

# MARKET INTEREST GROUPS GUIDANCE

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**In a nutshell:**

Market Interest Groups (MIGs) are groups of market actors who come together to collaborate on a similar vision of change for the market system.

**Status:**

Optional Tool

The creation of Market Interest Groups (MIGs) are one of the potential outcomes of a participatory market mapping forum. A MIG is a collection of market actors who have a similar vision of change and who are willing to collaborate in their efforts to bring about this change. The changes they focus on might be in the market chain, in the structure of the supporting input and services or in the enabling environment. The important point here is that the changes achieved by these forums benefit not just the members of the forum, but also participants of the market system more widely. Market actors working together in this way can provide a powerful and unique strategy for systemic change and can create conditions that help the adaptability and resilience of the market system in the future.

An example of a MIG is the Livestock Forum in Sudan. This group consisted of 35 market actors selected democratically by their peers, who agreed to work together on a number of priority issues identified in a participatory market mapping workshop. The Livestock Forum improved the livelihoods of pastoralists when it successfully lobbied the government to remove the double taxation of livestock moving across the state borders of Kassala. It continues to represent Kassala's livestock sector at the regional and national level, and proactively advocates and lobbies on a number of critical issues in the sector, such as barriers to export.

Commitment from members is essential for the success of a MIG like this. It is important that prospective members want the forum to exist. You can judge this interest and commitment during participatory market mapping workshops (see **Participatory Market Mapping**). If some market actors volunteer their time and resources to lead, coordinate and finance the forum, this is a good sign of commitment, but you should look for interest across different market actors too.

Alongside tackling critical or structural issues in market systems, MIGs are also a space where market actors can interact and build trust in each other. Informal side meetings and networking often take place when market actors come together, out of which new business arrangements between individual members are often agreed. This itself, can be a source of motivation to participate.

In some cases, there may already be a formalised grouping of market actors that you can work with. In other contexts, it may be necessary to create a new group or groups. In either case, what is important is that the interest forum makes sense and it is relevant to the members. They are the ones who will have to own it and drive it in the future.

## **Example from the field: Creating MIGs out of a participatory market mapping process**

The Transforming Rural Economies and Youth Livelihoods project in Kenya brought together about 30 businesses, Government Departments, research organisations and NGOs with an interest in the poultry sector in the Lake Victoria area. During a two day workshop, these actors carried out a market mapping exercise culminating in the identification of the main constraints currently affecting the sector. Participants were then asked to consider which of these constraints they would be prepared to commit time and effort into addressing. A simple voting then took place to see which issues the market actors were most interested in addressing. This revealed that there was energy and desire to tackle issues related to access to finance, market information and access to knowledge and skills. MIGs were set up for each of these issues, with the members deciding on a chairperson and mechanisms for meeting. Practical Action supported the development of a work-plan for each MIG and helped the MIG reflect on the effectiveness of their actions and consider adaptations that need to be made to support systemic change.

The example above from Kenya, illustrates how MIGs can come together, and evolve naturally, as part of a participatory market mapping process. However, from our experience there are a number of things you can do at the start that will increase the chances of the MIG being successful. These are detailed below:

- Help market actors nominate a dynamic leader to represent them.
- Help the members of the MIG choose the location and time of meetings that will attract as many members as possible. Take care to ensure the interests of marginalised actors are represented.
- MIGs need dedicated coordination; look for market actors who can contribute to higher levels of trust and fairer representation of marginalised actors
- MIGs don't necessarily need to be labelled as 'pro-poor' in focus. Often, for the commitment of more powerful actors, it is important that they are not. Interest forum are spaces for win-win outcomes.

### **Once a MIG has been created, there are a number of activities you can undertake to ensure its effectiveness including:**

- Supporting the interdependence of members;
- Ensuring the MIG is well managed;
- Strengthening the role and participation of marginalised groups;
- Ensuring there is effective communication;
- Helping the MIG prioritise;
- Helping the MIG reflect and plan.

## **Supporting the interdependence of members**

We have found that nurturing greater interdependence of members is a virtuous cycle. As members interact with each other in the MIG, they build their relationships. Market actors will increasingly look to the MIG as a place where they can network, collaborate, seek support and learn from each other, and seek validation in what they do.

When interaction between members in the MIG leads to benefit, it reinforces the value of the interdependence and members are more likely to continue to use the forum to tackle challenges and take advantage of opportunities in a collaborative manner.

This does not mean that the MIG, no matter how well it is facilitated, will be free from conflicts and tensions. However, if the members understand the value that it has for them, they will invest energies to protect it and nurture

it. This is why it is very important that the facilitator helps the members to achieve and recognise small successes as a group early on in the process and to manage conflicts that take place in the initial stages.

