Capitalization of NAG and SIT's MSD interventions in Myanmar

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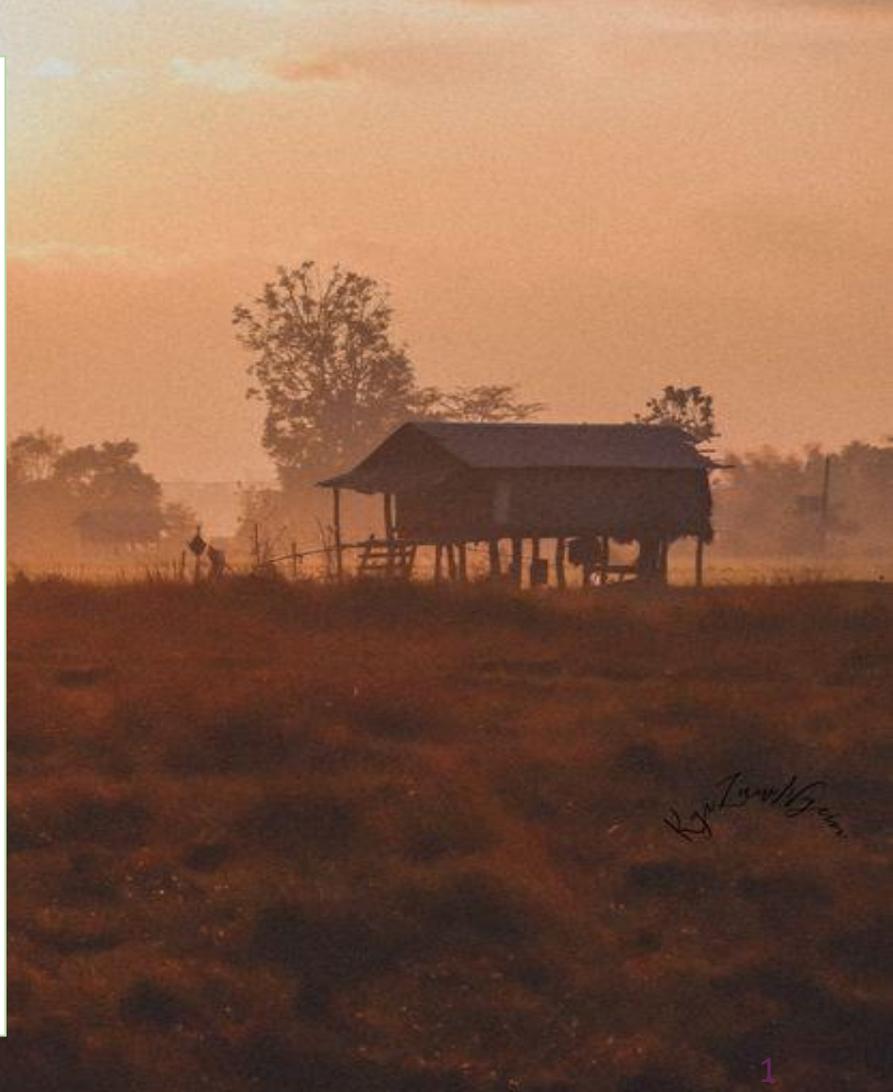
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01.

BACKGROUND , PURPOSE & SCOPE

Evaluation Background

From June 2018 to June 2020 HEKS/EPER partnered with the joint programme of Dan Church Aid / Norwegian Church Aid (DCA/NCA) and its local partner organizations Network Activities Group (NAG) and Shwe Inn Thu Women Self Help Group (SIT) to add a market system development (MSD) component to longstanding livelihood projects in the states of Magway and Southern Shan. The project objective was to increase income of smallholder farmers and other market actors through facilitating new business models and improved access to products, services and markets in the groundnut, corn and jaggery sub-sectors. NAG led the implementation of four interventions in Magway (promotion of groundnut shelling services, increasing access to quality groundnut seed, promotion of mechanisation, and developing supply chain for quality jaggery marketing. SIT led the implementation of two interventions in Southern Shan (promotion of corn harvesting machine services and increasing access and use of non-chemical agri-inputs).

