



VOLUNTARY SERVICE OVERSEAS (VSO)
MAKING MARKETS WORK FOR THE POOR (MMW4P)
PROJECT EVALUATION

EVALUATION REPORT - FINAL

July 9, 2014

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Sincerely,

The Social Enterprise Associates VSO/MMW4P Evaluation Team

ACRONYMS

AAC – Angkor Artisans Cambodia
ACR – Annual Country Report
AS – Aphiwar Srei (VSO partner in Cambodia)
ADP – Accenture Development Partners
CAEV – Community Agricultural Extension Volunteer
CCDP – Cochin Community Development Project
CED – Community Economic Development (VSO partner in Cambodia)
CRDT – Cambodia Rural Development Team
DCED – Donor Committee on Enterprise Development
DMS – Document Management System
FGD – Focus Group Discussion
IA – Impact Assessment
IMA4P – Improving Market Access for the Poor
KM – Knowledge Management
LTV – Long Term Volunteer
M&E - Monitoring and Evaluation
MMW4P – Making Markets Work for the Poor
NGO – Non-government Organisation
PAD – Premier Agricultural Development (VSO partner in Nigeria)
PMLT – Partnership Monitoring and Learning Tool
PPI – Progress out of Poverty (Indicators)
SEA – Social Enterprise Associates
SL – Secure Livelihoods
STV – Short Term Volunteer
ToC – Theory of Change
UWZ – The Zanzibar Association of People with Disabilities
VSO – Voluntary Service Overseas
ZEST - Zanzibar Enterprise for Sustainable Tourism

1 EXECUTIVE SUMMARY

1.1 ABSTRACT

Under the Making Market Work for the Poor project (MMW4P), Volunteer Serving Overseas (VSO) took significant steps in achieving the overall Accenture partnership goal of improving organisational understanding of and programming in market led development. All quantitative targets of the programme were achieved or surpassed: VSO reports that MMW4P partners reached 365,000 beneficiaries in 137 partners across 22 countries. With MMW4P, VSO significantly advanced knowledge management and impact assessment systems, enhancing the institutionalization of market development in VSO's Secure Livelihoods work and beyond. Due to strong internal reflection supported by knowledge management and impact assessment systems, VSO is aware of most of the weaker performance areas of MMW4P, and has plans in place to improve them. The core limitation of MMW4P was in the depth of implementation of market development. While VSO experienced pockets of success in implementing sustainable market development, in most cases programme managers and partners were only able to partially implement core practices, missing opportunities to leverage markets more fully to work better for the poor. One underlying cause was under-resourced knowledge management and capacity building. A key recommendation going forward is to develop operational and management tools that fully incorporate more advanced market development strategies to help VSO achieve sustainability and wider market development. With regard to impact assessment, VSO significantly advanced learning around assessing beneficiary impact. Going forward, the recommendation is for VSO to conduct impact assessment in a broader monitoring and evaluation framework that incorporates and provides incentive for staff to work toward sustainability and wider market development.

1.2 PROJECT DESCRIPTION

MMW4P is an Accenture-VSO partnership with the ultimate goal of enabling up to 310,000 poor and marginalised people to establish a more secure livelihood and “chart a path” out of poverty. A key scale-up mechanism is to use knowledge management to spread the methodology and lessons from five flagship programmes to other partners in those VSO country programmes, and from the flagship countries to other countries in the region. In addition, effective impact assessment in the project is core to documenting results, learning and improving programme implementation, and helping partners improve responsiveness and outreach to poor beneficiaries. The project is part of a longer-term partnership with Accenture through which VSO has been developing its global capacity for market development work. The current MMW4P project runs from 2009-2014. The budget for the current Accenture grant to VSO is \$3,039,750 plus additional funding for two associated Accenture Development Partners (ADP) projects with a maximum budget of \$230,235. The grand total is \$3,269,985.

Each of the five flagship programmes worked in different value chains, and took a different approach to market development— customized to VSO's overall strategy in that country context.

1. **Nigeria:** VSO Nigeria supported livelihood security and diverse livelihoods by enhancing production of core crops (maize, groundnuts, and yams) grown in areas targeted by community based NGO partners, while also supporting farmers to diversify into additional crops and livestock rearing. The Nigeria work is noteworthy for its community agricultural extension volunteer (CAEV) model, and for facilitating successful linkages with a larger private input supplier. VSO Nigeria's work in crop value chains strengthened cooperatives. In addition, VSO Nigeria implemented a cluster development strategy in the catfish value chain in two locations.
2. **Tanzania:** VSO Tanzania implemented a cluster development model in the tourism sector with the goal of linking farmers and crab rearing households to hotels and restaurants. The clustering model was replicated in other parts of Tanzania and also in Guyana, where VSO targeted women food processors.

3. **Malawi:** VSO Malawi developed the dairy sector nationally, with a focus on 3 regions. VSO worked at all levels of the value chain, from policy work to improving milk processing and marketing, to improving dairy cow productivity and access to cows for poor women. VSO Malawi also built the business and technical capacity of milk cooperatives and associations, critical pre-existing support structures in the dairy value chain.
4. **Cambodia:** VSO Cambodia's MMW4P strategy changed over time. The initial strategy was diverse with VSO and multiple partners working in seven value chains including crafts, chicken, fish, and community-based tourism. In its second strategy, VSO Cambodia targeted poor populations in disadvantaged areas of Cambodia, and focused market development on community-based tourism, poultry and fishing. During this phase, VSO Cambodia implemented some innovative market development strategies, but on a small scale due to the remote market conditions.
5. **Guyana:** VSO Guyana also shifted market development strategies mid-way through MMW4P. The first strategy focused primarily on extension services to farmers. The second strategy was to form an association of women-owned food processing groups and work with them to both understand and find markets, improve products and food processing, and better link to farmers. In both cases, VSO Guyana targeted remote rural areas populated by indigenous communities.

1.3 EVALUATION PURPOSE, METHODOLOGY AND DATA QUALITY

This evaluation is a comprehensive, participatory evaluation of the VSO MMW4P project from 2009 to 2014. The over-arching evaluation question is: *Has the VSO Accenture partnership been successful in achieving its objectives, i.e. improving organisational understanding of and programming in market led development while achieving positive development outcomes? Have MMW4P inputs been proportional to those outcomes? Could VSO have achieved more using the model differently or using a different model?* The evaluation questions are structured around the MMW4P theory of change (ToC), with the objective of understanding the strengths and weaknesses of the links in the causal model from inputs through activities to outputs, outcomes and impact. Further questions are elaborated in three core project streams of market development, knowledge management and impact assessment. The evaluation is as much focused on looking forward, synthesizing and making recommendations about VSO's future market development work, as it is about looking back on what has been accomplished and learned.

The evaluation methodology uses contribution analysis to assess strengths and weaknesses of VSO work in achieving results along the theory of change, ultimately leading to positive beneficiary impact. The evaluators verified, synthesized and analysed **quantitative data** gathered and reported by VSO. **The primary focus, however, is on qualitative inquiry** that gathers both detailed descriptions of the events and their causal chain, as well as the analytical perspective of the diverse stakeholders engaged in MMW4P. Programmatic and impact effects are noted, triangulated and verified. Evaluators attempted to assess the extent to which links and "attribution" can be made back to VSO's programme. Open, participatory dialogue was key to soliciting this analytical perspective. The evaluators honed in on questions VSO staff identified as important for decision-making and/or programme elaboration going forward. The evaluators brought extensive technical expertise to bear comparing the VSO MMW4P project to global good practice, and in making recommendations. Finally, the methodology was bounded by practical concerns including stakeholder availability, budget, and timeframe.

Specific Tools:

- VSO document review: some 140 internal documents including management reports, learning documents, and impact assessments;
- Evaluation survey: of all VSO staff and of current and returned VSO volunteers working on market development; (Response rate 43%, out of 104 people.)

- Field visits: to Nigeria and Cambodia;
- On-line “Jam” or focus group discussion: exploring future oriented topics with around 20 VSO staff and volunteers; and
- Assessment of VSO on-line resources: the Learning Hub, Chatter, and the Lync facility for webinars and on-line interaction.

Data Quality: Overall, evaluators are very satisfied with the quality of data used to conduct the evaluation. The only biases introduced were a) positive bias in beneficiary reach data, and b) significantly deeper coverage of flagship over non-flagship country programmes. VSO staff, volunteers and partners were solicitous in their documentation and interviews, sharing positive and negative experiences, and/or suggestions for improvement going forward.

1.4 RESULTS IN ACHIEVING QUANTITATIVE PROJECT OBJECTIVES

VSO reports having achieved all of its quantitative targets for MMW4P.

