) the market map, which is a theoretical framework that informs the logic and operation of PMCA; and (ii) the PMCA operational model. These models were discussed and agreed with all five team leaders before they undertook the PMCA process in their countries. For further details you can refer to the paper '**Mapping the Market: participatory market-chain development in practice**', written by Mike Albu and Alison Griffith<sup>1</sup> and published in the Small Enterprise Development Journal (Vol. 17, No.2, June 2006)<sup>2</sup>.

#### 3.1. General framework: The market map

The market map is a model that describes 'the overall market system for any given market chain'. It splits the system into three main sub-systems, layers or spheres: (i) the market chain, (ii) the business environment, and (iii) the service providers.

- **Market chain:** 'The chain of economic actors who own a product as it moves from primary producers to consumers'.
- **Business environment:** 'Infrastructure and policies, institutions and processes that shape the market system'.
- **Service providers:** 'The business and extension services that support the market-chain's operation'.

As an example, the following is the market map drawn by the participants of the first PMCA workshop, held in Sri Lanka (Rekawa Lagoon, 30-01-06).

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<sup>1</sup> Largely based on Practical Action/ITDG's earlier experiences.

<sup>2</sup> Quotes in this next section are taken from this paper.

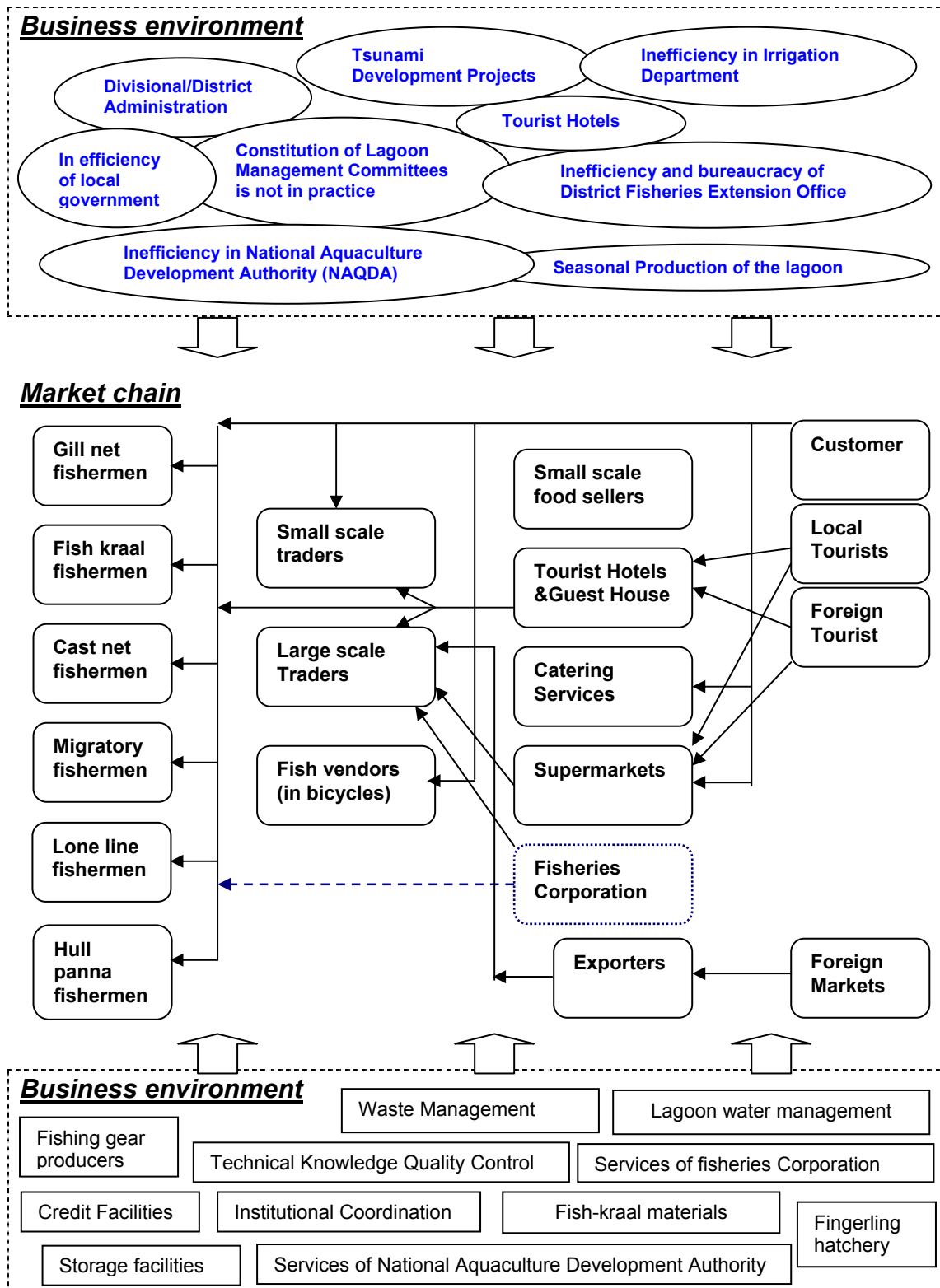


Fig. 1: Fisheries market map in Rekawa lagoon (Sri Lanka).

### **3.2. PMCA operational model**

The following sections explain the main elements of the operational model proposed in this research. In theory, it is intended to improve the ways in which the project teams facilitate a participatory development of the market systems (see section 2.1).

The operation of the PMCA involved a sequence of phases and steps agreed by the UK team and the five team leaders<sup>3</sup> of each country involved. In principle, the team leaders agreed to follow the phases and steps as a guideline. The phases are supposed to be followed in sequential order but the steps are not; the project teams can adapt the steps sequence to their needs. The model also involves the concepts of Market Opportunity Group, Interest Groups and Hooks, which will be explained below.

#### **3.2.1. Phases**

The model proposes three consecutive phases: preliminary mapping, PMCA workshops and action plan. Figure 2 below is an attempt to visualise them.

- **Preliminary mapping:** it is an opportunity for the team to prepare for the process, gather primary and secondary information, establish the level of knowledge and experience that they have about the market system, draw a preliminary map, and identify the initial actors that will be invited to the PMCA workshops.
- **PMCA workshops:** they are events where different market-chain actors can meet to share their perspectives, problems, and expectations; build common understandings and trust; and identify blockages, challenges and opportunities in the market system.
- **Action plan:** it is a guide for coordinated and strategic actions. In theory, it is informed by the previous two phases and can range from immediate activities to broad guidelines for the future. It also allows for resources and responsibilities to be defined and shared amongst market actors. The action plan is an important tool in the transition from analysis to coordinated actions to transform the market system.

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<sup>3</sup> Practical Action's International Programmes have a structure in which each AIM at the country level has a team leader who is responsible for a group of project managers in the field.

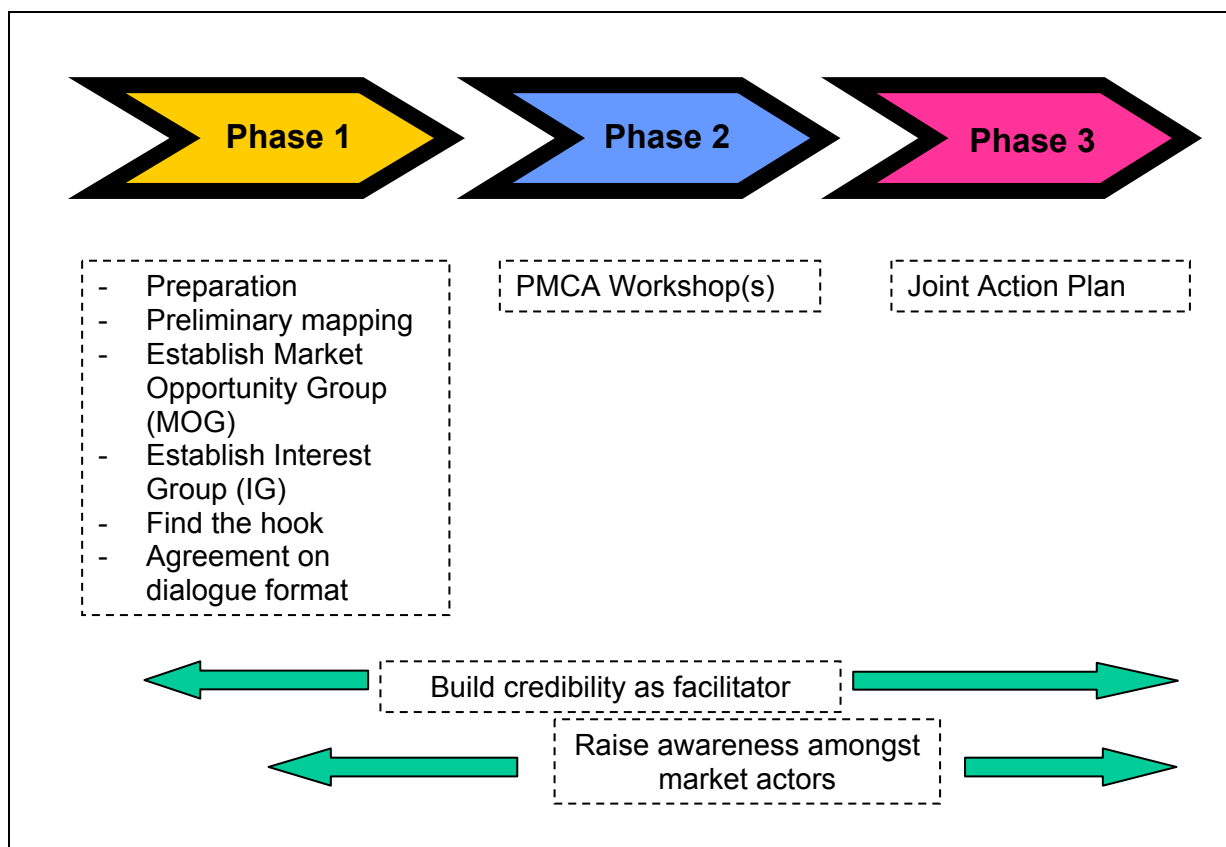


Fig. 2: A visualisation of the originally proposed PMCA phases.

**The phases are intended to strike a balance between order and flexibility**, in the sense that they provide a broad sequence within which steps can be arranged up to a certain extent according to the needs and challenges introduced by each context.

**In general, the teams planned the implementation of the PMCA following the original template.** An example is the planning and tracking sheet used by the Bangladeshi team shown below.