Evaluation Purpose & Scope

This capitalisation was conducted by DevLearn Consultancy Ltd to review the experience of the **MSD interventions implemented by NAG and SIT and supported by DCA/NCA and HEKS-EPER**, who provided technical support and funding. This involved assessing the extent to which the project was able to achieve impact in its planned goals. It also seeks to learn from the process of implementation, drawing out key lessons relevant for other market development programs working in Myanmar and other countries applying an MSD approach. In addition to supporting learning amongst the implementing agencies, the outputs of the capitalisation will also be shared externally with relevant development actors.

02. Methodology

Evaluation Criteria & Method

🥜 **_Relevance and coherence:_** Is the intervention doing the right things? How well does the intervention fit?

🥜 **_Efficiency:_** How well the intervention was managed?

🥜 **_Effectiveness and impact:_** Is the intervention achieving its objective? What difference does the intervention make?

🥜 **_Sustainability:_** Will the benefits of the intervention last?

For the evaluation of **_relevance, coherence and efficiency criteria_**, we have conducted in-depth interviews of key project staff. The key project staff includes SIT, NAG, HEKS and DCA staff.

For the evaluation of **_effectiveness, impact, and sustainability criteria_**; we applied the Before and After Comparison with Opinion (BACO) method*

Sampling Purpose

Item	Type of actor	Sample
Project staff	Senior management (HEKS - DCA)	2
	Intervention managers from NAG and SIT	3
NAG intervention 1	Machinery company	3
	Millers	22
	Farmers	66
NAG intervention 2	Traders supplying seed	2
	Seed multipliers	5
	Farmers	15
NAG intervention 3	Machine company	5
	Service providers	10
	Farmers	40
NAG intervention 4	Exporter	1
	Collector	3
	Farmer	15
SIT intervention 1	Machine company	2
	Service providers	3
	Farmers	21
SIT intervention 2	Fertiliser company	1
	Input distributors	2
	Farmers	11

Literature review
Documents included MSD training report, initial market assessment reports, project proposal and planning reports, progress review workshop reports, and progress reports

Key project staff interviews
Online in-depth interviews of ke project staff conducted using semi-structured question guides

FGD and in-depth interviews
of market actors and farmers (refer to the sample table).

Data Collection methods

Challenges & Limitations

Lack of baseline information and weak quantitative data shared by farmers and system-level actors:
No systematic process was followed earlier by the project to capture baseline information. Hence, the evaluation included questions to gather baseline information retrospectively. Farmers and system-level actors hardly could recall the past information, especially quantitative information, such as – the cost of inputs, labour, price, revenue etc.

Data collection has been compromised due to the deteriorating COVID situation in Myanmar. Lockdown has been enforced in the areas of the interventions, as a result, many of the interviews were taken over the phone. While phone interviews were sufficient to gather quality data from the system level actors, it was challenging for conducting effective interviews with the farmers.

Political unrest:
Due to the political unrest in Myanmar, the data collectors were challenged by weak mobility, access to farmers and market actors, and weak internet connection to consult with the DevLearn team regularly. Moreover, there were concerns about organising gatherings, such as – FGDs. Finally, the farmers and other market actors commercial interests were heavily impacted due to the political unrest.

03.