- VSO reports reaching 365,000 beneficiaries (55% women), surpassing its target of 310,000 beneficiaries.¹
- VSO’s MMW4P team implemented MMW4P programmes in 5 flagship countries; 28 partners (against a target of 25) received a long-term volunteer and 23 additional partners in flagship programmes benefitted from VSO market development support and/or learning from the MMW4P partners. In 2013, an additional 87 partners in 17 non-flagship countries report engaging in market development work. (Total partners: 138 in 22 countries.)
- There were no quantitative targets for achieving the programme goal of beneficiaries “charting a course out of poverty,” but VSO impact assessment data reflects positive impact that is verified by individual beneficiary stories. For example, in Nigeria, beneficiaries reported an 88% increase in income, with women increasing their income by 400% and achieving income equality with men.
- Attribution to VSO work was traced by assessing the extent to which beneficiaries improved access to services from partners. For example, in Malawi, 91% of beneficiaries report having access to veterinary services in 2013, while only 66% had access at the start of the project, in 2010.

These positive outcomes are linked to the work of VSO volunteers building partner capacity to deliver the services that beneficiaries report using to increase their incomes.

1.5 QUALITATIVE PROJECT RESULTS, EVALUATION FINDINGS AND RECOMMENDATIONS: LOOKING BACK

Evaluators identified key strengths and weaknesses for each element of the theory of change, integrating evaluation questions into this structure. **Key strengths** included:

- ✓ Relevance of market development to the VSO and country programme contexts;
- ✓ Complete delivery of planned inputs;
- ✓ High quality volunteers, well appreciated by partners and beneficiaries;
- ✓ Significant improvements in partner capacity to deliver effective services to beneficiaries;
- ✓ Improved beneficiary livelihoods – in terms of income level, income stability, and asset type – linked to increased used of services delivered by partners and improve by volunteers;
- ✓ Pockets of success in implementing the more advanced market development principles of sustainability and broader market development; and
- ✓ Development and roll-out of knowledge management and impact assessment systems, which were new to market development work at VSO.

¹ These figures need to be understood in the context of significant methodological challenges in measuring reach, which are being addressed by VSO in 2014 reports.

Weaker aspects of MMW4P included:

- ☒ Missed opportunities to achieve higher levels of sustainability and wider market development;
- ☒ Insufficient capacity building in core market development principles and practices for staff, volunteers and partners engaged;
- ☒ Under-resourced knowledge management; and
- ☒ Reach and impact data lacking statistical rigor.

Below are presented the evaluation questions and key findings for each ToC element.

1.5.1 THEORY OF CHANGE, RELEVANCE OF MARKET DEVELOPMENT

Evaluation Questions: Did the Theory of Change Reflect Good Practice? Was the Project and Theory of Change Relevant to the Development Context?

Findings: Although the ToC contains important elements of good practice in market development, it failed to clearly articulate a core principle: the goal of developing sustainable service providers and strengthening market facilitation by organisations outside the market. This may have undermined sustainability.² Market development is relevant in almost any context, but expectations and strategies need to be aligned to the context.³

1.5.2 INPUTS AND ACTIVITIES – MARKET FACILITATION

Evaluation Questions: Did VSO deliver the inputs and carry out the activities as planned, on time and of high quality? Was the programme effective and efficient? To what extent has VSO been able to combine resources efficiently in order to achieve positive outcomes?

Findings: Overall, VSO successfully utilized Accenture funding to perform its core market facilitation activity planned in the project: to mobilize and place high quality volunteers in appropriate roles in partner organisations in flagship programmes that demonstrate and inspire other market development work at VSO. VSO's performance in selecting and assessing markets was mixed. More significantly, VSO could possibly have gained high efficiency with a stronger implementation of more advanced market facilitation practices. Principally, by partnering more with the private sector, and working at multiple levels of the market more often, VSO may have achieved high levels of sustainability and broader market change. Evidence backing these findings comes from documentation, interviews, the evaluation survey, the field visits and evaluators' observations.

1.5.3 ACTIVITIES – KNOWLEDGE MANAGEMENT AND IMPACT ASSESSMENT

Evaluation Questions: Is the knowledge management (KM) function serving its various purposes within the VSO MMW4P project? Given the 2013 results of the MMW4P impact assessment (IA) review, what measures have been incorporated into work to date and into the future plans? Are there additional recommendations from evaluators regarding impact assessment?

Findings: MMW4P exhibited mixed performance in knowledge management and impact assessment work. On the one hand, the IA and KM systems developed guidance and tools that were well regarded by staff and volunteers, and both systems generated high volumes of useful information that VSO staff and volunteers used to make programme improvements. On the other hand, the data and information generated by KM and IA systems had significant shortcomings in terms of rigor, and in providing strategic descriptive information on market development. VSO has undertaken systematic learning initiatives in KM and IA, documenting

² DCED 2001; ILO 2006

³ DCED 2001; The SEEP Network, 2009

strengths and weaknesses, and engaging in continuous improvement and deeper integration of KM and IA into programme management.⁴ VSO's KM and IA work is ahead of most market development programmes globally, although there is still work to be done to align VSO's KM and IA work with global good practice standards.

1.5.4 OUTPUT: PARTNER CAPACITY IN MARKET DEVELOPMENT

Evaluation Questions: *Did partners increase capacity, delivery better services and improve impact assessment to become more sustainable, responsive to beneficiaries and to improve poverty outreach? What partnership models and partner selection have supported sustainability in MMW4P programmes, and what might support sustainability in the future? Are current partners appropriate partners for MMW4P work? Which were most effective and why? Are the partners clear about their role as services providers or market facilitators?*

Findings: MMW4P performed well in partner capacity development and service provision, but weaker in financial sustainability. On the positive side, partner capacity scores increased and there were numerous cases in which volunteer training strengthened partners who in turn trained beneficiaries who realized benefits specific to the training received. Information regarding partner improvements in poverty outreach, or in reaching increasingly marginalised populations was not widely reported. Regarding sustainability challenges, many partners were unclear in their role as market facilitators or service providers, and many were fundamentally community-based organisations providing subsidized services to select beneficiaries. There were instances of VSO strengthening social enterprises or cooperatives, but their financial viability was not reported.

1.5.5 OUTCOMES AND IMPACT FOR BENEFICIARIES

Evaluation Questions: *Did beneficiaries change behaviour and gain better access to markets as a result of VSO work? Did this help them “chart a course out of poverty?” What was the poverty level of beneficiaries and how did this compare to intentions? To what extent did the programme reach and serve women or other disadvantaged populations? Were there additional benefits not expressed in the theory of change? Were there unintended negative impacts? What evidence is there that any changes, or results measured and reported are attributable to VSO work?*

Findings: Within the limitations of the impact assessment data, which was only gathered and reported in flagship country programmes, VSO reported strong impact in terms of beneficiaries improving farm and business practices and experiencing positive impact – although the process did not always involve improved access to markets.⁵ VSO also reported improvements in empowerment, for example increases in confidence, and the development of networks inside and outside the community. Behaviour change and impact was less apparent on gender issues; there is uncertainty around the scale of impact due to inconsistent reporting of reach figures, and there is evidence that VSO's poverty outreach was diverse. No negative outcomes or impact were reported. The evidence for this positive impact, and links to VSO partner capacity building work, was sourced from aggregate survey data and case studies in the impact assessment reports, and corroborated by field visits to Nigeria and Cambodia, interviews with the VSO Evaluation team and Secure Livelihoods staff in countries with flagship programmes, and the evaluation survey.

1.5.6 BENCHMARKING MMW4P

Evaluation Question: *Overall, how does the performance of MMW4P compare to good practice market development initiatives? Could VSO have achieved more using the model differently?*

Findings: MMW4P overall moderately reflects good practice in market development, with pockets of good practice in all flagship programmes and in all aspects of market development.

⁴ Murray, 2014; Spencer-Smith, 2014 (Interviews)

⁵ Making Markets Work for the Poor -- Impact Assessment Report Final Term, 2013; VSO's Livelihoods Work: Lessons from Making the Markets Work for the Poor, 2013; detailed information regarding the data quality and limitations of the impact assessment process are provided in section 4.4 of this report.

Malawi was the most exemplary of strong market development, followed by Tanzania, Nigeria, Cambodia and Guyana, in that order. As described above, the project performed better on impact and partner delivery of useful services, but weaker on sustainability and development of the broader market.

Text Box 1: Pockets of Stronger Market Development

- **Malawi:** VSO worked with associations at the regional and national level, which provided opportunities to reach scale and address system-wide constraints. At the regional level, VSO helped partners to address constraints at multiple points in the value chain from input supply and extension services to processing and marketing issues. At the national level, VSO engaged in advocacy work to improve access to affordable milk for the general low-income population by promoting health standards for unpasteurized milk. Although the regional associations were mainly direct service providers, at the national level, VSO facilitated stakeholder meetings and worked with two potential leading organisations who could facilitate dairy market development over the long term.
- **Tanzania.** In Zanzibar, VSO's ZEST project facilitated a pro-poor tourism cluster and addressed production, storage, and marketing constraints.
- **Cambodia:** A past partner, AAC, is a national fair trade association that facilitates market linkages for member cooperatives and social enterprises. At the local level, CRDT was in the process of organising a stakeholder meeting for the poultry value chain.
- **Nigeria:** In Nigeria, VSO used a cluster development strategy in catfish, and successfully addressed the availability of quality fish stock, fish farming itself, and fish marketing. In addition, attempts were made to address feed supply and fish drying constraints as well.
- **Guyana:** WADnet, the small association established with VSO assistance, plays the role of a market facilitator to its member producer groups. VSO worked at the group level to improve business management and food processing, and on market access. Toward the end of the programmes, at least one volunteer worked on supply contracts with farmers.