Work No.	Description	In charge	Resources	Start date	End	Duration weekdays	Priority
1	Contract with external resources	Shazzad	Rob	Dec 20	Dec 21	2	High
2	Preliminary Mapping Workshop, strategy for forming interest groups, setting hooks and outline for developing checklist for interaction in the field	Shazzad	Market and interest group members	Dec 26	Dec 27	2	High
3	Preparation of checklist for interaction with market chain actors and stakeholders for doing workshop and action plans	Shazzad	Consultant and PMCA team Market and interest group members	Jan 23	Jan 31	7	Moderate
4	Workshop for orientation at field on PMCA, interview with market chain actors, workshop for action plans and presentation of findings	Shazzad	Consultant and PMCA team	Feb 5	Feb 20	13	Moderate
5	Compilation of information and completing <i>learning sheet</i>	Shazzad	Consultant and Shazzad	Feb 21	Mar 2	9	Moderate
6	Sharing of learning output	Shazzad	Consultant and Shazzad	Mar 5	Mar 5	1	High
7	Finalisation and submission of learning output	Shazzad	Consultant and Shazzad	Mar 6	Mar 9	4	High

Table 1: PMCA Planning and Tracking Sheet, Bangladesh

### 3.2.2. Market Opportunity Groups, Interest Groups and Hooks

The Market Opportunity Groups (MOGs), Interest Groups (IGs) and hooks are concepts that are intended to ease the PMCA facilitation process and increase the sustainability of subsequent collaboration amongst market actors. Understanding the ways in which these concepts are put in practice and the tensions that emerge amongst market actors when they are used is one of the purposes of this research.

- **Market opportunity groups** are groups of small-scale producers who want to exploit an opportunity in the market system. They are intended 'to represent and empower target producers'.
- **Interest groups** are groups of actors, different to the small-scale producers, who have a direct interest in the development of the market

system. They can be individuals, organisations or institutions who work in the business environment and service provision levels; for example, policy makers, extensionists, input suppliers or training centres. In some cases market chain actors can participate but it is still not clear what their impact in the IGs might be in the long run.

- **Hooks** are issues that will attract and engage market actors (especially from the private sector) in the PMCA workshops.

### ***3.3. The pragmatic, 'quick and dirty', light-touch approach***

Can PMCA be implemented both successfully and easily without spending excessive amounts of time and money in desk-based analysis and external consultancies? Can the participants be the main source of information and knowledge? Can market development be made possible through a light-touch facilitation that instead of imposing our best solutions builds on the best solutions that emerge from a dialogue of market actors?

We believe that all of those questions can be answered positively because the following principles should operate when PMCA is facilitated properly:

#### **3.3.1. Self-regulation of information production**

When you get a wide variety of market actors together, self regulating mechanisms of information production emerge. In other words, that the information gathered from a diverse group of market actors sharing their knowledge, experiences and perspectives around a particular market system presents less exaggerations, biases and mistakes than that gathered from a single actor or an homogeneous group of actors, such as farmers.

This principle does not rule out the importance of secondary sources or strategic planning (see for example the working plan drafted by the Bangladeshi team, presented in table 1 above). On the contrary, it should motivate the facilitators to find a balance between theory and practice and reflection and action. It should also help to reduce the intensity, time and costs of desk-based market research whilst allowing the PMCA participants to act as live sources of market knowledge.

#### **3.3.2. Self-selection of sustainable strategies**

This principle is closely linked to the former and is based on the idea that the participation of a wide variety of market actors can select the best market development strategies for the current market conditions. In other words, if win-win strategies are being sought after by the PMCA participants and defined by consensus, only the ones with the highest sustainability and impact potential will be selected.

As facilitators, this also means renouncing to push the group to select the strategies that we deem best and supporting the ones selected by the PMCA participants instead. This renunciation is acceptable after the facilitators have contributed to the PMCA process with their own information and experience.

These two principles have important consequences in the ways in which facilitators relate to external consultants. They suggest that it is better to look for specialised consultancies only when the PMCA process gets stuck due to lack of information or expertise.

### **3.3.3. Laying a foundation for future initiatives**

Allowing market actors to interact, reflect and debate about their situation, their relationships, the dynamics of the market, and the problems and opportunities in the market system, is a necessary (but not sufficient) condition for them to build new knowledge, links and capabilities for future initiatives. This is especially true for small-scale producers, who have been traditionally excluded from this type of processes and who need to be able to respond creatively to future changes in the market systems where they participate.

## **4. Project management**

This section provides a brief description of management issues around the research, mainly from the perspective of the UK team, which was in charge of coordinating the whole process at the international level.

The quality of the preparation of any project depends on many factors. Some of them are organisational culture, structures and procedures, management practices and abilities, access to primary and secondary information (e.g. key informants, studies and statistics) and time availability.

The UK team tried to influence the organisational culture and the structure and procedures, mainly in three ways: (i) setting up a decentralised management system; (ii) proposing the use of a tool to improve knowledge gathering and exchange, known as the 'learning sheet'; and (iii) creating a web-based project collaboration tool to increase international interaction and collaboration.

### **4.1. Decentralised management system**

The research was coordinated by the UK AIM2 team but each team leader was responsible for the implementation of the PMCA in their countries. The team leaders delegated the implementation on one or more project managers, whilst maintaining different degrees of involvement in the process, from supervision to direct field work.

In terms of budget management, the UK team was in charge of distributing the total budget available for the research (£40,000). A simple budget structure and a budget template were proposed by the UK team to the country team leaders, who used them to plan the expenditures in the field. This is the structure used:

Outcome 1: Implementing the PMCAs:	£24,000	(60%)
Outcome 2: Learning and knowledge sharing	£12,000	(30%)
Outcome 3: Building a knowledge sharing system	£4,000	(10%)
Total:	£40,000	

For outcome 1, four teams received £6,000 whilst Sri Lanka covered the implementation with funds linked to tsunami-related activities for the development of lagoon fisheries. Outcomes 2 and 3 were intensive in UK-based activities.

#### 4.2. The 'learning sheet'

The **learning sheet** is a tool based on a knowledge management model where communities of practice reflect about the ways in which they use knowledge and learn *before, during and after* every cycle of operational activity. (For a quick reference see BOND's Guidance Notes No. 5 on Knowledge Management).

In practice, the learning sheet proposed for this project is a simple matrix intended to allow for reflection *before, during and after* every step throughout the PMCA. The following shows the learning sheet after it was adapted and compiled by the Zimbabwean team:

Steps	Before	During	After
Phase 1: Preliminary mapping	What are the sources of information? - desk top study - one to one discussion with MC actors - mapping with producers during preliminary workshops	Farmers also contributed in the mapping process but there is need for a review to determine how illiterate participants understood the broad picture. Literature review also provided information Similar experiences in Australia were adapted to the Zimbabwe situation	Producers understand how the market operates and associated economic development opportunities
Prepare producers	Current growers, potential growers Drop-outs? Will the target groups be able to spare their time for the exercise?	Easy to deal with current growers because they expect to benefit from the process	Feedback being given to producers during extension visits

WORKING DRAFT. Practical Action, Markets and Livelihoods Programme.

Establish a Market Opportunity Group	Producers from each participating district were to select their representatives	A mixed group of farmers participated with women constituting 94%. The farmer representatives felt it was their responsibility to inform fellow farmers and community leaders about progress in guar production	Groups undergoing consolidation of leadership structures in response to challenges raised during PMCA activities
Facilitating the emergence of a wider group to support the process (IG)	The team easily identified potential actors due to its experience and knowledge in the guar subsector.	Mutual reputation and trust between the team and the actors facilitated the process.	Think of strategies to avoid the IG actors usurping the PMCA or dominating the negotiations.
Finding the "hook".	Producers interested in alternative uses of guar and how these can be developed. Producers were provided with cow peas (an alternative cash crop). Producers would like to negotiate for better prices.	Producers inquire if they were to get input support from guar buyer.  Buyer assures producers support as long as farmers are able to meet contractual obligations.	Group leaders encouraging fellow farmers to be honest in their dealings with guar buyer in order to build lasting business relationship
Establish credibility as facilitator	Practical Action has had a good reputation in facilitating previous activities.	MC actors actively participate and freely express their views about the guar industry in Zimbabwe.	Producers looking forward to workshops and training activities done at village level for the benefit of more producers
Raise awareness amongst MC actors	Awareness to producers during field training workshops. Communication using telephone or office visit sufficient to create awareness to other MC actors. Most actors involved in past project reviews and were familiar with most of the challenges.	MC actors aware of developments in guar industry through their involvement in previous project reviews.  Current initiatives to address challenges through PMCA process revived interest in guar.	Bindura Nickel Corporation (BNC) have asked for a proposal that outlines how various actors stand to benefit in R&D particularly small scale producers.
Agreement on the format for the dialogue	Conference involving key MC actors can achieve intended results.	Expectations from participants were noted and an agreement established as to how issues were to be covered during the workshop process.	Effectiveness of processes to be evaluated at annual project review in April.
<b>Phase 2:</b>	<b>Before</b>	<b>During</b>	<b>After</b>
Workshop(s) leading to elaboration of Market Map and PMCA.	Market Actors expressed interest to participate but some had tight schedules.  Producers had high expectations.	Workshop successfully convened. Draft Market Map based on preliminary mapping done at district level. MC actors agree that the map is representative of the reality on the ground but a lot areas needed to be developed	Producers felt similar workshops should be convened at village level to encourage more producers to participate in guar bean production.

Phase 3:	Before	During	After
Joint Action Plan produced by MC actors and interest group.	Way forward will be established after MC actors deliberate on constraints and opportunities	Guar buyer position statement expressed full support of producers provided the latter play their part. Producers willing to increase production of guar provided setbacks experienced in the past are addressed. However, buyer not elaborate on how they plan to tackle market challenges experienced in guar production which are similar to those faced by Australia.	Producers and buyer preparing and looking forward to a review as soon as selling of this year's harvest is completed. This will lead to development and implementation of comprehensive action plan

Table 2: Example of a learning sheet.

All the project teams produced different preliminary reports and working documents but Zimbabwe was the only one who adapted and used the learning sheet as part of their final report. Nevertheless, it is also necessary to recognise that they did not compile all of it during the implementation; some parts were compiled for reporting purposes.

There are some insights that emerge from this exercise. The first one is that **the apparent simplicity of a tool does not guarantee that it will be used by the majority of potential users**. It is possible that the tool represented an extra effort for many team leaders and project managers involved in the project. The reasons for this are many but it is possible to imagine some of them, ranging from the personal to the organisational and cultural. One example could be a person that has a tendency to be output-driven; s/he can have mental routines that give little or no importance to the processes of production and transformation of knowledge (i.e. epistemic processes); the person reflects and learns but does not pay attention to how s/he produces and transforms that knowledge. Another example is organisations that have incipient culture, environments, incentives and routines for people to focus their attention on this type of processes.

Another insight is that **the use of the tool does not necessarily lead to gathering the expected information**. In the case of Zimbabwe, it is very interesting to notice how project outputs are mixed with reflections on the knowledge production process (i.e. how the individuals or the team learned certain things); in fact, the former dominate the matrix. For example, one of the 'during' cells, in the row of 'finding the hook' says: 'MC actors actively participate and freely express their views about the guar industry in Zimbabwe'. This statement does not show what was learnt during that step; it only shows an outcome. Perhaps what this experience is showing us is that the learning sheet could become more popular, easy to use and powerful if practitioners used it to record both outcomes and learning processes.