Key Evaluations & Findings
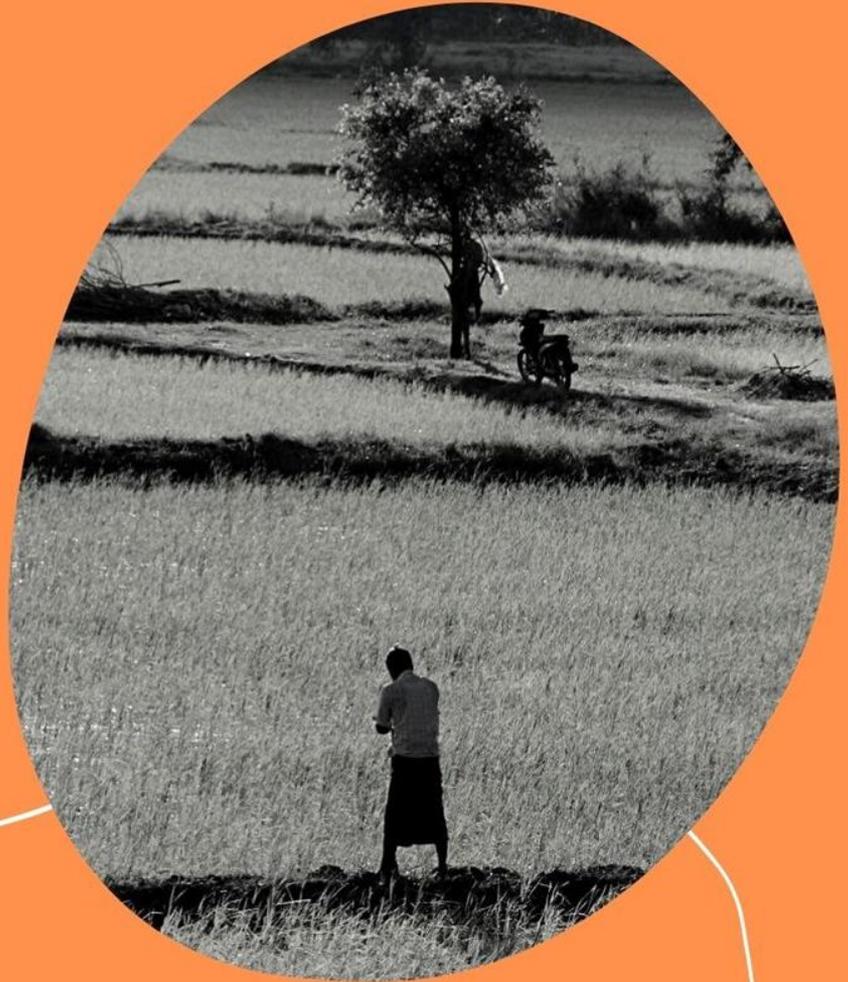
EVALUATION OF RELEVANCE, COHERENCE, & EFFICIENCY CRITERIA

HEKS-EPER-led MSD training and market assessment before the training was crucial to the success of the project.

This approach of MSD orientation is a great example of a pragmatic way of working with national partners and project staff who have limited MSD experience; instead of theoretical training on MSD. The project staff shared their opinion of a lack of theoretical and more advanced understanding of the MSD approach. While the training process was useful, more follow-up sessions, mentorship, and intense training would have increased their capacity in MSD.

Project design and start-up (1)

The overall coordination and project management approach was successful.

The project staff was motivated to implement the MSD approach. DCA and HEKS / EPER played coordination and guidance roles respectively to facilitate the smooth implementation of interventions with the national NGOs.

The selection of consortium partners was based on the previous relationship and working experience.

A comprehensive partner selection process was absent in the selection of the implementing partners; DCA, NAG, and SIT. It is recommended to follow a systematic approach of selecting consortium partners.

EVALUATION OF RELEVANCE, COHERENCE, & EFFICIENCY CRITERIA

The selection of market systems followed a more intuitive approach instead of a systematic process, however, the justification is reasonable. The selection of key value chains/market systems i.e. groundnut and corn was primarily driven by the high engagement of farmers, also market demand and growth potential. While the logic for the selection of value chains is sound, it was unclear from the project documents and staff interviews if a systematic approach was taken to the selection of market systems. It is recommended for future programmes to consider commissioning a 'market assessment and market system selection' study as part of the analytical process to ensure the highest potential is leveraged for achieving impact.