1.6 EVALUATION FINDINGS AND RECOMMENDATIONS: LOOKING FORWARD

This evaluation was focused as much on the future as on the past. VSO, globally and nationally, has plans for market development that incorporate their significant lessons learned. In addition, VSO requested that evaluators address several key future-oriented questions and provide advice on some strategic directions under consideration.

1.6.1 VSO'S NICHE

Evaluation Question: *Going forward, what is VSO's competitive advantage or niche in market development work? How can VSO leverage its core capacity in volunteering for development to accomplish best practice and/or leading market development work?*

Findings: As with any international organisation, VSO's "niche" is different in different development and funder landscapes, but VSO can continue to build on its core strengths as an organisation to strengthen its general competitive advantage in market development work. In addition, VSO should assess the potential to develop specializations in linking smallholder farmers with global corporate supply chains, and in reaching and serving the poor, including marginalised populations in general.

1.6.2 POVERTY OUTREACH

Evaluation Questions: *What is an appropriate poverty outreach strategy for VSO's market development work going forward? What policies and tools are most appropriate to implement this strategy? What market*

selection and analysis techniques are needed? In the VSO context, how can market development programmes be designed to benefit the poor and ultra-poor? What might have to change in impact assessment to support such a strategy?

Findings: VSO staff and volunteers are strongly in favor of continuing and deepening VSO's poverty reduction work. They are in favor of VSO developing more explicit poverty outreach strategies and guidance, including guidance on reaching and benefiting more marginalised populations. Stakeholders are more cautious about introducing poverty measurement, given the complexities and weak quality of impact assessment data currently reported.

1.6.3 MORE PRESCRIPTIVE OR MANDATORY GUIDANCE

Evaluation Questions: *VSO proposes to provide and implement more prescriptive or mandatory guidance to staff and volunteers on market development programme design and practice. What kinds of guidance, disseminated and employed in what way, would be important and useful? What are some of the key messages the guidance should contain? What would help VSO staff, volunteers and partners be responsive to these guidance?*

Findings: Evaluation findings suggests strong support for additional, prescriptive guidance, but that the planned focus on assessment and design phases of market development in IMA4P may be over-emphasized to the detriment of more urgently needed guidance for implementation and operationalization of fundamental market development principles, strategies and practice. In addition, there is need for stronger promotion and training on guidance and tools overall.

1.6.4 VSO STAFF AND VOLUNTEER CAPACITY BUILDING

Evaluation Questions: *Given VSO staff, volunteer and partner staff turnover, budget frameworks and the programme and institutional context, how can VSO ensure that current staff, volunteers and lead partners – at any time – have the capacity to implement best in class market development work? What staff roles, IT platforms and activities are funded for what purposes to support capacity building, knowledge management, IA and learning, and are they adequate to support the programme? What different (cost-effective) strategies might additionally support good capacity for quality implementation?*

Findings: VSO should articulate and operationalise an orientation and training strategy for market development staff and volunteers that takes into account resources constraints, technology access levels, and continuous demand for orientation and training. Such a strategy would promote and train on the market development guidance described above.

1.7 KEY RECOMMENDATIONS

1. **Improve Market Development:** VSO should improve its performance in market development and implementation of more advanced market development principles by developing clear, strategic, operational and reporting guidance, and promoting this guidance through technology-leveraged orientation and training for VSO staff and volunteers.
2. **Strengthen VSO's Niche in Market Development:** VSO should articulate its strengths in market development, based on its core competencies as an organisation and leveraging the significant positive documentation of impact under MMW4P; VSO should test and potentially develop its capacity in two specialization areas: linking smallholders to global, corporate supply chains and poverty outreach, which would include outreach to marginalised populations.
3. **Streamline and Improve IA and KM:** VSO should significantly streamline its impact assessment system to improve the quality of a few key aggregate indicators, to align better with standards for results assessment in market development, and to make room for poverty measurement and reporting, and reporting on a few key aggregate empowerment indicators, including one for gender equity. As a matter of urgency, VSO should further improve its methodology for measuring reach, bringing it in-line with market development practice. As VSO merges the functions of knowledge management and impact assessment –functions

that should include staff and volunteer orientation and training – VSO should be careful to align realistic objectives with resources, and to carefully manage competing priorities.

1.8 STRUCTURE OF THE EVALUATION REPORT

This evaluation report is structured in the following chapters:

1. Executive Summary
2. Brief Project Description
3. Methodology and Data Quality
4. Results in Achieving Quantitative Project Objectives: This chapter lays out the project theory of change, and compared quantitative project results against targets at relevant levels of the theory of change.
5. Qualitative Project Findings and Recommendations - Looking Back: This chapter presents qualitative project results, as well as analytical information gathered during the evaluation. This information is analysed with a view toward further elaborating the extent to which the project met its objectives and achieved good practices standards in market development. For each finding, recommendations are made based on the information as well as evaluators' extensive knowledge of market development, livelihood security, and social enterprise work globally.
6. Evaluation Findings and Recommendations - Looking Forward: This chapter presents additional information gathered during the evaluation about future market development work at VSO. This is combined with evaluators' expertise to form further recommendations.
7. Synthesis of Recommendations: This chapter combines and presents all the evaluation recommendations into three key elements, listing more specific recommendations.
8. Annexes: This evaluation contains extensive annexes where detailed data is presented, including reports on country visits to Nigeria and Cambodia, a full evaluation survey report, a deeper analysis of the knowledge management and impact assessment report, and more standard annexes such as a bibliography with a list of people interviewed, etc.

2 MMW4P PROJECT DESCRIPTION

MMW4P is an Accenture-VSO partnership with the ultimate goal of enabling up to 310,000 poor and marginalised people to establish a more secure livelihood and “chart a path” out of poverty. The strategy of MMW4P is to equip local partner organisations to drive beneficiary business and farm improvements through market-oriented solutions. A key scale-up mechanism is to use knowledge management to spread the methodology and lessons from the flagship programmes to other partners in those VSO country programmes, and from the flagship programmes to other countries in the region, using the flagship countries as "learning centres." In addition, effective impact assessment in the project is core to documenting impact, learning and improving programme implementation, and helping partners improve responsiveness and outreach to poor beneficiaries. The project is part of a longer-term partnership with Accenture through which VSO has been developing its global capacity for market development work.

2.1 MMW4P OBJECTIVES, BUDGET AND TIMEFRAME

The specific project objectives are to:

1. Identify markets that reach the poor and create interest in associated products
2. Improve access to markets and identify partners supporting targeted beneficiaries
3. Drive a change of behaviour in partners and beneficiaries to create sustainability
4. Institutionalise programme and impact assessment learning through knowledge management

Underlying these objectives is the goal of building VSO capacity to implement market development, deepening and systematizing learning that took place under the previous partnership. Impact assessment and knowledge management were seen as critical for documenting results and learning, for institutionalizing market development in VSO, but also as key learning topics themselves.

The current MMW4P project runs from 2009-2014. The budget for the current Accenture grant to VSO is \$3,039,750 plus additional funding for two associated Accenture Development Partners (ADP) projects with a maximum budget of \$230,235. The grand total is \$3,269,985.

Text Box 2-A: History of Accenture-VSO Market Development Partnership

VSO began working with Accenture in 1999 to help meet the need for business skills in VSO's programmes through corporate volunteering. The first grant, received from the Accenture Foundation in 2003, enabled their employees to volunteer in VSO's programmes. They started to fund VSO's Secure Livelihoods work in 2006, with a 3 year grant of \$1.29 million which enabled VSO to take the initial steps towards understanding the importance of market led approaches to development, introduced the Making Markets Work for the Poor approach, and facilitated the development of tools for local partner-level programming. The grant also established 3 flagship programmes (Malawi, Tanzania and Cambodia) where market development approaches were introduced and piloted. The third and current grant – which runs from 2009 to July 2014 and was worth \$3.2 million – funded the Making Markets Work for the Poor project which aimed to embed these market development approaches into country level secure livelihoods programming at a much deeper level.⁶ Two further Flagship programmes (Nigeria and Guyana) were added. With MMW4P, Accenture and VSO also invested more significantly in knowledge management to spread market development to additional countries, and developed and tested an impact assessment methodology.