It could be also possible that the tool was not well designed from the beginning or that it is not particularly well suited for the analysis of short,

sequential steps like those of the PMCA. However, these argument is weakened by the fact that the Zimbabwean team voluntarily used it as part of their final report.

### **4.3. Web-based project collaboration**

The UK team decided to provide the project teams with a web-based mechanism to increase interaction around the PMCA process. After exploring some alternatives, the UK team decided to use the services of Project Place™ ([www.projectplace.com](http://www.projectplace.com)): a sophisticated web-based platform that allows people working on a project to share information, coordinate activities, dialogue, collaborate, etc.

In October 2005, the UK team opened an account for the PMCA and invited all of the project team leaders and managers suggested by them. A total of 20 people were invited to join but only 12 did, out of which only two or three used it regularly during the six months that the account operated.

The main reason why Project Place™ was not widely used, despite its high quality and user-friendly design, seems to be the fact that it is an additional medium that people are not used to. The most important communication interface for Practical Action staff is Outlook™. It seems that people found it hard to switch to Project Place to gather or exchange information on a periodic basis. Additionally, low internet connection speeds in some countries, due to obsolete technology in the national telecommunication systems, made the system extremely slow for some users.

The experience gathered through Project Place™ is important because it provides clues in terms of styles of interaction and technological platforms, not only for IA2 but also for the implementation of Share Point™ within the organisation<sup>4</sup>.

Finally, an insight that results from this is that **technological sophistication is not the main success factor in knowledge management initiatives**. On the contrary, it seems that a simple and light design that can function relatively well on low-tech internet infrastructures can be more effective to engage people in knowledge sharing. It also seems that working routines, incentives and pertinence and quality of contents are critical for the success of this type of initiative.

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<sup>4</sup> Practical Action is in the process of implementing Microsoft Share Point™ throughout all of its offices to improve international coordination and communication. Share Point is very similar to Project Place but it is embedded within the Outlook™ environment.

## 5. PHASE ONE

### 5.1. Preparation

All project teams went through a relatively brief and inexpensive preparation phase that combined discussions with staff and external experts, and primary and secondary sources. These activities responded to the strengths and opportunities of each team in terms of expertise, managerial styles, contacts, current activities and strategy.

The project teams knew from the beginning that they had a short time and a small budget to implement the PMCA. This was an incentive for most of them to avoid getting bogged down in extensive, cumbersome and expensive preparations, and was a good thing for the research because finding out if we can do good PMCA fast and easy is one of its main objectives.

The following are some **examples**

Bangladesh held a couple of internal meetings to set a work plan for PMCA implementation. The work plan covered issues like a) what information needs to be studied, b) who are the market chain actors and other stakeholders in the milk sub-sector and how would they be identified, c) who would participate in the workshop of preliminary market chain mapping, d) what checklist and guidelines would be followed to conduct workshops with different market opportunity and interest groups, e) how could effective rapport be made, f) in what manner would the information be analysed, and g) what would be the structure of the report. They also studied secondary sources such as subsector study and video documentary were studied to take an overview on milk subsector and its existing market chain.

Zimbabwe held discussion with key stakeholders, including buyers and processors, and searched for primary and secondary sources on the internet and libraries. The following are examples of the sources used by them:

- Guar bean market study which was done conducted in 2004 by Practical Action and ICC.
- Previous reviews on guar project involving stakeholders which provide insights into problems, constraints and opportunities faced by players in the guar industry.
- Study by the Australian Rural Industries and Development Corporation on “Value Chain and Market Analysis for the Australian Guar Industry” conducted in November 2004. This was one of the most useful documents consulted by the team. It assesses the reasons why guar bean is still a “new crop” in Australia 30 years after its introduction into the country. Many of the constraints and challenges faced by farmers and promoters in Australia are relevant to Zimbabwe and provided excellent background information.

- Meetings and workshops with stakeholders and main actors in the guar market chain in Zimbabwe.

The Sri Lankan and Sudanese teams put a relatively stronger emphasis on primary sources. In the case of **Sri Lanka** they relied on the expertise of some staff members<sup>5</sup>, whereas in **Sudan** they relied mainly on external experts who maintain close contact with the team due to previous projects in Darfur and the promotion of the Hibiscus Forum (this mechanism will be discussed later).

In Peru, the most influential sources of information during the preparation of the PMCA were an external agro-marketing consultant called Agromarketing, the PMCA methodology used by the International Potato Centre (CIP), USAID's subsector analysis methodology, books and reports on cheese production in Cajamarca<sup>6</sup> and staff's knowledge and experiences. The participation of Agromarketing in the Peruvian case is an important source of insights and will be considered in more detail later.

The Peruvian team put a relatively stronger emphasis on different market studies, some of which were produced independently from the PMCA process. These are the main studies used:

- A study to understand the current conditions and business potential of Swiss-type cheese in Cajamarca. It was commissioned by FAO and finished in October 2005 as part of a wider consultancy to identify mountain products with high market potential. The cheese study covered different issues, such as processing facilities, milk collection and reception, quality measurement, cheese production processes, cheese transportation, producers' profile, main problems that they face and possible solutions. The study was not designed as part of the PMCA process but it overlapped with it and included a participatory workshop that was used as a source of information for the PMCA.
- Two cheese market studies in the cities of Chiclayo, Piura and Cajamarca<sup>7</sup>. One focusing on the supply side (made in September 2005) and another focusing on the demand side (made in January 2006). These studies, undertaken by Agromarketing, provided information about small-scale producers and consumers of different types of cheeses (not only Swiss-type).

Members of the Peruvian team (including a dairy and an agro marketing expert), held meetings with an expert of the Ministry of Agriculture who works

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<sup>5</sup> One of the Sri Lankan project managers is an expert in the field of fisheries who joined the team recently. Having such a high level of expertise available within the organisation is unusual for most NGOs who have to get this knowledge outside.

<sup>6</sup> For example, Boucher, F. and Guégan, M. (2004) *Queserías rurales en Cajamarca*, edited by ITDG Publications with the support of IICA, CIAT, CIRAD, ITDG and the EU; and a report of the forum for competitiveness of the Cajamarca dairy sector in the framework of trade liberalisation, held in 2005 in Cajamarca.

<sup>7</sup> Cajamarca city, Piura city and Chiclayo are the capitals of Cajamarca, Piura and Lambayeque departments respectively.

in Cajamarca and the consultant from Agromarketing to establish a preliminary market map.

In the Peruvian case, it is not possible to establish a clear sequence between the preparation and the elaboration of a preliminary market map. However, this did not represent a problem to the team and suggests that the order of the two steps is not critical to the process.

The Peruvian team also interviewed and facilitated focus groups with cheese producers from Cajamarca which provided useful market information, including the identification of other key market actors that were invited to participate in the PMCA later on. Additional information provided by the Ministry of Agriculture also helped to identify key market actors.

Another interesting aspect of the Peruvian case is that it helps us to understand that the selection of a subsector and direct beneficiaries (i.e. poor producers) is influenced by both **strategic and opportunistic** considerations.

Two **examples** of the first consideration are that the team knew that they have an important strength in the dairy sector and that they know that dairy products have a big potential to improve the livelihoods of small-scale farmers. An example of the second one is the study that resulted from the consultancy for FAO, which led the team to discover the opportunity to apply their past experience in the development of dairy products and the application of the PMCA approach in Cajamarca. These types of considerations appear together in the other countries as well.

Zimbabwe provides detailed information that helps us to understand the logic behind subsector and beneficiaries selection:

The Zimbabwean team has been involved in the promotion of guar beans since 2000; they know that this drought tolerant legume grows well in semi-arid areas and represent an interesting opportunity to improve the livelihoods of small-scale farmers, despite the competition from the leading world producers (i.e. India and Pakistan).

In the 1990s, the Department of Agricultural Research and Extension (AREX) embarked on research to assess the potential for production of guar bean in the South East. Research focused on disease-resistant and high-yield cultivars; however, serious efforts to promote production of guar bean by smallholder farmers started in 1998 when Bindura Nickel Corporation (BNC) approached AREX to mobilise, train and provide extension support to smallholders in semi-

arid parts of Mashonaland Central Province to participate in the production of the crop. BNC was interested in getting at least 1,800 ton of guar bean produced locally to meet its annual requirements for guar powder, which is a key input used by BNC as a depressant in the floatation of nickel.

Although a large number of farmers were mobilised to participate in the production of guar bean, little progress was made in terms of production. Only 15 and 20 tons of guar were produced and sold to BNC by smallholder farmers in 1998 and 1999 respectively. It was because of the slow progress that BNC approached Practical Action.

During the 2000/01 season, despite low yields of 500Kg/ha, a total of 400 ton of guar were produced and sold to BNC.

Even if this quantity was still slightly below 25% of the initial goal of 1,800 ton, the next season BNC made the mistake of reducing the price from Z\$19/kg to Z\$15/kg. BNC justified this reduction on the existence of guar bean glut on world markets and falling international price for the crop. This decision proved catastrophic for the project. The number of farmers participating in the project fell rapidly from 2,500 to around 1,000 by 2004/05. At the same time, production of guar fell from 400 tons to 130 tons in the 2004/05 season.

It was evident from this experience that some urgent intervention was required to restore confidence amongst farmers and retain their interest to continue to participate in the production of guar bean as a cash crop. The PMCA in Zimbabwe was implemented as a response to this challenge.

Given the huge logistical and resource challenges that had been encountered over the last four seasons, it was decided to focus the effort on two areas in Guruve

and Rushinga districts. **The areas were selected using the following criteria:**

- farmers had shown the highest interest to increase quantity and quality of guar produced over the last four seasons;
- local leaders were in the forefront of encouraging farmers to participate in the production of guar bean as an alternative cash crop;
- women farmers found guar bean to be an attractive crop to grow that competed favourably with alternatives like cotton;
- in addition growing guar bean as a cash crop, farmers were already taking a lead in assessing the potential of using green guar bean leaves as a vegetable and guar stover as a livestock feed.

A total of 500 farmers were selected to participate in the PMCA process of which 80% are women.

## **5.2. Preliminary mapping**

Despite being suggested in the original sequence of steps, **none of the project teams did an explicit session to draw a preliminary market map as part of the activities of their internal preparation meetings** (i.e. the meetings before the PMCA workshops). Instead of this, the teams replaced the mapping process with an identification of key market actors or market chain diagrams obtained from secondary sources. However, market mapping was one of the most important activities during the PMCA workshops.

The **most probable causes for this behaviour** could be related to two opposite and extreme possibilities: one is that the project teams felt that they knew the market well enough to consider the preliminary mapping unnecessary, and the other is that the teams felt unconfident or uneasy about the market or the mapping technique and decided to avoid it until the PMCA workshops, where they could draw it with the inputs of other participants. A tendency to avoid preliminary market mapping could be explained by the fact that relationships amongst market actors (which are a fundamental part of the market map) are more difficult to perceive than the actors themselves.