Theory of change and intervention design is robust and exemplary for other MSD programmes functioning at a relatively low budget.
For each of the interventions, the project selected and collaborated with market actors with incentives for change in a sustainable manner. For prioritisation of interventions, critical constraints were reviewed and feasibility of implementation was considered. The project staff was careful about market distortion throughout the life cycle of the project and designed activities in a facilitative manner to stimulate change in the market system.

Project design and start-up (2)

IMPLEMENTATION

MSD interventions require continuous monitoring and facilitation, therefore, implementing partners with more institutional resources are more likely to succeed.
he NAG interventions were able to address more operational nuances, while the SIT interventions required more attention and adjustments to achieve scale. The evaluation recognises the externalities associated with the success of the interventions and it is quite probable that those externalities were more challenging for SIT than NAG. Therefore, the recommendation is, as discussed earlier, to review the strength and weaknesses of all implementing partners comprehensively and ensure more intensive quality assurance support is provided to the implementing partners with weaker resources.

Market actors were initially cautious but responded to the application of the MSD approach (direct delivery vs facilitation).
MSD approach is new to the geographic location of the project and market actors were more accustomed to receiving direct funding from the NGOs. As a result, it was quite challenging for the implementing partners to manage the interventions. Certain adaptive management tactics which can be replicated to other projects in similar circumstances include: Frequent use of intervention sensitisation workshops and advocacy, communicating incentives smartly, engaging associations, and engaging government actors.

Monitoring, Learning and Reporting

Two strategy review workshops were conducted which is a good practice for other MSD programmes to replicate.
The purpose of those workshops was to review the progress of the interventions and make decisions on any major strategic shifts or adjusting activities. The implementing partners appreciated the structured format of strategy reviews and benefitted from making decisions in a participatory manner. For future programming, the recommendation is to continue this approach but increase the frequency of such workshops e.g. quarterly reviews.

While the results chain of the interventions were developed, the reporting against the results chain and indicators were weakly analysed and documented.
The progress reports lacked weak information on data collection and analysis of the reported results. Overall, the evaluation team felt that the monitoring and results measurement function has not been well developed in the project. Future programming must invest more in the development of the MRM (monitoring and result measurement) function, taking inspiration from the DCED standard.

04.

Evaluations of Relevance, Coherence & Efficiency criteria

Background

In this evaluation, we use a modified version of a framework developed by the Springfield Centre, the **Adopt-Adapt-Expand-Respond (AAER) framework** (Nippard, Hitchins and Elliott, 2014). This assesses systemic changes by following the spread of innovations; a new practice, way of working, or relationship, intended to improve the way the system operates. It assesses how innovations are piloted, embedded in organisational culture, and copied by competing and non-competing organisations.

The adopt stage, where a new change is piloted and positively benefitting the farmers and system-level actors. The evaluation findings suggest that most of the interventions in the portfolio are at this stage and there is evidence of the proof of concept.

The adapt stage, where system-level actors and farmers have mainstreamed the change and continued with the pilot independently. The evaluation findings suggest that there are early signs and strong commitment from market actors to reach this stage, however, often lacks conclusive evidence.

The expand phase, where more system-level actors and farmers copy the innovation, or aspects of it. The evaluation findings suggest that most of the interventions in the portfolio will need more time and additional facilitative activities to reach this stage, but there is an indication of interest and business case for copying and crowd-in.

The respond phase, which involves changes to rules, norms or other support functions that enable the spread of this innovation. Similar to the expand stage, the evaluation findings suggest that more time is needed for the interventions to reach this stage. We have outlined a few supporting functions, rules, and norms that need future programming for the piloted interventions to be scaled up and be transformative.