⁶ Accenture & VSO: Making Markets Work for the Poor Executive Summary

2.2 PROJECT WORK-STREAMS

The project is implemented in three work-streams:

- **Market Development:** Developing the capacity of local partners to understand and strengthen markets – for inputs, services, technology and products – so that they channel better benefits to the poor. In this context, MMW4P conducted market assessments, organised stakeholder coordination meetings and ran an entrepreneurship award scheme for individuals or groups exhibiting business growth as a result of market development work conducted by VSO-supported partners. (See Text Box 1-B for terminology related to market development, as used in this evaluation.)
- **Knowledge Management:** Strengthening livelihoods-related knowledge management. MMW4P developed a knowledge management framework, emphasised the collection and sharing of documentation of good practice and organised study tours and regional learning meetings. (Much of this work was carried out by Knowledge Management volunteers and funded by Canadian International Development Agency.)
- **Impact Assessment:** Measuring the changes in beneficiary income, assets, and access to services resulting from VSO partners. MMW4P developed, tested and improved an impact assessment framework and toolkit, captured the learning from this process, and used impact assessment information to improve programme strategy and implementation.

Text Box 2-B: “Market Development” Terms

The terminology of the MMW4P project and its related field changed during the course of the project. Consistent with these changes, this evaluation report uses the following terms:

- Market Markets Work for the Poor (MMW4P): Evaluators use this term to refer specifically to the Accenture VSO project under evaluation, although there is a body of development work and publications also called Making Markets Work for the Poor, sometimes referred to as “M4P.”
- Market Development: When capitalized, evaluators are referring to the work-stream of the MMW4P project that focused on working with partners to strengthen markets. This term is used sparingly.
- Market development: When not capitalized, evaluators are referring to the field and practice of “market development,” which encompasses making markets work for the poor, value chain development, business development service market development, and sometimes social enterprise. In this evaluation, market development as a practice is described more specifically in the benchmarking section, 5.6.
- VSO market development work or programmes: these expressions refer to any VSO work reported within VSO as market development under the Accenture-VSO project, MMW4P. These terms also refer to future VSO work of this kind.
- “Markets:” In this evaluation, “markets” refers to the businesses and other stakeholders that VSO is working to strengthen, and the way they operate together. Often, VSO is targeting a value chain or a cluster, so these words are used as well to be more specific when possible. When referring to buyers or customers, evaluators use terms such as “end buyers” or “wholesalers.”

It should be noted that some VSO documents refer to the MMW4P project as the “Making Markets Work” project and to market development work as “making markets work.”

2.3 FIVE MMW4P FLAGSHIP PROGRAMMES AND LEARNING CENTRES

Text Box 3: Flagship Programmes and Learning Centres

Each flagship country programme was designated as a learning centre for other programmes in that country and for the region, as follows:

- **Tanzania:** supporting other programmes in Tanzania, and in Kenya, Rwanda and Uganda
- **Cambodia:** supporting other programmes in Cambodia, and in Indonesia, the Philippines, Bangladesh, Nepal, Laos and Tajikistan
- **Nigeria:** supporting other programmes in Nigeria, and in Cameroon, the Gambia, Ghana and Sierra Leone
- **Malawi:** supporting other programmes in Malawi, and in Zambia, Namibia and Mozambique
- **Guyana:** supporting other programmes in Guyana, and in Bolivia and Peru

Each of the five flagship programmes worked in different value chains or clusters, and took a different approach to piloting the market development methodology – customized to the country context and to VSO’s country strategy. This diversity was encouraged by VSO’s Secure Livelihoods team, which facilitated documentation and knowledge sharing among programmes and regions to build VSO market development capacity and continuously improve market development outcomes for beneficiaries. Brief descriptions of the flagship programmes follow. (For more information see Annex 1: Nigeria Country Report, Annex 2: Cambodia Country Report and Annex 3: Country Briefs / Assessments.)

1. **Nigeria:** VSO Nigeria supported livelihood security and diverse livelihoods by enhancing production of core crops (maize, groundnuts, and yams) grown in areas targeted by community based NGO partners, while also supporting farmers to diversify into additional crops and livestock rearing. The Nigeria work is noteworthy for its community agricultural extension volunteer (CAEV) model, and for facilitating successful linkages with a larger private input supplier. VSO Nigeria’s work in crop value chains also strengthened cooperatives. In addition, VSO Nigeria implemented a cluster development strategy in the catfish market in two locations.
2. **Tanzania:** VSO Tanzania implemented a cluster development model in the tourism sector with the goal of linking farmers and crab rearing households to hotels and restaurants, and improving employment and training in the hospitality sector. The clustering model was replicated in other parts of Tanzania and also in Guyana, where VSO targeted women food processors.
3. **Malawi:** VSO Malawi developed the dairy sector nationally, with a focus on 3 regional cooperatives. VSO worked at all levels of the value chain, from policy work to improving milk processing and marketing, to improving dairy cow productivity and access to cows for poor women. VSO Malawi also built the business and technical capacity of milk cooperatives and associations, critical pre-existing support structures in the dairy value chain.
4. **Cambodia:**⁷ VSO Cambodia’s MMW4P strategy changed over time, and can be divided into three distinct phases: past, recent, and future. The past strategy was diverse. With three market assessments driving its market development strategy, VSO and multiple partners worked in seven value chains including crafts, chicken, fish, and community-based tourism. In its second strategy, VSO Cambodia targeted poor populations in disadvantaged areas of Cambodia, and focused market development on community-based tourism, poultry and fishing. During this phase, VSO Cambodia implemented some innovative market development strategies, but on a small scale due to the remote market conditions. Going forward, VSO Cambodia hopes to reach a larger population of poor people anywhere in the

⁷ MMW4P Evaluation Report Cambodia, 2014

country, and plans to work more with government and through larger-firm linkages; the rice value chain is a likely focal point.

5. **Guyana:** VSO Guyana shifted market development strategies mid-way through MMW4P. The first strategy focused primarily on extension services to farmers. The second strategy was to form an association of women-owned food processing groups and work with them to both understand and find markets, improve products and food processing, and better link to farmers. In both cases, VSO Guyana targeted indigenous populations located in remote rural areas.

3 EVALUATION METHODOLOGY AND DATA QUALITY

The evaluation purpose is to address relevance, effectiveness, efficiency, impact and sustainability of MMW4P. Other overlapping objectives include accomplishing the follow core tasks, as stated in the Terms of Reference (See Annex 10):

- Assessing the value of the strategic model
- Gauging outcomes and impact
- Contributing to broader learning questions

The evaluation is as much focused on looking forward, synthesizing and making recommendations about VSO's future market development work, as it is about looking back on what has been accomplished and learned.

This chapter presents the evaluation methodology and analyses the quality of information generated to reach conclusions. It covers:

1. Evaluation questions
2. Approach
3. Specific methods and data quality

3.1 EVALUATION QUESTIONS

The over-arching evaluation question is: *Has the VSO Accenture partnership been successful in achieving its objectives, i.e. improving organisational understanding of and programming in market led development while achieving positive development outcomes? Have MMW4P inputs been proportional to those outcomes? Could VSO have achieved more using the model differently or using a different model?* The evaluation questions are structured around the MMW4P theory of change (ToC), with the objective of understanding the strengths and weaknesses of the links in the causal model from inputs through activities to outputs, outcomes and impact. At all junctures, evaluators asked: What happened? What worked? What didn't? Why? What should be done differently in the future? Are these recommendations already incorporated in future plans? (For a detailed list of evaluation questions, see Annex 4: Evaluation Questions.) Because project activities are organised and generally understood in the 3 programme work-streams, these form an additional underlying structure.

Key questions for the evaluation are framed in three core project streams (For a full list of evaluation questions, see Annex 4):

1. **Market Development:** When and how were markets selected? Did market development programmes reach the poor in the respective markets? Did VSO effectively facilitate markets and build capacity of partners to increase beneficiary access to markets? Did beneficiaries access and use more services, improve practices and realize improved livelihoods? Can these changes be traced back to VSO volunteers and VSO market facilitation?
2. **Knowledge Management:** What were the most effective knowledge management activities for VSO staff, volunteers and partners in terms of learning how to facilitate markets at different stages of work (orientation, implementation, exit) and project (early, mid, late)? What incentives and management practices have supported good KM?
3. **Impact Assessment:** Given the 2013 results of the MMW4P impact assessment evaluation, what measures have been incorporated into work to date and into the future plans? What

scope is there, if any, for measuring system-wide change in the new VSO data protocols for measuring direct and indirect beneficiaries?⁸

3.2 APPROACH

This evaluation is a comprehensive, participatory evaluation of the VSO MMW4P project from 2009 to 2014. The MMW4P theory of change (ToC) structures the evaluation inquiry, which compares how MMW4P was supposed to work with what actually happened. The evaluation strives to identify VSO and external contributions to the overall changes observed at the VSO, partner, market and beneficiary levels.⁹ Core evaluation objectives and additional key evaluation questions are incorporated at relevant points of the inquiry and highlighted in the evaluation report.

The evaluators verified, synthesized and analysed quantitative data gathered and reported by VSO. The primary focus, however, is on qualitative inquiry that gathers both detailed descriptions of the events and their causal chain, as well as the analytical perspective of the diverse stakeholders engaged in MMW4P. Programmatic and impact effects are noted, triangulated and verified. Evaluators attempted to assess the extent to which links and “attribution” can be made back to VSO’s work.