It is still unclear to what extent the preliminary mapping is critical for the success of the whole process. What seems to be critical is a clear understanding within the teams of the different levels of the market map (market chain, business environment and service provision) and a collective

reflection about the different actors and issues that are likely to affect the development of the market system. However, drawing a preliminary market map can still be beneficial because it highlights the relationships that the facilitators already know and serves as a baseline to compare against the market map drawn during the PMCA workshops (participatory map). This comparison can help the facilitators to improve their knowledge of the market systems and identify problematic issues in case of significant discrepancies between the certainties that the team had during the preparation step and the results of the participatory map. In other words, if the team are sure of a particular issue within the market system but the participatory map contradicts it, the team should reflect about possible causes; for example: the group of participants in the PMCA workshops is not diverse enough or external, specialised knowledge is required.

### **5.3. Establishing the Market Opportunity Group (MOG)**

Market Opportunity Groups are composed by representatives of small-scale producers who want to exploit an opportunity in the market system. MOG members are also small-scale producers who are, ideally, democratically selected by their peers.

MOGs helps to improve the organisation, coordination and convergence of a large number of producers; it should be a mechanism to promote a more levelled playing field between poor producers and the rest of market actors; and it can become an important interlocution mechanism between the facilitator and the broad group of small-scale farmers, who in theory should be the main direct beneficiaries of the process.

On the other hand, MOG members could monopolise information, abuse its position, and become unaccountable to the rest of small-scale producers. This situation of **'privileged interlocution'** represents one of the main challenges for market development facilitation. It is still too soon to tell in which cases and for which reasons things will effectively go wrong in this sense. This represents an area of future research. However, it is possible to argue that providing poor producers with alternative channels of information that allow them to contrast the information that they get from the MOGs can be a useful strategy to promote a healthy, long-term relationship farmers-MOG.

When the project teams undertook the PMCA process in a geographic area where they had previous or current work, **they promoted the emergence of MOGs using previous social capital and processes of organisational and capacity development.** For example, since 2003, the Sudanese team have been implementing a project to develop pro-poor agricultural markets in North Darfur. One of its activities was to facilitate a participatory selection of small-scale producers to form a *Marketing Group* whose function was to provide market information to their communities and facilitate the marketing of selected products. In exchange, their communities would pay them a fee,

normally in kind. The *Marketing Group* had all the characteristics of an MOG and their members are from some of the villages that the project team selected to undertake the process of developing the hibiscus markets. These two reasons led the project team to integrate the *Marketing Group* into the hibiscus PMCA.

In Sri Lanka, Bangladesh and Zimbabwe, even if no marketing group existed, the project teams had good contacts and reputation amongst small-scale producers as a result of the projects they have been implementing with the producers to improve their organisations and capacity. It is precisely based on these processes that the teams have tried to build the MOGs.

Zimbabwe was the only case where explicit efforts were made by the project team to facilitate an MOG following the original PMCA sequence, which basically recommends facilitating the creation of the MOG before the PMCA workshop(s) takes place. Other countries like Sri Lanka and Peru have not yet constituted MOGs and Bangladesh decided to mix farmers and other market-map actors in the PMCA workshops without previously creating either an MOG or an Interest Group (IG). The effects of these decisions cannot be determined now but will be monitored to improve our understanding of the methodology.

The details of how the Zimbabwean team facilitated the emergence of an MOG are interesting for this research and are presented in detail in the following paragraphs, as they were reported by the project team:

Two field workshops were held to facilitate the MOG; one in Guruve and the other in Rushinga. **The workshops provided an opportunity for farmers to raise issues that affect them in the production and marketing of guar bean and to select farmers who would represent them in the PMCA workshop with other guar market actors.** Lead farmers presented graphic stories on how production and utilisation of guar bean at the farm level had improved their livelihoods. For example, one woman described how the use of guar stover to feed her four cows had dramatically improved the health of the animals to the extent that they are now the envy of other livestock owners in the

village. The good health of her cows has also enabled her to increase the land she is able to plough from 2 to 4 hectares. **Personal success stories from guar bean production helped to bring farmers closer and to convince them on the greater benefits that could arise from closer collaboration.**

**When farmers were convinced that collaboration was in their interest,** project staff facilitated discussions among farmers while the farmers took a lead in the development of the preliminary subsector map. The preliminary subsector map developed by farmers in the two districts is shown below.

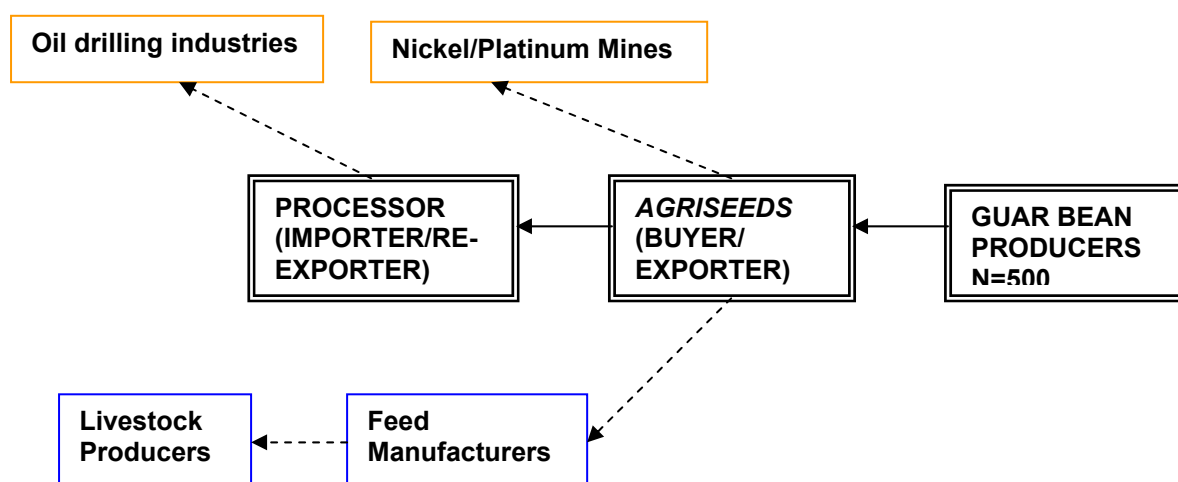


Fig 3: Preliminary subsector map produced by farmers

Farmers were asked to select ten of their colleagues that would constitute the market opportunity group (MOG). The MOG consisted of farmers who were going to represent other farmers in negotiations with other actors in the guar market chain to find ways of improving production and marketing of guar bean.

Farmers selected colleagues to represent them in the MOG using criteria that they discussed and agreed among themselves. These were:

- proven leadership skills;
- proven guar bean production record (farmers made it clear that they wanted to be represented in negotiations by farmers who were leading guar bean producers);
- good negotiation skills;
- networking abilities; and
- ability to read and write and to articulate and argue issues coherently and convincingly.

To enable meaningful negotiations and discussions to take place at the main PMCA workshop, it was agreed that each district would have ten farmers in the MOG. Thus a total of 20 farmers were selected to make up the MOG. Given the high proportion of women farmers participating in the project, 90% of those selected to make up the MOG were women.

A key challenge faced by the project team was how to ensure that the interests of poor and marginalised farmers would be represented and effectively articulated by the farmers selected to make up the MOG. There was no effective way to ensure that this was the case, given the fact that farmers had discussed and agreed on the criteria among themselves. The project team suggested that at least 20% of the members of the MOG should be marginalised producers and farmers took this suggestion into consideration in the selection of members of the MOG.

**It is paramount to have marginalised farmers participate in the MOG** if their interests and concerns are to be taken on board in the negotiations leading to the identification of market constraints and opportunities. In future, the project team will promote proportional representation in the MOG based on output. For instance, 50% of the farmers in the MOG could be made up of farmers producing 2 tons or more, 30% producing 1-1.9 tons and 20% producing less than 1 ton.

Farmers who had been selected to sit in the MOG met the previous day to discuss and agree on the issues that they would present during the PMCA workshop. Practical Action facilitated the preparatory meeting and assisted farmers to consider all issues affecting production and marketing of guar bean and **not just**

**focus on prices.** It was evident from the discussions held by farmers during the preparatory meeting that **they had acquired a high level of confidence and self organisation** and were able to effectively articulate issues that affect production and marketing of guar bean. **Undoubtedly, the long history of interaction between farmers and NGOs operating in the area is paying off dividends.**

An indication of the willingness by farmers to invest in PMCA process was demonstrated by the decision by the Guar Bean Farmers Association (established with help from Practical Action three years ago) to allocate money to farmers in the MOG to participate in the workshop. This decision was made entirely by the farmers themselves and came as a huge surprise to project staff.

The Zimbabwean case provides us with ideas that shed some light on how to go about MOG facilitation. It is still too soon to say whether they are critical to successful and sustainable market development facilitation but most of them certainly coincide with best practices in the field of participation. They are:

- Give poor producers the space and time to talk about their problems. Allow them to find out the problems and issues that affect most of them. Promote the use of life experiences and anecdotes of success and disappointment.
- Because MOGs are constituted by poor producers' representatives, it is important to create the conditions for the producers to choose their representatives democratically.
- Make sure that there are mechanisms in place to allow the poorest and most marginalised farmers to have a voice in the MOGs.
- Create the conditions for them to arrive by themselves to the conclusion that collaboration is in their interest.
- Promote creative thinking by allowing them to get out of the 'price box'. There are many other ways to add value and to engage with other market actors that price. Price is important but is not the only thing that keeps the market systems bound together and running.

The Zimbabwean case also raises some **issues** related to the facilitation of MOGs:

- The need to **establish adequate mechanisms to guarantee transparency and accountability** between MOG representatives and their constituencies. These mechanisms can vary depending on the context but in principle they should be the product of a dialogue amongst facilitators, MOG members and small-scale producers; promote periodic interaction (e.g. monthly meetings) between the MOG and the rest of small-scale producers; and create alternative information sources (e.g. media, embedded services or information service provision) to avoid situations in which the MOG members are the only long-term information source of the rest of small-scale producers in the community.
- The **need to be aware of existing power structures.** An MOG is in essence an organisational structure that confers some power to their members. However, there could be other institutions, organisations or individuals with vested or conflictive interests who could block MOG initiatives. A good PMCA facilitation has to evaluate this possibility and

consider if existing power structures can play the role of an MOG. If this is not possible, a consultation process should be promoted within the community and potential areas of cooperation between existing power structures and the MOG identified.

- The **recognition that the MOG facilitation process can be an effective means to creating a more levelled playing field** during the implementation of the PMCA workshops. This is possible if the facilitator helps producers to understand basic principles and concepts to promote win-win negotiations with the IG members, such as: thinking outside the 'price box'; gaining a preliminary knowledge of the rest of the market; and building shared principles and views and obtaining the commitment of the MOG to respect these principles and views.