ADAPT	→	RESPOND
ADOPT	→	EXPAND
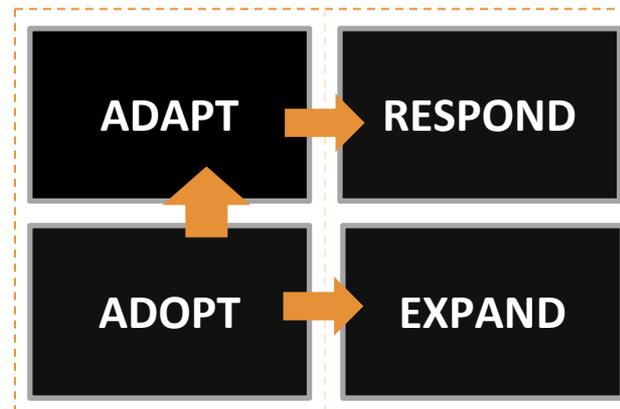
Adopt-Adapt-Expand-Respond (AAER) framework

There were a total of
6
**interventions**
led by NAG and STI.

The interventions are as follows:

1. **NAG Model 1: Groundnut processing**

2. **NAG Model 2:** *Quality seed supply*

3. **NAG Model 3:** *Agro-machinery services*

4. **NAG Model 4:** *Jaggery export*

5. **STI Model 1:** *Machinery use in corn harvesting*

6. **STI Model 2:** *Organic Fertilizer*

Out of the *6 interventions* by NAG and SIT, we're focusing on three interventions which generated high impact; namely **NAG model 1**, **NAG model 3**, *and* **SIT model 1**.

NAG model 1: Groundnut processing
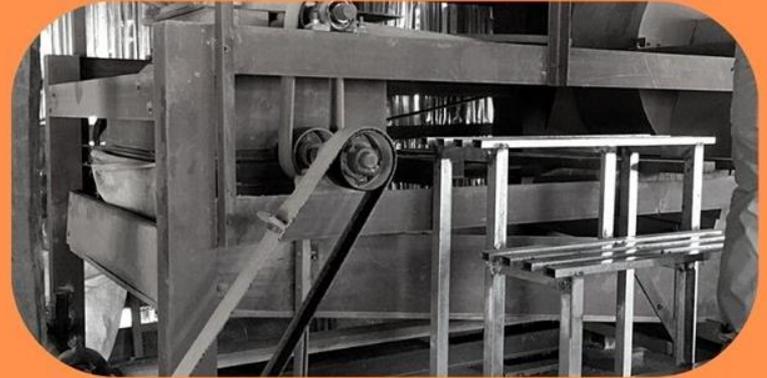
The project collaborated with existing and potential millers, local machinery companies and farmers to facilitate increased and improved usage of milling services for groundnut processing. The targeted impact of the intervention was *to increase the income of the groundnut farmers through increased sales of high priced shelled groundnut through the usage of better milling services*. The project through its facilitation activities improved both the milling service offer as well as its availability to the farmers.

From 2018 to 2020, the average number of farmers using milling services for each miller has **increased from *40 to 65***. The project reported *44 millers* benefitted from the intervention (as per NAG MSD project report, April 2020). Therefore, we can deduce that the total number of farmers benefited from the intervention is *2,860*.

While the milling services led to an additional cost of 1,250 MMK/Basket, the overall cost of production was **reduced**, as farmers save in **labour cost** (*4,579 MMK/Basket*) and **brokerage fee** (*300 MMK/Basket*). Overall a **farmer's cost of production decreased by *3,529MMK/basket*** and ***383,500 MMK/season*** (for an average of 5 Acre land).

Farmers were able to sell **shelled nut** at a significantly **higher price of average *48,000 MMK/basket*** in comparison to **unshelled nuts** which was sold for an average price of ***9,500MMK/ basket***.

Milling service providers have a profitable business venture, earning on an average *675,000 MMK profit per season*. This demonstrates commercial viability and scalability of the business model that was introduced.

There is now *24 hour availability of milling services* for farmers.