Open, participatory dialogue was key to soliciting this analytical perspective. The evaluators honed in on questions VSO staff identified as important for decision-making and/or programme elaboration going forward. The evaluators brought extensive technical expertise to bear comparing the VSO MMW4P project to global good practice and making recommendations. Finally, the methodology was bounded by practical concerns including stakeholder availability, budget, and timeframe.

3.3 SPECIFIC METHODS AND DATA QUALITY

This section describes the specific evaluation methods used as planned and implemented, and assesses the quality of the information or data generated. Overall, the evaluation methods generated good quality data, with a strong bias toward the flagship programmes and a small positive bias around beneficiary impact. The positive bias was in the evaluators’ verification, rather than VSO’s reported data. The evaluation utilized a wide range of methodologies including document reviews, analysis of quantitative data, the conducting of interviews, survey administration, the creation of country briefs, field visits, and an online “jam” or focus group discussion. The data quality generated by each activity is assessed and any shortcomings or bias explained in this section. Table 1 summarizes the data quality for each activity.

⁸ Morris, 2014 (Interview)

⁹ Contribution analysis is the underpinning logic, Mayne, 2008

Table 1: Data Quality and Bias			
Evaluation Method	Extent/Type of Change from Plan	Data Quality (1 low, 5 high)	Bias, if any
Document Review	Higher volume Higher focus on annual, implementation activities than on market development strategy Less background/descriptive information than anticipated Less presentation and analysis of strategy	3.5	Toward flagship programmes because they are better documented Fewer general conclusions about overall MMW4P performance Reduced ability to verify quantitative data reported and trace attribution
On-Line platform: On-line Jam, Chatter, Learning Hub	Harder to access Lower participation Participants did not share any documents	3.5	None
Evaluation Survey	Responses to 1 question were not clear Only people with strong internet access could respond	5	None; surprisingly, response rates for current volunteers were high
Country Briefs and Portfolio Analysis	Significantly lower documentation and central staff knowledge than planned	2	More detail on flagship programmes
Field Visits to Nigeria, Cambodia	Partners brought “familiar” people to participate Logistics and time challenges	4	Some positive bias from beneficiaries Reduced discussion about lower priority evaluation questions – relevance to context in Nigeria; knowledge management in Cambodia
Overall Data Quality		4	More detail on flagship programmes, some positive bias from beneficiaries, lower coverage of lower priority evaluation questions due to less information than expected in current documentation.

3.3.1 VSO DOCUMENTS

Summary: VSO provided extensive documentation on MMW4P, but gaps in descriptive and strategic information made it challenging for evaluators (and VSO managers) to understand and analyse on-the-ground market development work. This resulted in over-representation of flagship programmes in the evaluation, and some limitations regarding covering more peripheral evaluation questions deeply due to the high level of effort involved in capturing fundamental story lines.

Description: VSO stores extensive documentation about MMW4P and they shared this with evaluators. Table 2 lists the kinds of documentation evaluators reviewed, organised by the three project work-streams. The documents ranged in scope from frameworks and tools, to case studies of flagship programmes, to annual reports on partner capacity building.

Table 2 Documents Reviewed ¹⁰	
Focus Area	Type of Document
1. Market Development	Learning documents (Case Studies, Learning Logs, Volunteer Placement Reports) Partnership Monitoring and Learning Tool (PMLTs) Project documents and reports (ACRs, Reports to Accenture, excel worksheets with project data) Guidance and tools (Market Development Handbook, Market Assessment Guide) Strategic assessments (Enterprise Based Development Reports, Secure Livelihoods Strategies)
2. Knowledge Management	KM Survey Report, Assessment Report, Recommendations Papers KM Frameworks and Implementation Plans Regional Learning Meeting Reports, Study Tour Reports, Case Studies
3. Impact Assessment	External Impact Assessment Review Impact Assessment Framework, Guidance and Tools Impact Assessment Report for the Project, Country Reports Learning Logs, and Regional Meeting Reports

Quality Assessment and Bias

The list documents are referred to throughout this report. They provided valuable information and analysis about market development carried out under MMW4P as well as insights into the strengths and weaknesses of the knowledge management and impact assessment work. Documentation of the knowledge management and impact assessment frameworks and guidance, as well as their application, was apparent and clear. At the same time, given the volume of documents (~ 138 VSO documents reviewed), it was surprisingly challenging to piece together a clear description of a market development strategy in a particular country. The implications of this gap for project management are addressed more in Annex 6: Knowledge Management and Impact Assessment. The bias for the evaluation is that the flagship programmes are heavily over-represented due to the challenge of capturing the main story-lines in the flagship programmes, and the dearth of information about non-flagship programme market development work nevertheless reported under MMW4P.

3.4 REVIEW AND USE OF ON-LINE TOOLS, ON-LINE JAM AND CHATTER

Summary: The Learning Hub, Chatter and the on-line Webinar platform Lync are functional but challenging to use, especially when considered as a “package” because they are disconnected, and have either technical glitches or a “learning curve” to their use that represents a barrier for staff and volunteers. Evaluators held an on-line “jam” using Lync, which was less dynamic than hoped for. One core benefit, however, was bringing staff and volunteers from non-flagship country programmes into the evaluation dialogue.

Description: VSO made available its on-line platforms, which evaluators assessed, and in some cases used first hand in the evaluation. (Chatter and Lync) Evaluators experienced the benefits and challenges of these platforms as reported by staff and volunteers, and endorse the current technology plans. These include promoting the use of Salesforce Chatter to all volunteers and staff by incorporating training and signing on into induction, and the roll-out of Sharepoint as the main document management system and learning hub potentially with a “home page” for different technical fields including market development.

¹⁰ For a full list see Annex 5: Bibliography – Internal Documents

Quality Assessment and Bias: This brief section shares information about the performance of these tools, while describing their usefulness in implementing the evaluation methodology.

- **The Learning Hub:** On the one hand, the information on the learning hub is useful and not overwhelming; on the other hand, accessing the learning hub requires specific user names and passwords that are different from Chatter and not easy to retrieve if lost.
- **Chatter:** Chatter is easy to use once a user is logged in, but Chatter uses a separate login from the Learning Hub, and requires several onerous steps (from Safari). The evaluators did not get any responses to postings made to Chatter in the course of the on-line jam; during the course of the evaluation, the MMW4P coordinator was the main presence.
- **Lync On-Line “Jam” Event:** The Lync webinar function is rich and versatile, but participants were not comfortable with it, preferring only to type and speak rather than use the other functions. Text Box 3 presents a more detailed description of this methodology.

A deeper assessment of VSO’s on-line tools for knowledge management is presented in Annex 6: Knowledge Management and Impact Assessment.

Text Box 3: On-Line Jam

Evaluators invited all VSO staff, volunteers and returned volunteers involved in market development, 104 people total, to a 3 day open platform Lync for an ‘online jam’ to voice their opinions. A whiteboard with a welcome message and dialogue prompt was open 24 hours. Filled whiteboards were saved and directions given to participants, including how to access previous comments. The evaluators also posted summaries of previous comments and left 1 or 2 comments on the whiteboard to stimulate participation. On the third day, the evaluator held a live presentation and dialogue during a time convenient for people in Latin America, Europe and Africa. The evaluators posted messages to prompt anyone from Asia hoping for a live dialogue to contact the evaluators, but no one did. There were 4 main prompts for the dialogue:

- **“Future-Focus:** The purpose of this On-line Jam is to provide input into VSO’s future market development work. To do this, we will delve into controversial questions about VSO and market development.”
- **“Question 1:** How can VSO work better with the private sector to reach more people and achieve better sustainability? Should volunteers work more directly with private companies to “make markets work better for the poor?” What are the implications? What are the other options?”
- **“Other Potential Topics – participants choose:** Minimal standards for market development work? “Clustering” volunteers? Given high staff and volunteer turnover, how can market development skills be assured? Is VSO reaching the very poor – how to improve? How can VSO improve its gender strategy in market development? Merging learning knowledge management and impact assessment – how can it improve monitoring and management? Adding poverty-level indicators to impact assessment?”
- **“Preliminary Results of the MMW4P Evaluation Survey:** Find out what your peers think.”

Participation was moderate, but representative. Twenty identifiable people contributed and a few others listened in. Participants included staff, VSO volunteers and a returned volunteer. All regions were represented, and several participants had a specific focus on impact assessment or knowledge management. Participants did not make anonymous contributions. (For more information see Annex 7: Online Jam Report.)

3.4.1 QUANTITATIVE RESULTS DATA

Summary: In gathering quantitative project results, the evaluators relied on data produced by VSO. Quantitative data on the number of volunteers and partners is strong and was verified. Quantitative data on reach was available, but unreliable; quantitative data on impact varied across

country programmes. This variation did not introduce any particular bias, however, as both positive and negative impact was reported. Evaluators used quantitative data as one of several indicators used to assess broad impact.