Finally, one of the Sri Lankan project managers highlights **the importance of remembering that small-scale producers are not a homogeneous, conflict-free group, even if they work in the same subsector and geographic area.**

He recalls that after inviting local fishermen to one of the PMCA workshops, several types of fishermen turned up. *'There are several types of fishermen using different techniques, and within those groups we also found grudges and problems [due to territorial conflicts]'*; for example, migrant fisherfolks who want to use others' fishing territory; risks of robbery, especially in the case of prawns, which are cultivated and grown in enclosed places within the lagoons; and catching techniques used by some fishermen that affect the productivity of other groups. These problems can be real but also be the product of unfounded perceptions. He recommends **using PMCA as an opportunity to negotiate those tensions**: *'we try to mix them all so that they can share everyone's perspectives and feedbacks... and we try to mediate'*.

#### **5.4. Establishing the Interest Group (IG)**

As it was mentioned at the beginning, IGs are groups of actors, different to the small-scale producers, who have a direct interest in the development of the market system. They can be individuals, organisations or institutions who work in the business environment and service provision levels; for example, policy makers, extensionists, input suppliers or training centres. In some cases market chain actors can participate but it is still not clear what their impact in the IGs might be in the long run. This represents an area for future research.

##### **5.4.1. Sub-sectoral Forums as IGs**

One particularly interesting organisational structure that some project teams used as IGs are *sub-sectoral forums*. These are formal dialogue spaces where private, governmental, and academic actors (both individuals and

representatives of institutions) meet to discuss the problems of the sub-sector and devise strategies to contribute to its development.

A good example of this type of forums is the Hibiscus Forum in Sudan, which was promoted by Practical Action in 2004 to tackle issues related with low production, ineffective marketing and excessive taxation (both legal and illegal).

The members of the Hibiscus Forum are representatives of a wide range of public and private institutions, such as University of Khartoum, Aromatic and Medicinal Plants Institute, National Group for the Improvement of Hibiscus, Food Processing Centre; Ministries of Agriculture, Foreign Trade, and Science and Technology; National Farmers Union, Oxfam and Care International. They also include some individuals from the private sector, such as exporters, transformers and consultants.

The priorities of the Hibiscus Forum are to improve seed selection; to reduce

production costs through the improvement of harvest and post-harvest techniques; and to improve the organisation and cooperation of small-scale producers (this is particularly important when it comes to the participation of the farmers in the hibiscus auctions). In addition to these priorities, the Hibiscus Forum will also work in the issues of price stability, quality assurance, financial mechanisms to reduce cultivation risks, international market information, organic certification and public awareness.

The Hibiscus Forum has a steering committee that meets twice a month and is composed by six people from the above institutions. One person is in charge of coordinating the committee and providing administrative support. There was a general assembly meeting in 2004 and they are planning on having another one soon.

The Hibiscus Forum is a relatively new organisation and still under consolidation. Ideally, an IG should be organisationally light, flat and informal, but the Sudanese context of civil conflict and insecurity has led the government to force civil society groups to become formal organisations. This is one of the reasons that have slowed down the dynamics of the Forum. More research is needed to understand better how these forums can become effective supporters of the MOGs and their dialogue with private actors. However, the Sudanese experience with the Hibiscus Forum is interesting because it raises at least **two issues** that need to be considered during the facilitation of market development processes; namely, the relationship forum-poorest producers and the promotion of local<sup>8</sup> forums.

Firstly, **it is necessary to create communication channels and influence mechanisms between the forum and the poorest producers**. For example, even if the farmers union is represented in the Hibiscus Forum, some interviewees declared that the poorest farmers can still be underrepresented or not represented at all. This entails at least two things for the facilitators: empowering the MOG and its constituencies and helping the MOG gain permanent access to the forum (a conclusion that is confirmed by the Zimbabwean case).

The second issue stems from the inherent differences between the detail and focus of the analysis done by national and local organisations: different analyses produce different strategies and outcomes, making it necessary to

<sup>8</sup> Here local includes sub-regional.

**evaluate the adequacy of a national forum to promote transformations within the regional or local market systems.** A national forum can be appropriate to tackle macro issues or issues which transformation depends on the influence on national organisations or institutions, such as the national farmers union and ministries. However, as one of the Sudanese project managers mentioned, **a local forum could be a powerful mechanism to engage local actors who might perceive the national forum as a very distant organisation and to tailor strategies to the idiosyncrasies of the locality or region.** This is precisely the path that the Peruvian team is beginning to follow with the promotion of the Dairy Regional Forum in Cajamarca; however, this forum is still a separated initiative from the whole PMCA process in this country.

#### **5.4.2. Towards an IG model?**

The definition of IG used in this research is very flexible in terms of **composition and scope.**

Composition can range between highly diverse to highly homogeneous, depending on the variety of actors involved (from the business environment, market chain or service provision).

Scope can range from broad to narrow, depending on the variety of issues that they deal with (e.g. roads, business culture, taxation or land tenure policies).

For example, in Bangladesh and Sudan the IGs are highly diverse (several actors from the three levels) and have a broad focus (deals with a wide range of issues).

These parameters could help us to understand IGs better because they open possibilities for classification, monitoring and evaluation. They could shed some light on critical issues about IGs' dynamics and sustainability, such as how IGs behave in different market systems; how IGs influence and are influenced by transformations in the market systems; how they can be made more responsive to the needs of the MOGs; and how they evolve into sustainable initiatives or wither away. However, more research is needed in this respect.

#### **5.5. Finding the hooks**

How can we, as market development facilitators, wearing the NGO/charity hat, get private actors enthused to engage in a productive and creative dialogue with the MOGs composed by poor producers? How do we get business environment actors and service providers to form IGs that support and catalyse these dialogues and contribute to conflict resolution?

The answer to these questions could lie in finding the right hooks, which are defined here as the issues that will attract and engage market actors from the three market map levels in the PMCA process.

The first thing that comes to mind here is that different types of actors will respond differently to different hooks. As facilitators, we need to be aware of these differences and find the hooks accordingly.

### **5.5.1. The challenge of engaging with the private sector**

In general, due to their origins, characteristics, objectives and beneficiaries, NGOs have developed the abilities to communicate with grassroots communities and governmental agencies and to make social and political sense when NGOs try to involve them in their initiatives. Nevertheless, **making complex market systems work better for the poor requires NGOs who can communicate effectively with private actors and engage with them by making business sense in their initiatives.** IA2 is moving in that direction but it is challenging because it entails building a new culture and embracing a new paradigm.

A confirmation of the above is that **communicating with private actors and getting them engaged in the PMCA process was one of the most challenging steps for the project teams.** One indicator of this was the low participation of private actors participating in the PMCA compared to that of farmers and government officials.

**It is difficult to know which private actors will have the greatest interest and impact on PMCA.** In general, the interest of a private actor to participate in the process is given by the benefits that s/he can get from it in terms of profits; on the other hand, the interest of the facilitator to have an actor committed with the process is normally given by the potential positive impact of such actor. **A basic analysis of the interests of potential private actors is critical** for the facilitator to strike a balance between interests and impacts.

For example, when one of the Sri Lankan project managers was asked if holding small, separated meetings with hotel managers and owners was a good idea, he said: *'Yes, we can do that but the only thing is that the development of the fisheries markets is only a small component of their business'*. He added that they do not care much (if at all) about what happens to the lagoon in terms of shrimp production.

This is interesting because hoteliers can engage in the process but for reasons different to those related to the development of the fisheries market, such as the stability and protection of the lagoons as a tourist attraction. However, the production, quality and prices of shrimps can be a critical business issue for the owner of a seafood restaurant, a supermarket or an exporter.

The **balance between interest and impact** can also be applied to the public sector, with the additional difficulty that additional to economic interests (e.g. taxation and rent seeking) there are important political interests (i.e. the amount of political power that participating in the PMCA will accrue to the actor). For example, the project manager mentioned above says that participating in the PMCA *'is just one of the hundreds of schedules that [some governmental agencies] have to take care of'* despite their direct interest in fisheries.

If lack of interest is a problem, the opposite can also happen, as the Zimbabwean team points out. They warn us of *'the need to take grate care to prevent support institutions from usurping or dominating the agenda of issues to be discussed at the PMCA workshop'*. Fortunately, in the Zimbabwean case, farmers continued to decide on the issues to be discussed at the PMCA workshop even when support institutions had been brought on board. The team believes that this was due to the high level of confidence acquired by farmers during the MOG preparation process and the trusting environment that was created between all participants involved in the PMCA workshop (which will be explained in detail later).

Despite the existence of several market channels, such as supermarkets and exporters (see fig. 1), hoteliers were practically the only market chain channel mentioned by the Sri Lankan team during the interviews. This could be due to at least three possibilities:

- An insufficient preliminary mapping process that did not allow the team to realise the economic importance of the other market channels: If this is the case, a more thorough preliminary mapping process is necessary.
- A current situation in which hotels and guest houses are the main market channel for the fisherfolks involved: If there is a strong and almost unique business relationship between small-scale producers and another market actor, it is always prudent to reflect about the impacts that probable transformations of that relationship will have in the socio-political context of the former.
- A relatively high importance of hoteliers in terms of environmental conservation, resource management and political influence: In this case, it is appropriate to keep these actors engaged in the process but remembering that new, higher value channels must be explored as well.

There are also **logistic practicalities** that seem secondary but that can have a big impact in the whole process. The main one being **time availability**; firstly, to participate in the PMCA process and secondly, to participate when it is best for the rest of actors. This is particularly difficult with some people from the private sector and the government.

For the Sri Lankan project manager *'it is very important to have some awareness creation sessions with some actors before getting them all together in a workshop. They have to have a clear idea of what the workshop*

*is about*'. This is precisely what the Zimbabwean team did when they decided to spend some time and resources to allow small-scale farmers to find commonalities amongst themselves and share their experiences before engaging with the main buyers. Their experience indicates that this approach works well.

The preliminary findings in this section are important because they can help us to devise strategies and actions to improve the ability of project teams to facilitate the integration of the private sector into the PMCA process and into the development of market systems that work better for the poor.

### **5.5.2. From initial talks to long-term relationships**

The research shows that **it is not profit but quality and access to markets the two hooks that get the widest range of market actors interested in the initial phases of the PMCA.**

Profits can be a powerful hook for private sector actors, including poor producers. The facilitator could use this hook when s/he is trying to convince one of these actors to participate but there is a big risk of creating false expectations. It is dangerous to try to convince a buyer to come to a workshop on the basis of promises to increment his/her profits; the complexity of any market system means that predictions of profit variations are practically impossible. References to profit increase can be made but only as a possibility in which facilitators have no bearings at all and even better if done in an indirect way. For example, In Zimbabwe, the facilitator *'persuaded the buyer that two days of their time in a workshop with smallholders could enable them to secure larger quantities of product and open up new doors, such as the livestock feed market. This was a successful approach and the buyer sent several managers and one of his directors to participate in the PMCA workshop'*. Furthermore, **the profit hook should be used knowing that it might not be the best one to promote an open dialogue amongst PMCA participants** mainly because it could introduce a logic of competition for individual profits amongst them and hence, unnecessary tensions that could block cooperation, trust building and creative thinking.