Key achievements

NAG model 1: Groundnut processing

Adopt: Strong evidence available

o Increased availability and usage of milling services
o Farmers sell shelled nuts at an increased price, increasing revenue.
o Less dependency on sourcing labour during milling.
o Farmers can avail credit services from the millers.

Adapt and Expand: Early sign demonstrated

o The model has continued to sustain and grow for two years since the intervention started - indicating strong growth potential.
o Strong interest to expand the model in other areas where farmers are yet to get access to milling services.
o Machine companies are willing to expand their business by leveraging their connections with the service providers.

Respond: Potential for the future

o Introduction of climate-smart technologies for groundnut production.
o Credit facilities to the millers to acquire more machines can expand the service availability at scale.

NAG model 3: Agro-machinery services

The project collaborated with *agro-machinery companies and local machinery service providers to facilitate increased usage of agro-machineries for groundnut cultivation*. The targeted impact of the intervention was to increase the income of the groundnut farmers through catering to the labour shortage problem.

Key achievements

750 farmers have used machinery services till 2020, via **15 service providers** and **5 machinery companies**.

Service providers have a profitable business venture, earning *2,175,000 MMK - 3,750,000 MMK profit per season*.

For the farmers, the ***cost of farming*** during the land preparation stage ***decreased by*** *43,500 MMK/season* and timely land preparation contributed to an increase in production by *40%*.

Machinery companies are *investing in the business model for growth*, for example - training service providers, providing discounts on maintenance and sales, facilitating loans etc.

NAG model 3: Agro-machinery services

Adopt: Strong evidence available

o Reduced cost of production and increased productivity by using machinery by farmers.
o The service providers have a strong business case and making a profit from the venture.

Adapt and Expand: Early sign demonstrated

o More farmers are aware of the benefit of machinery usage and the service providers are expanding their client base without NGO support.
o Service providers can access loans to purchase the machinery, supported by the machinery companies.
o High competition amongst the machinery companies indicates higher investment by different companies to expand the business model.
o Opportunity to expand the sales of the portfolio of machinery, especially for the weeding and harvesting stage of farming where labour supply is low.

Respond: Potential for the future

o Innovative promotion, especially the usage of social media.
o Introduction of a 'renting model' by the machine companies'

SIT model 1: Machinery use in corn harvesting

The project collaborated with service providers and threshing machinery companies to facilitate increased and improved usage of threshing/harvesting services for corn processing for the farmers.

Key achievements

A total of *173 farmers* using threshing service via three service providers.

Three service providers have processed more than 10,000+ bags of corn. The average production per season has *increased from 8,433 Viss to 9,043 Viss*.

Farmers waiting time for accessing threshing machine has reduced to *1-2 days from 2-7 days*, accounting for a *cost saving* of *MMK 9,002/season*.

Service providers can offset the investment for purchasing the machine costing 1.6-1.7 million MMK in a season by processing *9K-10K bags* and generating a *revenue* of *2.7 million MMK/season*.

SIT model 1: Machinery use in corn harvesting

Adopt: Strong evidence available

- o Farmers have increased access to threshing services and reduced waiting time.
- o Farmers experienced increase production due to reduced loss of produce.
- o Machinery service providers are generating profit, demonstrating the sustainability of the model.

Adapt and Expand: Early sign demonstrated

- o There is increased interest and demand among farmers for threshing services. Service providers and machine companies are generating healthy profits.
- o The pathway towards sustainability and scalability is promising, however, the model has faced operational challenges – such as, covid restriction, political unrest etc. Due to these external factors, financial stability and savings has been negatively impacted the potential service providers, leading to weak investment capacity.
- o In such circumstances, it is unlikely that service providers will invest in procuring new machines, thus, compromising the scalability of the model without any NGO support.

06.