Description: Evaluators leveraged quantitative data gathered and reported by VSO. Specific reports and data included:

- **Impact Assessment Reports:** Prepared for the five flagship programmes,¹¹ these present information and data on partner capacity development, services accessed and used by beneficiaries, and beneficiary impact. The data was not gathered or reported in a consistent way, so data could not be aggregated. The quality of data varies.
- **Accenture Year 4 Report FY 13 Reach Data by Country:** An internal Excel spreadsheet report used by the MMW4P coordinator to aggregate reach data reported by all VSO countries with a market development initiative. Countries reported intermediate, direct and indirect beneficiaries, and data was broken down into Level 1 (partners with a VSO volunteer funded by MMW4P), Level 2 (additional partners conducting market development work in flagship countries), and Level 3 (additional partners conducting market development work in non-flagship countries). Reach figures were also broken down by gender. Reach figures were not gathered or reported in a consistent way, and the quality of the data is weak.
- **Accenture List of Funded Placements and Volunteers (25-Apr-14):** A cumulative list of volunteers and partners receiving volunteers during Grant 3 (2009-2014) of the MMW4P programme, broken down by country and term (long or short), and by months of volunteer time per country. The list included the remaining number of months of volunteer time for each country. This data was corroborated by the mailing list used to contact returned volunteers and VSO staff for the purpose of the evaluation survey and on-line jam.

Quality Assessment and Bias: While there is no reason to doubt the volunteer placement figures, VSO's 2013 Impact Assessment System review identified significant weaknesses in reach and impact data which are being addressed. Deeper assessment of the quantitative reach and impact data is presented in Annex 6: Knowledge Management and Impact Assessment, because impact assessment is an important work-stream of MMW4P.

3.4.2 SURVEY OF VSO STAFF, CURRENT VOLUNTEERS, AND RETURNED VOLUNTEERS

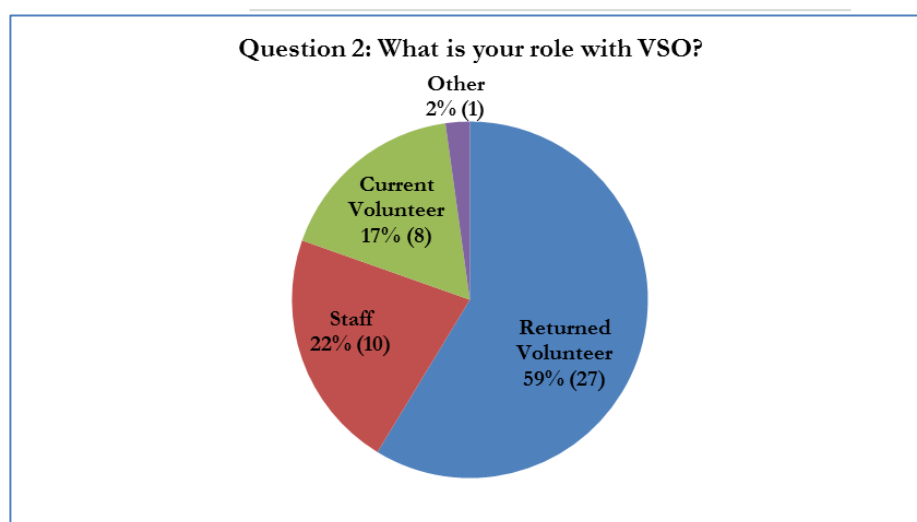
Summary: The evaluation survey of was carried out on-line using Survey Monkey. It generated high quality data without any particular bias. The survey was the best method used in the evaluation to capture the experience and opinions of non-flagship country programme stakeholders.

Description: The evaluators conducted a survey directed towards MMW4P staff and volunteers (current and returned) who were active in market development at any point during MMW4P. The survey was conducted online, administered through Survey Monkey, and disseminated to a mailing list compiled by the MMW4P coordinator. The list included 104 people, all involved with some kind of market development work with VSO at some point since MMW4P started in 2009. In addition to a link to the survey, each recipient was sent an invitation written by the SEA evaluators. Respondents had 1 week to respond to the survey and were assured that their responses would be anonymous as the main purpose of the evaluation was learning and improvement. The survey was conducted on SEA's Survey Monkey account and exported into Excell. Evaluators used data from past VSO reports to manually calculate change or compare results over time. (For example knowledge management questions administered in previous VSO surveys were included. See Annex 8: Evaluation Survey Report)

¹¹ The final impact assessment report for Guyana was being prepared during this evaluation, so final results from Guyana were not available.

Quality Assessment and Bias: The survey attracted a high and well-balanced response rate representative of the target population. Of the 104 potential respondents invited, 45 people took the survey, an excellent (43%) response rate. Although the results were skewed toward flagship programmes, 29% of respondents were active in non-flagship programmes, implying that the survey successfully gathered meaningful input from non-flagship country programme stakeholders. The majority of respondents were returned volunteers (58%) and mostly long-term. Staff and current volunteers were also well represented at 22% and 17%, respectively. Contrary to expectations, the response rate among current volunteers – thought to be very isolated and not able to link to the internet – was higher than the overall response rate (53% compared to 43%). Respondents were also well spread regionally (Latin America, Africa, Asia), in terms of specialization, and in terms of gender (44% women). (See Figure 1.)

Figure 1: Evaluation Survey Respondents – Role with VSO



There were a high number of comments, between 19 and 31 in each section, indicating that the survey respondents were very engaged. Overall, the survey was carried out efficiently and as intended. The data collected was of good quality and the value added to the final report was significant.

3.4.3 COUNTRY BRIEFS/ANALYSIS AND PORTFOLIO ANALYSIS – CAPTURING NON-FLAGSHIP PROGRAMME EXPERIENCE AND PERSPECTIVE

Summary: Country Briefs/Analysis and the portfolio analysis had multiple objectives:

- To provide an overview and geographically-based description of the VSO market development portfolio;
- To capture and present brief descriptions of non-flagship country programmes;
- To analyse VSO’s portfolio using good practice principles in MMW4P; and
- To assess the relevance of the framework of the “five principles” as a basis for guidance and tools going forward.

All objectives were met, except the capture of non-flagship country programme descriptions due to gaps in documentation.

Description: Evaluators made several different attempts to capture and report the experience of non-flagship country programmes, but this proved very challenging. VSO does not report a description of the market development work being carried out by VSO country programmes as such; rather, reach data is linked to partners, whose annual capacity development, work and results are reported in PMLT and ACR reports. Staff in the country office determine if their

work is market development, and therefore report reach figures to the MMW4P coordinator. It is not possible to extract a strategic perspective from these documents, and the scope of the evaluation did not cover the extensive work involved in constructing or stimulating secure livelihoods staff to produce such a document.

Quality Assessment and Bias: In the evaluation, flagship programmes are over-represented. The non-flagship programmes were well represented in the evaluation survey, however, and in the on-line “jam.” The evaluators also compiled a global portfolio analysis based on inputs – volunteers funded by MMW4P – and reach – number of beneficiaries in all market development programmes. The country briefs, meanwhile, evolved into deeper analyses of the flagship programmes performance along five core market development principles. These provided an opportunity for evaluators to test the relevance of a tool that VSO might use going forward to support deeper institutionalization of market development work, and higher quality strategic-level reporting.

3.4.4 FIELD VISITS IN NIGERIA AND CAMBODIA

Summary: The evaluation report has more detail on Nigeria and Cambodia because evaluators conducted site visits in those countries, which were selected primarily because these are planned focal points under the follow-on Improving Market Access for the Poor (IMA4P) project. Within each country, site visits produced valuable insights, with only a small positive bias because beneficiaries did not share very much negative feedback.

Description: In Nigeria and Cambodia, evaluators met as many staff and volunteers as possible, at least two different partners in two markets, several different kinds of beneficiaries and a few additional businesses in the market. Evaluators spent a week in the field, with either a research assistant (Nigeria) or a translator (Cambodia). The field visits accomplished three core purposes:

- Validation: or spot-checking information reported in the project documentation
- Gap-filling: elaborating or clarifying the programme work and lessons reported in documentation and interviews
- Exploring the future: assessing the relevance and feasibility of potential recommendations through observation and discussion

Quality Assessment and Bias: The field visit goals were met to the extent possible in the budgeted timeframe. The visits generated useful insights with only a small positive bias from beneficiaries. The methodology was implemented as planned, although time limited the depth of some conversations, and there was a minor positive bias from beneficiaries interviewed. In each country evaluators met with VSO staff and volunteers, separately with a diverse set of implementing partners, and separately with a diverse set of beneficiaries in different value chains. Evaluators used a combination of visual participatory tools and open-ended interview questions. The limited time and focus of the visits on market businesses other than beneficiary farmers and volunteer extension agents also reflected the VSO programme focus. The only bias was that, despite application of good methodology, beneficiaries generally did not share many negative experiences, and in Nigeria partners did not share negative feedback about VSO. This bias was countered by asking open-ended questions that highlighted stronger and weaker elements of the programme, by asking what additional support was needed, and by analysing the gaps in information provided. It was also countered by researching lessons learned from existing documents in which VSO staff and volunteers have solicited or made negative observations or suggestions for improvement, and by evaluator observation and analysis.