Once the PMCA participants have engaged in the process through hooks like quality and alternative markets (or any other hook identified as appropriate by the facilitators), **it is important to let them define and develop their own hooks**. This is necessary to increase the sustainability of the participation during the implementation of the *action plan*. Different participants have different interests and priorities when they decide to spend their time and energies in the PMCA process. The tendency is for those actors with similar interests and priorities to form groups around common hooks. **The facilitator has to be attentive and flexible enough** to allow these groups to form and develop and understand them as a resource for other groups that emerge from the PMCA and for the subsequent phases of implementation of the action plan. In general, these groups become sources of specialised

knowledge and can be in charge of compatible tasks that are useful for the rest of participants.

The Peruvian team used milk quality as a hook to engage market actors at the beginning of the first two PMCA workshops, but there was an important variation when compared with other project teams:

Based on the information gathered during the preparation phase and on the consultant's PMCA experience, the project team agreed with him to include in the second workshop a section in which the participants had to split into two groups to define concrete activities in the areas of technology, organisation, finance, and commercialisation, all of which are critical for the cheese sub-sector in Cajamarca. They did not ask the groups to use the market map levels proposed in the conceptual model (i.e. market chain, business environment and service provision).

According to the consultant, during internal planning conversations between him and the Peruvian IA2 team leader the intention was to form groups according to types of businesses (i.e. types of cheese) but at the end the division based on critical issues prevailed given that the majority of cheese producers in Tongod produce only Swiss cheese. The motivation behind this decision was therefore to concentrate on the Swiss cheese market.

The workshop begun with general topics, then the groups were formed and finally, a plenary session closed the day. The following are some of the topics that emerged from the groups:

- Technology:
  - o Quality improvements.

- o Better utensils and infrastructure.
- o Product standardisation.
- o Training.
- Organisation:
  - o Creation of responsibility and trust.
  - o Strengthening of the Dairy Producers' Association.
- Commercialisation:
  - o Access to new markets.
  - o Promotion and labelling.
  - o Participation in fairs.
- Finance:
  - o Cost analysis.
  - o Access to credit.

Within each of the mentioned topics, the participants identified concrete activities and responsibilities and then they were asked to prioritise them. According to the consultant's report on the workshop, there was a polemic around the prioritisation, *'some indicated that it is necessary to begin with the technologic area, whilst others prioritised the organisational one. They also manifested that the commercial area can be tackled later on, once a good product is produced and they are well organised, and that the financial area was present in the other three'*. At the end of the workshop, some participants suggested the formation of committees within the Dairy Association around the same four areas to deal with the topics and activities in parallel.

The Peruvian methodology for the facilitation of working groups (i.e. forming groups and defining discussion categories) looks more controlling than the ones used by other project teams like Bangladesh and Zimbabwe and provides a good benchmark for the rest of the teams in general. **It is possible to argue that the 'Peruvian variation' is beneficial** in terms of time management, mainly because the participants are provided with a framework that reduces brainstorming or blue sky talking, and also because some participants are 'forced' to be in a group with other people with whom they would otherwise never talk.

**On the other hand, it is also possible to argue that this type of facilitation is not sustainable in the long term** precisely because dividing the whole group of participants into smaller, more manageable groups reduces their chances to form groups freely and according to their personal/professional interests. If people feel that they are part of a working group that is not compatible with such interests they might be able to engage for the duration of a couple of workshops but it is unlikely that they will stay 'hooked' in the long run. **An indication that this could actually be happening was given by the Peruvian team leader** when he mentioned in May 2006 that *'it seems that the producers are saturated of attending to meetings and want to score some goals [i.e. achieve concrete results]'*. Meeting saturation has not been reported by the other project teams so far.

It is also important for the facilitator to **recognise that there can be cultural and social elements that impede group formation and gelling around common hooks, and that the strength of these elements varies from context to context**. The most common problem in this sense was the prejudices that some actors had against others; the most common ones being against middlemen and politicians. The PMCA proved effective to reduce these prejudices and allow the participants to build a collective awareness of shared destiny within the market system and explore strategies to create collective value. For example, in one PMCA workshop in Bangladesh, some of the farmers blamed another participant (a supplier of calves and cows) for the low milk productivity of the animals that he sold to them. The livestock seller explained that as an intermediary he has to rely on those selling to him for accurate information. He then passes this information on (e.g. about the productivity of a given breed) to his buyers, i.e. the farmers. He gave his view which was that some farmers do not achieve high productivity from their animals due to inadequate nutrition and health care. This discussion, and the inputs from other participants who confirmed the claims, led the whole group to understand that the productivity problem was not caused by a single ill-willed actor, but by a more complex chain of events, such as inadequate national insemination/breeding policy.

**A possible additional downside of the Peruvian variant is that a predetermined compartmentalisation of topics might erode systemic thinking amongst the participants**. This is particularly true of the four areas suggested by the facilitators (i.e. technology, organisation, finance, and commercialisation), not only because in reality they always interact in one way or another, but mainly because they **HAVE** to interact if we want to promote sustainable transformations in market systems. For example, access to technology and organisational capabilities to use it are intimately linked.

This is not to say that concrete actions cannot be identified and prioritised; on the contrary, this is one of the main products of a PMCA (i.e. the action plan); however, asking people to identify activities using predetermined categories restricts the quantity and type of activities that people can identify and also the strategies that they can create because categories are windows through which people perceive reality. This is evident in the strategic route that the PMCA participants in Peru decided to follow, already mentioned above

(beginning with technology or organisation, following with commercialisation and having finance as a cross-cutting area).

But what happens when PMCA do not resort to additional categorisations like the ones used in Peru? The first PMCA workshops in Sri Lanka and Bangladesh are good examples of this.

In Sri Lanka, the issues that came out are:

- Corruption in Divisional Secretariat Administration and Coast Conservation Department.
- Corruption and bureaucracy of the District Fisheries Extension Office.
- Lack of Credit facilities.
- Lack of proper rural infrastructure developments.
- Seasonality in the production of the lagoon.
- Lack of proper waste management.
- Inappropriate water management by the Irrigation Department.
- Distortions and interferences from other tsunami rehabilitation projects.

In Bangladesh, the participants arrived to the following list of problems and prospects:

Problems	Prospects
<ul style="list-style-type: none"> <li>• Underutilised and waste of 30-40% of cream.</li> <li>• No cream separator is available.</li> <li>• Lack of milk chilling facility.</li> <li>• Waste of cream water.</li> <li>• High cost of diesel.</li> <li>• High cost of sugar.</li> <li>• Middlemen take high price.</li> <li>• Lack of big farming.</li> <li>• Lack of expert veterinary doctors.</li> <li>• Weak milk testing facilities.</li> <li>• Lack of extension service from gov.</li> <li>• Lack of innovative technologies.</li> <li>• Lack of grazing fields.</li> <li>• Adulterated cow feeds.</li> <li>• Low social value of dairy business.</li> </ul>	<ul style="list-style-type: none"> <li>• Community based farming.</li> <li>• Installation of fat separators.</li> <li>• Installation of chilling plants.</li> <li>• Linkage with big buyers.</li> <li>• Establishing more collection centres.</li> <li>• Provision of gas supply.</li> <li>• Soft drink from cream water.</li> <li>• Influencing government for efficient extension services and treatment.</li> <li>• Promotion of biogas plants.</li> <li>• Promotion of organic fertiliser from cow dung.</li> <li>• Introduction of oven for curd preparation.</li> <li>• Introduction of skill development trainings.</li> <li>• Provision for better quality cow feeds.</li> <li>• Promotional work for popularising the dairy business.</li> </ul>

To identify these issues, the Sri Lankan and Bangladeshi teams used only the elements provided by the market map (i.e. business environment, market chain and service provision) and both lists are as rich and broad in terms of areas as the one that came out from the Peruvian workshop. **This suggests that introducing additional elements or categories to the PMCA process is not necessary.**

This does not mean that the Sri Lankan and Bangladeshi lists are free of problems: in Sri Lanka, it was produced by a very homogeneous group of participants (18 lagoon fishermen and two traders) which does not provide enough diversity of perspectives or collective control of the information

produced. In the Bangladeshi case, the format in which it is presented still hints a univocal and therefore unrealistic relationship between problems and prospects (e.g. if milk chilling technologies are needed then the solution presented in front is to install chilling plants); nevertheless, the absence of thematic compartments could make the devising of creative strategies easier for the participants.

More research is needed about the hooks and its impacts on the sustainability of market systems development but the information gathered so far provides the first clues to argue that the original market map model does not require the use of additional categories to make the PMCA process work properly. On the contrary, introducing additional categories could have negative effects on the definition of the action plan and on the strength of the bonds that keep the participants engaged in a long term process.

### **5.6. Agreement on dialogue format**

This step refers to the internal reflection and agreement within the project teams about the best strategies to promote effective dialogue amongst market actors. It is a step closely linked to finding the right hooks and to the strategies used before and during the PMCA workshops of Phase II.

There were no specific guidelines in terms of types or selection criteria of formats. It was assumed that the project teams were going to come up with the best formats for their respective contexts. This assumption was confirmed in some cases but it seems necessary to make this issue more explicit to the facilitators and to try to understand it much better in the future.

Currently, with the support of USAID, IA2 is beginning to implement a pilot project to improve our learning processes and tools. One of the tools that will be tested is the use of audiovisual tools to create dialogue formats that can facilitate the interactions amongst market actors who are distant or influenced by socio-cultural prejudices. Lessons about this other formats will be published in the future.

## **6. Building credibility**

Erwin Rathnaweera, from the Sri Lankan team says that *'there is a big challenge to build credibility amongst private sector actors because they see NGOs and INGOs in a very similar way. They do not think that NGOs can have a market approach and that they can speak their language. With the public sector it is less difficult to build that credibility'*.

According to him, a direct participation of the private sector and tangible results are required to build this credibility. *'Holding well structured and focused meetings with private sector actors, to share with them our model and experiences, could be a first step to engage them in the PMCA process and*

*build credibility. It is important to show them that we have a market approach to development despite being an NGO'.*

The Zimbabwean team agrees with Erwin about the magnitude of the challenge. *'Project staff was able to establish credibility and gain the trust and confidence of market chain actors due to four years of involvement in the guar bean sector. All the key players knew who Practical Action is and its genuine interest in promoting the establishment of a viable and sustainable guar bean sector in Zimbabwe'.*

Studying the market and being well prepared before interacting with the different actors was also recognised by the Zimbabwean team as an element that contributes to building credibility. This meant for them to read *'relevant reports and documents from the library and search for information on guar bean from the internet; [...] in addition, the project team held discussions with key informants, including market chain actors (existing and potential) and service providers'.*

The Zimbabwean team concluded that *'credibility is not earned overnight but requires patience and time. In many cases, the information required to establish credibility from market chain actors is not easy to come by and entails research effort to acquire it. It is also paramount for the facilitator to demonstrate genuine commitment and interest in improving the livelihoods of key actors in the chain, especially producers and buyers'.*

Finally, the research confirmed the idea set out by the operational model in the sense that credibility cannot be localised at any particular point of the PMCA sequence; on the contrary, it permeates the whole process.

