**The Market Facilitation Initiative (MaFI)**

**The MaFI-festo Dialogues:**Boosting development effectiveness through facilitation
of inclusive markets and private sector engagement

Project document, short version (Mar 2012)

**1. The core idea:** Let’s build a process of trust, dialogue and collaboration between inclusive market facilitators and donors to improve or change the principles, rules and procedures of international development.

**2. What for?** To make international development more effective and the interventions of inclusive market facilitators more sustainable, scalable and efficient.

**3. The core problem:** the principles, rules, incentives and procedures used by donors and in some cases imposed by NGOs on themselves, hamper the efforts of market development practitioners who want to use facilitation approaches to make markets more inclusive, productive and efficient. Top-down, control-based, linear approaches have a place in the development landscape; they are important when dealing with natural disasters, civil conflict, epidemic outbreaks, etc.; in other words, life or death situations where a quick solution of symptoms is critical. However, these approaches do not work well when we are dealing with complex systems like markets; targeting root causes, not symptoms; promoting ownership and adaptability of the stakeholders; and promoting diffusion of new ideas and skills beyond our direct influence. In these cases, we need facilitation and systems thinking to create the right conditions for the stakeholders in the market system to drive and sustain the processes of change that work for them.

The architecture of the international aid (or cooperation) system must change on the basis of the principles of complex adaptive systems, effective organizational learning and facilitation. This concept note focuses on the latter but recognizing that it is impossible to separate effective facilitation from the ideas of complexity and effective learning.

**4. Proposed solution:** To promote, contribute to and engage with strategic processes of discussion, policy-making and advocacy related to the improvement of aid effectiveness from the perspective of facilitation and with a focus on inclusive market systems development.

**Note:** We are not the only ones thinking about doing this; there are networks like UK Aid Network, Better Aid Network, Interaction, etc. who are also working in the similar directions. This is good because this is a highly political process; the more critical mass and opinion-makers, the more effective we can be. We need to engage with these networks and organization as well as donors. The spirit should be of dialogue and collaboration; looking for areas where we can work together on concrete solutions.

**5. Proposed strategy:**

**Phase 1: Building mutual knowledge and trust using the MaFI-festo[[1]](#footnote-1):**

This is a phase of mapping out the stakeholders who are already mobilizing themselves around the issues of Aid Effectiveness. These include individual NGOs, networks, donors and even academic researchers who have studied the international cooperation system in detail.

After the mapping, we need to create spaces to share what we all are doing or want to do and find areas of commonality and divergence. In parallel, trust and joint visions of what is needed and possible should be promoted. This phase also includes the mapping of local and international milestones (conferences, workshops, meetings) where issues related to Aid Effectiveness will be discussed. MaFI will make important contributions to this global debate from the perspective of inclusive market development facilitation.

This phase will give MaFI members and leading donors additional ideas to improve the strategies and activities of the MaFI-festo.

**Phase 2: Implementation of the MaFI-festo recommendations**

The MaFI-festo identified concrete strategies and activities that practitioners and donors could implement together. These are classified into four broad areas: field practice, practitioner-donor relationships, capacity building and M&E.

The implementation of the MaFI-festo will be done following three guiding principles:

* **Collaboration:** the MaFI-festo will create appropriate conditions for trust, dialogue and mutual understanding between donors, practitioners and other key stakeholders; it is not about one actor asking the others to make changes. The MaFI-festo will promote sustained learning, convergence and collaboration.
* **Engagement:** the MaFI-festo will be used by MaFI members to engage, coordinate and make synergies with other organizations or networks who are pursuing similar objectives.
* **Practicality:** theMaFI-festo is designed to achieve real change that has real impacts on the work of field facilitators. The MaFI-festo is not only about imagining new solutions but also about learning from donors and practitioners who are already embracing market facilitation approaches and successfully changing the rules of the game of the international cooperation system.

**6. Potential Partnerships:**

This initiative requires collaboration and coordination with NGOs, networks and donors who are keen on promoting effective international aid or are already taking steps to improve how development cooperation funds are used and programs are implemented. Examples of potential partners are UK Aid Network, Better Aid Network, Interaction (US) and BOND (UK).

**7. Outcomes:**

It is impossible to predict which specific principles, rules or procedures the MaFI-festo Dialogues will be able to change. This is a highly political and complex process that has to engage the will and resources of several stakeholders (e.g. donors and networks). However, it is safe to assume that the following outcomes will result out of this initiative:

* A more enabling environment of rules, principles and procedures for inclusive market development initiatives using facilitation approaches
* Improved relationships between practitioners and donors. These relationships are fundamental for a sustained process of learning, adaptation and innovation around effective use of resources to make market systems work for poverty reduction at scale and environmental protection.

**8. Outputs or products:**

* Syntheses of the local and international discussions: these will be an important reference point for policy-makers or researchers of international cooperation.
* A series of case studies with lessons about how to implement facilitation-friendly rules and principles on the ground (also the challenges involved) and evidence about their impacts on responsiveness, innovation, sustainability, cost-efficiency and scale up.
* Local and international seminars and workshops (a key space for this will be the SEEP AC and events organised by SEEP members). These spaces will be co-financed by the hosts and other stakeholders.

**9. Duration:** 2-3 years (**NOTE**: this project document focuses on year 1 mainly)

1. The MaFI-festo will give content to the MaFI-festo Dialogues. It distils the inputs from several MaFI members since 2010. Accessible at: [slidesha.re/mafifesto2](http://slidesha.re/mafifesto2) [↑](#footnote-ref-1)