## Ensuring the MIG is well managed

The MIG needs to be managed soundly, and members should have confidence in the MIG's management systems. To facilitate this, it is important to think about the following factors:

- Participation and transparency in decision-making
- Let the participants take responsibility for planning meetings, writing minutes, organising follow up etc. – although at the beginning you may have to get a little involved (but should always make it clear that this is a temporary role).
- Action commitment mechanisms: Being able to capture commitments that are made by members 'on paper' is a powerful mechanism to encourage members to keep to their words, and communicate with members if they can't.

## Examples from the field: Geographic scope of forums in Sudan and Sri Lanka. Big isn't always better.

In Sudan and Sri Lanka, forums (covering hibiscus and coir respectively) have been found to be more effective at state and district levels than at national levels. Smaller forums are more manageable, tend to be better at effectively nurturing interaction and participation of members and can find it easier to identify their unique value. These advantages can outweigh the disadvantage of losing the claim to be representing interests nationally.

## Strengthening the role and participation of marginalised groups in MIGs

MIGs present an ideal opportunity for improving the participation of marginalised groups. They are an opportunity for marginalised groups to engage with and develop relationships with other market actors but they are also an opportunity to ensure that their needs and priorities are understood by other market actors and are reflected in market development processes.

Training on MIGs can be a critical part of **Empowering Marginalised Actors**. Training can include guidance related to the other MIG members and their interests and preparation based on the anticipated content of the meeting (this could include preparation of key points to take to the meeting and practicing likely debates on specific issues).

## Ensuring good communication in the MIG

How the MIG communicates with different audiences has a big impact on its effectiveness. Facilitators should help the MIG build their capabilities in the following kinds of communication and audiences:

- **Member-to-member:** Building opportunities for members to network within the MIG increases trust, coordination and collaboration which therefore increases members' confidence in it.
- **Internal communication:** this is the communication between an organisation's representatives within the MIG and their own colleagues and superiors. It is one of the most challenging types of communication and it is critical to the success of the forum because it allows the MIG to tap into resources and expertise beyond those of the individual members, and to scale up its initiatives.

- **Communication with other market actors and key stakeholders:** A forum often needs to forge relationships with other key market actors who are not members, including for example government decision-makers, large companies and other development programmes relevant to the market system. These networks and contacts often prove critical for forums to meet their objectives. The nature of the strategic benefit of these relationships can vary greatly, from collaborative alliances to entry-points for lobbying and advocacy.

## Helping the MIG to prioritise

A critical success factor for getting the market actors (whether in MIGs or not) to own and drive their plans is prioritisation. Actors must develop the skills and knowledge to decide what to focus their limited resources on. Closely related to this is sequencing: deciding the order in which the actors will execute the agreed actions. As a facilitator it is important that you do not make these decisions but, if necessary, you support a process that enables market actors to determine the best way forward.

If you have carried out a participatory market mapping process, market actors should have a shared vision of what they want to change within the market system. It is likely that the market actors and the facilitators have already discussed or thought about a considerable number of solutions, strategies and actions to bring the market system closer to their vision. These could involve changes to the enabling environment, to the core market or to the supporting services and inputs (see Market Mapping guidance).

There are a number of factors that will determine whether the strategies and actions that the market actors undertake are deemed to be appropriate or not. These can be categorised into:

- technical feasibility; and
- the level of commitment from different parties.

Before market actors decide which strategies to take forward and in what order, it is important to make sure that they are aware of these factors and their potential impact on their plans. If the strategies and actions proposed by the market actors are not appropriate, it is very likely that they will collapse, exclude key actors, or become very expensive.

## Assessing technical feasibility

Technical feasibility describes the potential for a given solution to be successfully implemented with the resources available by the market actors involved. The technical feasibility of a potential solution can be analysed in terms of its difficulty, risks, and costs. Although each individual solution will come with its own unique considerations to address, there are a number of common factors that it is useful for the MIG to consider (see checklist below).

### Difficulty:

- Is the required technology available?
- Is the required technical knowledge available within the group?
- If not, can this knowledge be easily obtained from elsewhere?
- Is there support for the solution from all the actors who will need to be involved in implementing it?
- Does the solution require long term support or involvement from market actors?
- Are there any government policies or institutions that could block the solution?
- Does it go against social and cultural norms?
- Is there any animosity between actors that needs to be overcome before the solution can be carried out?