Text Box 4: Why Nigeria and Cambodia?

There was no inherent bias in the decision to visit Nigeria and Cambodia. Nigeria and Cambodia were selected for site visits because VSO had proposed these two countries as key implementing locations for the next phase of work with Accenture. They were both flagship countries in MMW4P, and have a wealth of documentation including in-depth case studies. They also represent somewhat different approaches, and the evaluators felt they would provide valuable regional variety.

Neither Nigeria nor Cambodia is seen as particularly more successful than the flagship programmes in other countries. Guyana was not selected because VSO work will not continue there. The Tanzania programme, it was felt, had significant documentation and so less merited a field visit. (This turned out not to be true in that there was significant documentation of early phases of the programme, but weaker analysis of the results.) Since the Global Advisor for Secure Livelihoods previously worked in Malawi, it was felt he could answer a lot of analytical questions that might arise.

3.4.5 RECOMMENDATIONS FOR FUTURE EXTERNAL EVALUATIONS

Market development standards for results assessment¹² recommend that market development projects incorporate monitoring and evaluation (M&E) into programme management as much as possible, in order that information gathered be used by managers to improve strategy. To ensure objectivity, a project needs internal checks and balances and staff need to be rewarded for identifying and correcting mis-directions. In such a system, the external evaluation is more of an audit, to ensure that the internal M&E system is functioning well. As was the case with this evaluation, such an audit can be combined with participatory learning. What is more challenging, without investing significant resources, is generating new information in an external evaluation of a complex global project such as this one.

Recommendation: Improve M&E System, Use External Evaluation as an Audit

- **Establish and implement an integrated monitoring and evaluation system** for IMA4P and other market development projects. Ensure that the system lays out a clear theory of change, with objectives, indicators and measurement methodologies that help managers trace and troubleshoot the results of activities. Ensure that reports are strategic and high quality, providing senior managers and external evaluators with an efficient way to understand the project, the data generated, and the manager's perspective on the project's status.
- **Leverage technology to provide orientation, training and guidance on different aspects of the M&E system, including managing the external audit.** A key element of the external audit should be examining databases and/or record books of how M&E data is generated and checked internally. Random spot checks in which evaluators visit providers and beneficiaries can also be part of the evaluation, resources permitting and if the situation indicates that these may be needed.

¹² DCED, 2014

4 RESULTS IN ACHIEVING QUANTITATIVE PROJECT OBJECTIVES

This chapter describes the MMW4P theory of change (ToC) and presents quantitative project results, compared to targets. The chapter addresses the research question: Did the project achieve intended objectives?

This chapter presents the quantitative objectives and results of MMW4P.¹³ In sum, VSO reports having achieved all of its quantitative targets for MMW4P.

- VSO reports reaching 365,000 beneficiaries, surpassing its target of 310,000.¹⁴
- VSO’s MMW4P team implemented MMW4P programmes in 5 flagship countries.
- 28 partners (against a target of 25) received a long-term volunteer and 23 additional partners in flagship programmes benefitted from VSO market development support and/or learning from the MMW4P partners. 87 partners in 17 non-flagship countries report engaging in market development work.
- There were no quantitative targets for achieving the programme goal of beneficiaries “charting a course out of poverty,” but VSO impact assessment data reflects positive impact that is verified by individual beneficiary stories. For example, in Nigeria, beneficiaries reported in 88% increase in income, with women increasing their income by 400% and achieving income equality with men.
- Attribution to VSO work was traced by assessing the extent to which beneficiaries improved access to services from partners. For example, in Malawi, 91% of beneficiaries report having access to veterinary services in 2013, while only 66% had access at the start of the project, in 2010. These positive outcomes are linked to the work of VSO volunteers building partner capacity to deliver the services that beneficiaries report using to increase their incomes.

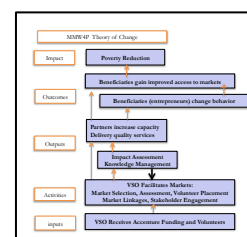
Overall, VSO reports that MMW4P achieved its quantitative targets and contributed positively to helping beneficiaries increase incomes.

The sole source for the data in this chapter is internal VSO reports, verified by evaluators when possible. As discussed in Chapter 3, the quality varies. Data quality for each indicators is noted where the data is presented in this chapter.

4.1 THEORY OF CHANGE

The basic theory of change (ToC) for MMW4P is the following:

Inputs and Activities: VSO uses Accenture funding and external volunteers to support market facilitation activities including identifying and assessing markets, selecting partners and linking them with volunteers, facilitating stakeholder meetings and facilitating market or other institutional linkages. In addition, VSO and partners conduct knowledge management and impact assessment work, which guides and advances VSO market development work globally. Finally, VSO identifies entrepreneurs – beneficiaries – to receive an award, which was designed as an incentive and inspiration for positive behaviour change.



Outputs: As a result of this market facilitation work, VSO partners increase their capacity to deliver better services and conduct impact assessment. Partners are meant to use impact assessment information to improve their understanding of beneficiaries and increase poverty

¹³ A deeper analysis of qualitative results and VSO analysis that emerged from their extensive knowledge management work is the focus of chapter 5.

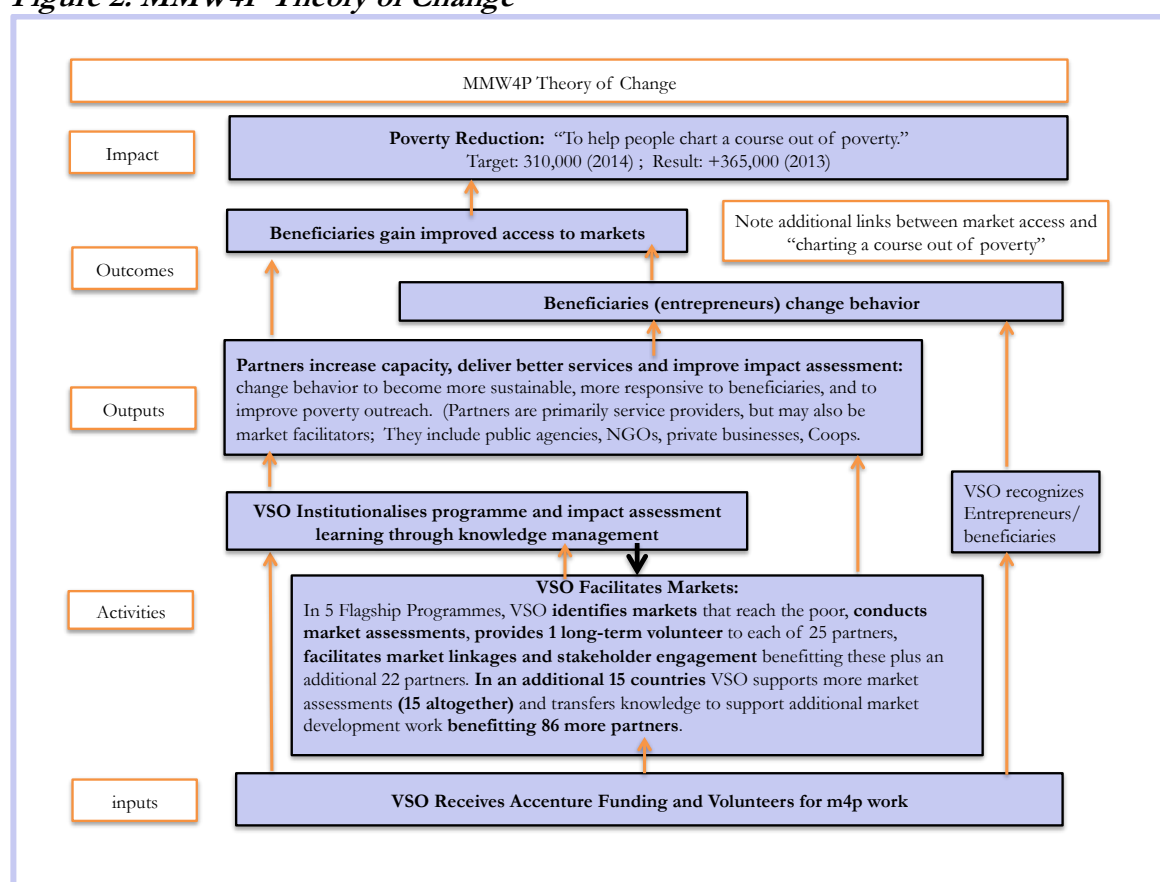
¹⁴ These figures need to be understood in the context of significant methodological challenges in measuring reach, which are being addressed by VSO in 2014 reports.

outreach and sustainability. VSO partners are primarily not-for-profit service providers, but include some businesses, social enterprises, government agencies and other market facilitators.