## **7. Raising awareness amongst market actors**

The project teams mentioned that stakeholders in general are not aware of either the systemic market development approach or PMCA. The traditional role of NGOs as direct services providers to both small-scale producers and governmental agencies is still alive and kicking. NGOs of all kinds playing this sort of interventionist role for decades helped to create an environment in which they are expected to deliver dramatic social transformations on their own.

The experience of one of the Sri Lankan project managers provides a good example of the average situation in terms of 'pre-PMCA' awareness: *'In Rakewa there is some awareness about it, mainly because of the conversations that I have had with some of the fishermen; however, it is still very small. In Panama, there is no awareness about this at all'.*

In spite of the lack of awareness, PMCA participants engaged with the new approach relatively easily once they were introduced to it and went through the experience of drawing a market map. Moreover, once people are aware of

the new approach they begin to be aware of many other things that are critical to the effectiveness and sustainability of the whole process.

The Bangladeshi team had a very positive experience in this sense and provides an excellent example:

When the PMCA participants were introduced to the market map for the first time, they understood the model and the rationale behind it fairly easy. The facilitators told them that **'they did not need to understand maps; that they could draw their own map and that there was no right or wrong answer to them'**. The map exercise and the discussions during the PMCA helped the participants to understand that they were not alone; that they are part of a wider set of relationships and that the complexity of their problems is such that their solution is normally linked to other areas or actors that they ignore. This awareness was the main motivation for them to go out and meet other market actors.

For this purpose they came up with the idea of doing **market tours** to visit, as a group, a wide range of individual market actors to have a more precise picture of the market map, and have a better understanding of their perspectives, problems and possible solutions. Some of the actors, places and institutions that they visited were village farmers, processors, middlemen, a chilling centre, the Livestock Department, milkmen, cows/calves suppliers, and other inputs suppliers (mainly of feed and medicines). During the tour they interviewed the people they met using a semi-structured questionnaire created by them and that, in essence, covered the following points:

- Identity of the actor.
- Nature of work he/she does in the milk subsector chain.
- The vision of his/her expansion of business.
- The problems/constraints faced by the actor in expanding his/her business.
- His/her knowledge/information about the existing milk market and its chain.

- His/her knowledge/information about the availability of relevant services.
- His/her knowledge/information about the relevant technical knowledge.
- The assistance required by the actor for expanding his/her business.
- Suggestions/advice in regard to creating/expanding market.

By promoting a collective dialogue about the problems that the different market actors face **'they understand that they have to solve their problems together'** – says the IA2 team leader in Bangladesh. He continues saying that *'this is the kind of awareness that the PMCA develops. That is why [the PMCA participants] did not want to leave the workshop even when it was really late! They get so excited to know these news and information about their own sub-sector. It is a unique tool that is helping people to be aware of the conflicts, their roots and their ramifications'*.

One of the project managers involved in the process adds that this awareness is something that people get very easily. *'The market map is such a powerful tool because they can understand it and because when they draw it they can identify different actors and this can be done very easily in the market map. It is also good because what comes up is the consensus of everyone. People get really excited... so much that you have to stop them. It is a tool that empowers everyone; they begin to lecture the others; they look like professors; they begin to design strategies and ask the facilitators that the commitment should continue after the workshop'*.

Another good example of the effects of the PMCA on the participants' awareness is given by one of the Sri Lankan project managers:

*'At the beginning, the participants are suspicious but **the workshop in itself seems to have a transformative effect** because at the end of it the fisherfolks realise at that the issues discussed and the approach are very important for them. It has also happened that at the beginning people think that the workshop is related to the tsunami, but we told them very clearly what the workshop was about and its purpose; and we allowed them to participate and identify the players within the chain. I showed them examples of other market chains and **they came up with their own understanding of the market chain in which they are involved (including a market map draft): what the context is; who the main actors are; who the people are; how to make links**. The participation was very high and they contributed very well. The workshop lasted for three hours during the morning and it took place near the community, in the NARA<sup>9</sup> training centre'.*

## **8. PHASE TWO - PMCA Workshops**

Even if the proposed original model shows PMCA workshops as a separate phase from the steps of MOG and IG formation (see fig. 2), in practice the project teams integrated these steps into the workshops. This is why some of the findings related to MOGs and IGs also provide insights about the facilitation of the workshops and their impacts on the whole process.

Furthermore, the original operational model was never intended to be a straightjacket but a flexible tool devised to help the facilitators to manage the process and the allocation of resources. The variety of ways in which the project teams went about the implementation of the PMCA and the absence of negative feedback throughout the process indicate that they understood this clearly or at least that the model allowed them to adapt the implementation to their contexts.

### **8.1. PMCA adapting to the context:**

One of the most important features of PMCA model proposed here is its flexibility and, consequently, its adaptability to the context in which it takes place. Three of the five cases provide good examples of this, namely, Sri Lanka, Zimbabwe and Sudan.

#### **8.1.1. The Sri Lankan case: Coordination of service providers and influence on governmental agencies in a post-crisis situation.**

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<sup>9</sup> National Aquatic Resources Research and Development Agency

The Fisheries sector is important for Sri Lankan food security. Before the tsunami it contributed nearly 2.5% to the gross national income and approximately 171,000 fishermen were engaged in the fishing industry. The tsunami seriously affected almost all of them through the destruction of their vessels, gear and homes and the environmental shocks on coastal areas and lagoons.

The Rekawa and Panama lagoons – where the PMCA is taking place, were severely affected by the tsunami and are important sources of livelihoods for hundreds of poor families in Southern Sri Lanka. These lagoons are natural habitats for many species of fish and crustaceans, including white shrimp, which is a popular ingredient in high value dishes and one of the country's main export products.

The tsunami generated huge supply of international resources; like money and expertise. Nevertheless, due to problems of logistics, governance and coordination, such resources have also produced a lot of problems; for example, distortion of market prices of basic products and services dependency of the communities on external aid and rushed, ill-designed, top-to-bottom interventions.

During the PMCA, the team were under considerable pressure to deliver high quality outputs in a short time, but wanted to achieve better coordination of post-crisis service providers, such as aid agencies, NGOs, and governmental institutions, and involve the private sector.

The experience of using the PMCA approach in post-crisis Sri Lanka has produced some valuable lessons. They have adapted it for the context and are still in the process of application. So far two workshops have been facilitated in each lagoon. In Rekawa, for example, 20 people attended the first one, including two traders and representatives of the community-based Rekawa Lagoon Management Authority (RLMA). The

participants drew a map of the market system and identified the main issues that are affecting them. Using the categories provided by their market ap (i.e. service provision, market chain, and business environment), these issues can be classified as follows:

- **Service provision:** lack of credit facilities, lack of fisherfolks' capacity to preserve their catch (post-harvest technologies, mainly refrigeration facilities).
- **Market chain:** weak relationship between market actors, in particular, between farmers and fisherfolks, and fisherfolks and hoteliers (who are one of the main local buyers of shrimp).
- **Business environment:** weak enforcement of current regulations, an ill-designed bridge that blocks the natural water exchanges between the lagoon and the sea, seasonality of shrimp production, lack of waste water management plans.

In the second workshop, the emphasis gravitated towards the significant issues affecting the enabling and business environment. An output of the process was some important commitments made by different stakeholders and actors with the objective of tackling some of the problems identified during the first workshop (see list above). For example, the Lagoon Authority (RLMA) agreed that the bridge should be upgraded with the collaboration of the community, and support from GTZ, and FAO; the National Aquatic Resources Research and Development Agency (NARA) is going to provide training in post-harvest technologies (delivered by a Sri Lankan specialist training provider); and the Divisional Secretary (the main local authority) agreed to enforce an immediate prohibition on waste water dumping near the lagoon with the follow-up of the Lagoon Authority.

Whilst all these outcomes are not directly associated with market development, the team found that the current situation represented a window of opportunity in which decision makers were open to the views of actors in the market system, and it was understood that unless these issues were addressed in that moment promising market development was unlikely to take

place. The next stage towards which the Sri Lankan team is working is to facilitate a meaningful dialogue amongst market chain actors and service providers.

The Sri Lankan experience suggests that PMCA is a useful approach in a post-crisis situation i.e. when a large number of different stakeholders and actors need to coordinate their efforts around the provision of services and creating an improved enabling environment to rebuild livelihoods after a natural disaster. The value lies not only on the coordination of logistic operations (who does what, when and where) but more importantly, at the strategic level. For example, a participatory drawing of the market map can lead to a shared understanding of which market actors could act as multipliers, boosters or sustainers of the interventions and what the blockages are in the enabling environment that would prevent the market system developing for the benefit of the poor.

### 8.1.2. The Zimbabwean case: Creating trust within the market chain.

In Zimbabwe, as it was mentioned in section 5.1, it was evident for the project team that some urgent intervention was required to restore confidence amongst market actors and maintain the interest of farmers in the production of guar bean as a cash crop.

After an intense period of team preparation and formation of the MOG and IG, the PMCA workshops brought actors in the guar bean market chain and other stakeholders together to explore opportunities and constraints and come up with an action plan. Since the market chain for guar bean is very short it was not difficult to bring the market chain actors together in one place. The challenge in this case was the monopolistic characteristics of the chain, i.e. 500 smallholder farmers selling directly to one major buyer.

The main PMCA workshop was held on the 2<sup>nd</sup> of Feb 2006, at Mazowe Hotel. Twenty five participants were involved consisting of 22 farmers from Guruve and Rushinga districts, one Agricultural Research and Extension Department (AREX) official, the Agriseeds Production Director, the IA2 Team Leader and the IA2 Project Manager in charge of the Guar Project. Three organizations, Bindura Nickel Corporation, Lower Guruve Development Association and Henderson

Research Station could not attend due to other commitments.

Participants reviewed what they had gone through during district consultative workshops and shared experiences in guar bean production across districts. A summary of the main outcomes and the preliminary market maps that were produced during these workshops were presented for reflection and discussion. This was followed by the identification of gaps along the market chain through group discussions and presentation in plenary. The end product was a schematic market system for guar bean in Zimbabwe. As depicted in figure 5 below.

The workshop was characterised by a great deal of anticipation from all actors and an atmosphere of “give and take”. This positive attitude to the PMCA process is attributed by the PROJECT team to an extensive preparatory work, management of expectations, and clarity about the main purpose of the workshop. It was made clear in the preparatory workshops that the purpose of the PMCA was to enable actors and other stakeholders to meet and hold discussions to explore opportunities and constraints in the guar chain and come up with actions that would generate benefits for all actors in the chain.