## **Risk:**

- Is there a danger of any actor losing out as a result of the solution, for example with regards to financial security, social status, vulnerability or health?
- Can you foresee any negative, unintended consequences that could result from implementing the solution?
- Are there any contextual risks such as corruption, violent conflict or exposure to natural hazards?

## **Cost:**

- How expensive will the solution be to implement and maintain?
- Who will pay for the solution? Do they have sufficient funds and motivation to do so?
- If not, is there anyone else available who might be willing to fund the solution?
- Do finance mechanisms exist (e.g. loans or grants) to cover the costs of the solution?
- Are more affordable solutions available?

## **Developing commitment**

Commitment refers to the interest shown by market actors to take forward a particular solution. This may vary between types of solutions and types of market actors for any number of reasons. The table below provides some useful considerations:

- It is critical that care is taken to ensure perceptions of the role of the MIG and yourself are accurate from the onset. If there are any perceptions amongst market actors that the MIG is simply a mechanism for getting NGO support then this will undermine commitment from the onset.
- Reflection meetings are a useful opportunity to get MIG members to consider their role and commitment and challenge and re-orient perceptions if necessary.
- It is worth considering who the most influential actors in the MIG are. Getting them to visibly show their commitment to particular solutions can be a way to help get other members onboard – but be wary about giving too much power and influence to the already influential. Always ensure that the solutions are appropriate to marginalised actors and that they have had a voice in their development.
- Commitment is most obviously demonstrated by market actors using their own resources to support the activities of the MIG. The Self Selection Tool may provide some more ideas on assessing commitment. This level of commitment may not be immediately forthcoming due to uncertainty about the potential effectiveness of solutions amongst market actors. In such cases you can consider subsidising activities for a limited time period, as a strategy for stimulating interest and commitment. If you do this, take care, monitor changes in interest and watch out for the creation of a perception that the MIG is an opportunity to get NGO support.
- Commitment will be easier if you sequence the type of solutions you work on. Starting with “low hanging fruits” – those easiest to implement – will enable success to be demonstrated quicker and momentum to be developed. This will make it easier to gradually start tackling more difficult issues.

## Helping the MIG reflect and plan

No one knows exactly how things will turn out and what the result of actions carried out by the MIG will be. There is always potential for unexpected events to either disrupt change or encourage it in positive ways that can be built on. It is important that the MIG learns from this and adjusts plans accordingly. If it does not, change to the market system will be very difficult to achieve.

As a facilitator you can help MIG members reflect on what has happened. Work-plans developed by the MIGs can provide a useful starting point for a reflection. They can be used to assess progress towards objectives or milestones. However, it is important that you encourage true reflection on what has happened and why, rather than simply the endless recounting of statistics and description of activities undertaken. In some meetings it can be useful to re-visit the market map to see if people's understanding of what is happening in the system has changed. If particular problems have been encountered it could be useful to use the Root Cause Analysis tool to unpack what is driving these.

Learning from these sessions needs to be fed into revised plans for the MIGs. Some guidelines on helping MIG plan is provided below.

## Recommendations for helping MIGs plan

- Help market actors to prioritise strategies and actions in an ascending order of difficulty, risk and cost. However, don't forget to factor in passion and interest!
- Where two actions have similar levels of difficulty, risk and cost, encourage actors to prioritise the one that will make future actions easier, less risky or cheaper to implement.
- Encourage market actors to come up with strategies for each action that are sustainable in terms of which actors will be responsible for carrying out the action, and which actors will fund it ("who does, who pays").
- Help actors prepare for the unexpected, and sometimes negative, effects of change. Help them to adapt to these rather than be dissuaded and to use failures as opportunities for learning.

## The sustainability of MIGs

The natural lifetime of a MIG can vary with context. Some MIGs, if they are set up to address a very particular singular problem, may have a short timeframe and there may be no rationale for them to exist once that problem is resolved. Others may effectively become a permanent lobby group in a particular sector.

Of course, it is also possible that a MIG simply runs out of steam and ceases to become effective. Facilitation can try to address this by looking at ways to re-energise the group, for instance, by bringing in new members or by revisiting the work-plan and priorities. However, there may well come a point when it is best to accept that the MIG needs to stop operating as it is. This may be an opportunity to 'start again' and re-convene market actors across the sector in a participatory market mapping process that comes up with new priorities. Alternatively it may represent a need to pursue other strategies such as working with individual market actors, for instance.

As a facilitator, the last act you can do in such a circumstance is to ensure that the experience of the MIGs and learning are fully captured. This will be useful for your own learning, for others facilitating market systems development in the same sector and for the market actors themselves.