CONCLUSION
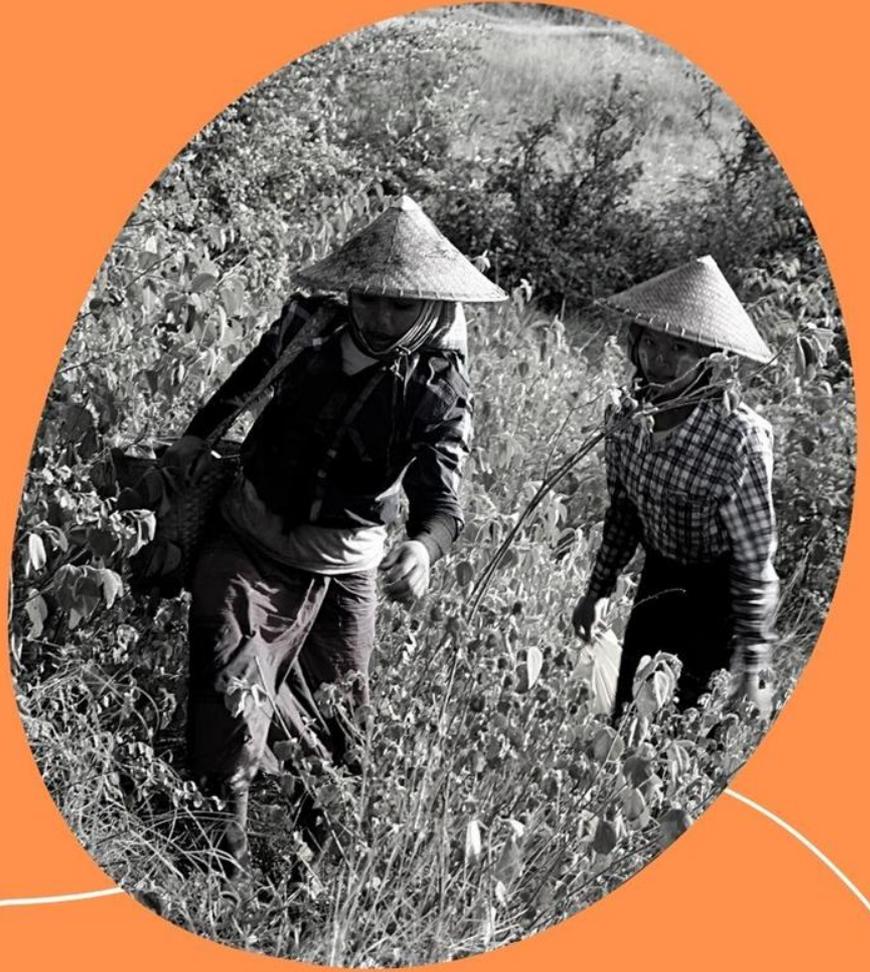
The following recommendations can be applied by an extension of this project or by any future MSD projects working in a similar context.

- ***Ensure MSD orientation and training of staff and mentoring support.*** MSD interventions are dynamic, and a range of practical and strategic challenges are faced by staff regularly, which requires immediate attention. More frequent mentoring support is effective for the staff to discuss progress on interventions.

- ***Be critical in selecting market systems – focus on the feasibility of interventions.*** In the context of thin markets and a challenging political environment, we recommend prioritising the 'feasibility of intervention' criteria, which will enable a project with a limited budget and short timeline to achieve meaningful impact.

- ***Depth over breadth.*** We recommend focusing on a handful of interventions within a market system that are the most critical/binding constraints and can be feasibly addressed.

- ***Develop scale-up strategies.*** We encourage all projects to discuss and develop potential scale-up strategies from the beginning of the intervention design phase.

- ***Leverage expertise on the ground.*** The application of a co-facilitation model of implementation working with existing national partner organisations is a useful tactic to apply for leveraging expertise on the ground. However, it requires intensive MSD capacity building.

- ***Improve MEL function to learn and adapt quickly.*** Smaller programmes with shorter timelines have less opportunity to make mistakes and learn from them. Therefore, it is crucial to encourage evidence-based decision making to learn and adapt.

Thank you!