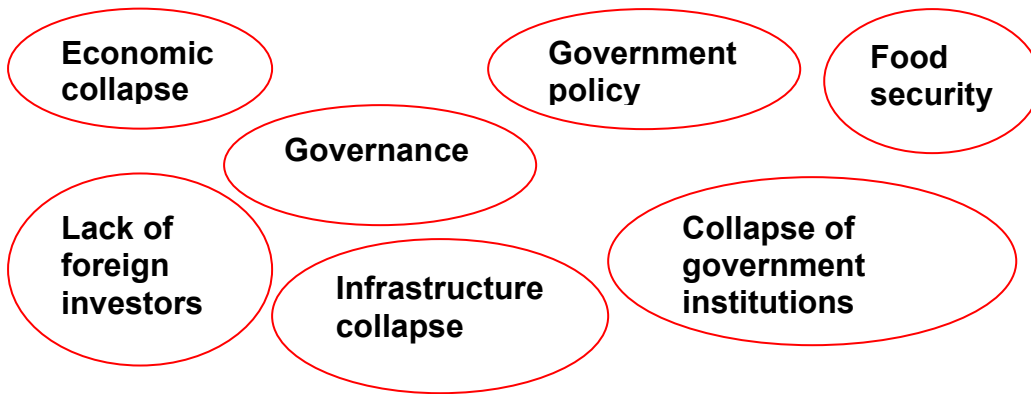
Farmers discussed their experiences in guar bean production. One of the main

issues they considered was gross margin of guar in relation to a competitor crop that they already grow. As in the previous workshops, they also highlighted some of the advantages of growing guar bean.

The buyer (Agriseeds) outlined the reasons why they have gone into promoting production of guar beans and cow peas and the benefits they expect to reap. The buyer outlined plans to set up a

processing facility in Zimbabwe but this depends on quantity of guar produced. It was made clear to everyone that this is purely a profit-seeking venture. Farmers are expected to deliver sufficient quality and quantities of the crops being promoted, otherwise failure to do so will result in the venture being abandoned. Transaction costs are still relatively high because of current low output from guar producing areas. (continues...)

**Enabling Environment**



**Market Chain**

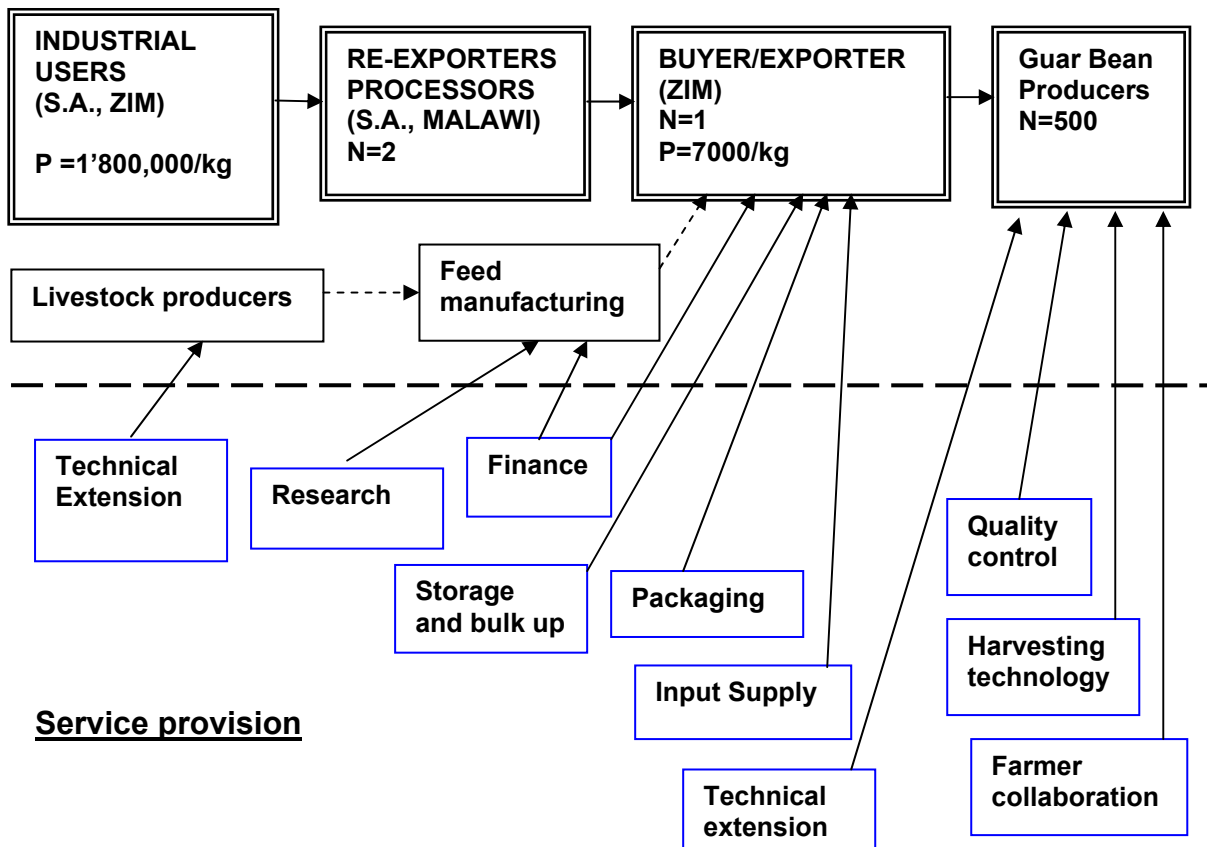


Fig. 5: Guar bean market map.

(... continued)

The Zimbabwean guar initiative has the potential to involve a wide range of market actors that include input suppliers, service providers, processors, manufacturers, retailers, transporters and storage companies as shown in the market map developed by participants at the workshop (fig. 5).

Agriseeds, is exploring the possibility of establishing a processing plant in Zimbabwe. They would like to start with a mini processing plant that can process around 500 tons of raw guar per annum. However, the expertise required to put up and operate such a facility will have to be sought outside the country.

There is research currently going on in the use of guar material in stock feeds production. Preliminary analysis revealed that guar seed contains at least 30% protein content. Research elsewhere indicated protein content in guar meal exceeds 47%.

Local growers are willing to participate in production of guar provided the marketing of guar is improved. Guar has been accepted as a vegetable for human consumption. There was consensus among producers on the need to exploit other uses of guar which include soil fertility improvement through nitrogen fixation, incorporation of guar residues in stock feeds, cover crop for shedding off weeds and use as an ingredient in baking bread for human consumption. Some farmers shared their experiences in which they successfully used guar residues in raising chicks and improving egg production. Others talked about how guar residues had improved draught power performance and the general condition of their cattle during the dry season. There is potential to export surplus guar products (semi-processed, refined) according to market study results.

The challenges faced by farmers in the production of guar bean were also identified and extensively discussed during the workshop. These include:

- Poor agronomic information.
- Dirty seed and poor germination rates.

- Weeding problems.
- Low returns compared to other crops due to low yields and lower producer prices.
- Late seed delivery by Agriseeds.
- Late planting of seed.
- Farmers not fully appreciating the benefits of guar at farm level.
- Late buying of guar by Agriseeds.
- Weighing methods leading to some farmers suspecting irregularities.
- Inability to grow bigger areas of guar due to resource constraints such as labour and draught power.
- Inability to get guar harvested to one place for easy buying and collection.
- Inability to give correct yield and production figures for buyer's information.
- Inability to mobilize and encourage non participating farmers to participate in guar production and increase output to meet buyers' requirements.

Another important outcome of the workshop was the **Position Statements** produced by the farmers and the buyer.

The buyer's position statement made the following commitments:

- Provide farmers with inputs, namely, seeds and chemicals to meet farmers planting requirements;
- On-time provision of inputs to farmers to enable them to produce predetermined quantities of guar bean. Seed would be provided at the end of September while chemicals and fertilizers would be provided by mid November of each year.
- Establish buying points at strategic centres that are easily accessible to farmers.
- Timely buying of the guar bean to enable farmers to procure inputs for the following season.
- Payment of competitive prices (taking account of production costs and international prices).
- Set up a processing plant to add value to guar which will lead to

payment of higher prices to farmers for guar bean.

- Supporting farmers to process and utilize guar stover as a livestock feed.

In their 'position statement' farmers said they would:

- Deliver all guar bean produced to Agriseeds by end of August each year.
- Expand cultivated area to achieve 500 tons guar per year (a 100% increase compared last season's yield).
- Use inputs provided by Agriseeds for the sole purpose of growing guar bean.

Farmers produced a timetable and set out some milestones for the next season. For example, it was agreed that all inputs would be delivered to by end of November

while farmers would deliver all guar produced to Agriseeds by end of August.

In general the process was characterised by a high degree of realism. However some farmers wanted more and one woman asked the buyer to introduce a heifer distribution programme to accelerate livestock production in the area.

The Marketing Director of Agriseeds responded with a story about a couple entering a new relationship. He noted that in order for their relationship to succeed in the long term they need, in the short term, to take it slowly and get to know each other and build up trust until they were ready for big commitments.

Workshop participants were encouraged and empowered by the process and it was a significant step to strengthen the relationship between market chain actors and service providers, with some tangible outcomes.

Three important lessons emerge from the Zimbabwean case:

- The meeting held by farmers a day before the main workshop provided an important opportunity for farmers from the two project areas to **share ideas and views and come up with common positions** to guide discussions with the buyer.
- The "position statements" developed and presented at the workshop played a pivotal role in **building trust between farmers and the buyers**.
- The negotiations proceeded relatively smoothly largely because all parties to the negotiations were **realistic and honest with respect to expectations** and what they could do to improve the market chain for guar bean. They were aware of the current harsh economic environment in Zimbabwe and that delivering tangible results takes time and effort.

### 8.1.3. The Sudanese case: Developing the market upon existing organisations.

This subsection is very brief because most issues were already discussed to some extent in Section 5.4.2. where it was shown how the Sudanese team articulated the previously formed Marketing Group and Hibiscus Forum to the PMCA process; however, it is important to highlight an additional reflection, especially after mentioning the Zimbabwean case, where both MOG and IG were created especially for the PMCA process:

The flexibility of the PMCA does not mean that everything is possible; PMCA is not a reality-bending tool; there are principles and good practices to follow. In some cases pre-existing organisations have such inertia that, even if the PMCA can adapt to them they cannot adapt to the PMCA. The typical reasons for this are lack of awareness of the benefits of a PMCA process, vested interests, incompatible geographic scope, socio-cultural preconceptions, etc. The apparent need of a Regional Hibiscus Forum that responds to the idiosyncrasies of the farmers' context seems to be an early indication of this; nevertheless, it is still very soon to tell whether Sudan will have problems in this sense.

## 9. PHASE THREE – ACTION PLAN

Throughout this report some examples of preliminary action plans have been shown. The experience gathered from the five countries shows that the facilitation of **action plans is embedded within the rest of the whole PMCA process.**

In all cases, the plans are undergoing a process of reflection, discussion and streamlining amongst facilitators and PMCA participants; the plans are moving from unarticulated lists of activities to structured strategies with different levels of complexity. This evolution process is necessary and also an indication of good health of the long term process because it shows that market actors are interacting and trying to respond to changes in the context, and to incorporate new insights or information. **IA2 will monitor how these plans are designed, negotiated, implemented and transformed through time.**

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