Outcomes and Impact: As a result of improved partner services – including input or technology supply, facilitation of market linkages, and advocacy – beneficiaries change their behaviour to gain better access to markets. This improved market access is meant to improve farms or businesses, leading to increased income, assets, food security and empowerment. These livelihood improvements should help beneficiaries “chart a path out of poverty.” Beneficiaries are primarily farmers and micro-enterprise owners, but, often, family members are counted as well. The programme seeks to include women and reports on the portion of beneficiaries who are women.

This ToC is presented in Figure 2.¹⁵ Findings and conclusions in this report are presented using this structure so as to analyse the contribution of VSO inputs and activities to outcomes and impacts.

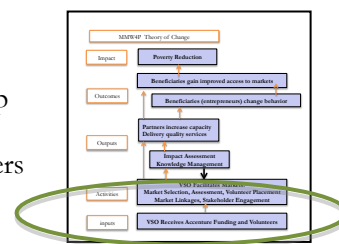
Figure 2: MMW4P Theory of Change



¹⁵ This diagram was created by evaluators as a synthesis of MMW4P design documents, non of which presented a clear theory of change. The ToC and the diagram were reviewed and approved by the VSO Evaluation Team, and the diagram was used as an interview tool VSO staff, volunteers and partners.

4.2 INPUTS AND ACTIVITIES

Data Quality: VSO achieved or surpassed almost all of the input and activity targets of MMW4P; roll-out of knowledge management and impact assessment frameworks and guidance was limited to the flagship country programmes. Evaluators verified activity data by reviewing internal reports on the activities. The number of volunteers and partners was verified by a mailing list of volunteers used to conduct the evaluation survey and an internal list of partners served, which aligned with impact assessment reports on flagship programmes.



VSO reports having achieved all of its quantitative targets for the Market Development work-stream, as illustrated in Table 3. VSO volunteers conducted 19 market assessments, against a target of 20, in 17 countries against a target of 15. VSO implemented MMW4P programmes in 5 flagship countries. VSO placed long-term volunteers in 28 partners in the five flagship country programmes, above the target of 25. Short-term volunteers conducted impact assessment work with those partners, bringing the total number of volunteer placements to 78. An additional 22 partners in flagship countries benefitted from VSO market development support and/or learning from the MMW4P partners. In 17 non flagship countries, a further 87 partners report engaging in market development work. VSO recognised 17 entrepreneurs through the award scheme, surpassing a target of five.

Table 3: MMW4P Market Development Targets and Results

Activity	Target	Result
Market Assessments	• 15 in 20 countries	• 19 in 17 countries
Flagship Programmes	<ul style="list-style-type: none"> • Establish 5 Flagship Programmes • 25 partners receive a long term volunteer (LTV) • 22 partners receive “support” on market development / market facilitation* 	<ul style="list-style-type: none"> • 5 Flagship Programmes established • 28 partners received LTVs; • VSO facilitated a total of 78 volunteer placements, including both short and long-term volunteers • 23 level 2 partners in flagship countries engaged in market development
Benefits for additional partners in all 5 regions	• Regularly initiate stakeholder meetings and study tours facilitating market linkages	• 87 partners engaged in market development across 17 non-flagship countries in Year 5
Market facilitation work in flagship countries	• Regularly initiate stakeholder meetings and study tours facilitating market linkages	• Stakeholder meetings and study tours in each programme
Recognition of entrepreneurship	• Recognise 5 entrepreneurs with all regions represented	• 17 winners and runners-up selected with all regions represented

Table 4 lists VSO’s Knowledge Management targets and results. In flagship countries, VSO organised stakeholder meetings, which were sometimes attended by partners to share programme implementation strategies, and sometimes by market businesses to strategies about improving they way they do business in a market. VSO held country and regional study tours and regional learning meetings as planned. Additional knowledge management activities also took place and met targets, including the development and application of guidelines, although they were primarily rolled out and used in flagship countries.

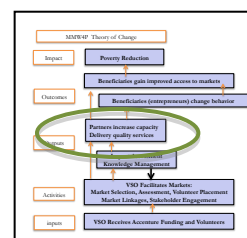
Table 4: MMW4P Knowledge Management Targets and Results		
Activity	Target	Result
Knowledge Management model developed and implemented	<ul style="list-style-type: none"> • Implement in 20 countries 	<ul style="list-style-type: none"> • Implemented in 5 countries
Regional Learning Meetings	<ul style="list-style-type: none"> • 6 regional learning meetings 	<ul style="list-style-type: none"> • Completed in years 2-4
Exchange visits – Study Tours	<ul style="list-style-type: none"> • Annual exchange visits 	<ul style="list-style-type: none"> • Exchange visits every year
Knowledge Management among VSO staff and volunteers	<ul style="list-style-type: none"> • No specific target 	<ul style="list-style-type: none"> • Email, Lync, Chatter, Learning Hub and Vision • Document Management System established, used

Table 5 lists MMW4P's Impact Assessment targets and results. The targets of developing and implementing an impact assessment system in the 5 flagship country programmes were met. An initial training was held, an external review of the IA system was conducted in year 4, and workshops were held to solicit and share learning and improve the IA system going forward.

Table 5: MMW4P Impact Assessment Targets and Results		
Activity	Target	Result
Impact assessment framework designed and operationalised	<ul style="list-style-type: none"> • 5 flagship programmes, • Guidance for use in 20 SL programmes 	<ul style="list-style-type: none"> • Impact assessment framework and tools operationalised in flagship programmes
Implementation workshops to train VSO staff and partners	<ul style="list-style-type: none"> • No target 	<ul style="list-style-type: none"> • Impact assessment workshop in Zanzibar in 2010 • Online mentoring underway, 2014
Year 4 workshops to collate and analyse impacts achieved	<ul style="list-style-type: none"> • 2013 	<ul style="list-style-type: none"> • Baseline, mid-term and final impact assessments conducted across 5 flagship countries • Workshops held in each country
Evaluation of Impact Assessment Work	<ul style="list-style-type: none"> • 2013 	<ul style="list-style-type: none"> • Conducted in 2013
Year 4 global workshop to refine the approach	<ul style="list-style-type: none"> • 2013 	<ul style="list-style-type: none"> • Conducted in 2013

4.3 PARTNER CAPACITY BUILDING

Data Quality: Aggregate quantitative data for partner capacity building is not available and there were no quantitative targets established for this objective. VSO does gather and report partner satisfaction levels with VSO and with volunteers. See section 5.4 for positive qualitative results on partner capacity building.



In 2013, partners with Accenture funded volunteers rate their satisfaction level with volunteers as 4.1 out of five, or “high.” Partner satisfaction with VSO was also “high,” with a 4.2 rating.¹⁶

4.4 BENEFICIARIES REACHED

Data Quality: VSO reports surpassing the MMW4P reach target of 310,000. This “reach” data – number of beneficiaries served and their gender – was not verified by evaluators, and the quality of this data is weak. VSO is aware of this weakness and is addressing it. The evaluators recommend additional measures, which are elaborated in section 5.3 on Knowledge Management and Impact Assessment.

VSO reports reaching 365,295 beneficiaries (55% women) with market development work in programme year 2012/13 (referred to as “2013” data in this report), which is the peak reach year for MMW4P.¹⁷ This figure surpasses the target of 310,000 beneficiaries. (Although VSO uses the term “beneficiary,” partner report the number of people – often including family members – who accessed services or participated in a market development programme. For this reason, evaluators refer to this figure as a “reach” figure.) Table 6 presents Level 1, 2, and 3 reach figures by year, including the forecast for 2014. These figures represent an estimate of the number of beneficiaries served that year, by organisations with a VSO volunteer that year. The levels are defined as follows:

1. Level 1 (Flagship programmes)
2. Level 2 (Additional market development work in flagship countries)
3. Level 3 (Market development work in non-flagship countries).¹⁸

	Year 1 (2009-10)	Year 2 (2010-11)	Year 3 (2011-12)	Year 4 (2012-13)	Year 5 (2013-14) <i>Forecast</i>
Level 1	22,816	32,643	44,904	61,699	36,700
Level 2	40,143	174,324	135,466	142,589	117,700
Level 3	27,974	125,667	144,913	161,007	176,500
Totals	90,933	332,634	325,283	365,295	330,900

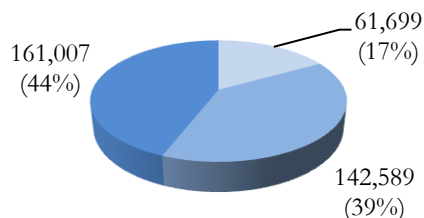
Figure 3 breaks down 2013 reach figures by the three project levels. The flagship programme beneficiaries represent only 17% of total beneficiaries, demonstrating the significant leverage achieved from investment in the flagship country programme.

¹⁶ PMLT, 2013/2014

¹⁷ Accenture MMW4P Year 4 report FY13 Reach Data by Country, 2013

Figure 3: Beneficiaries by Level 2013

- Level 1 - Flagship Programmes
- Level 2 - Additional Market Development Work in Flagship Countries
- Level 3 - Market Development Work in Non-Flagship Countries

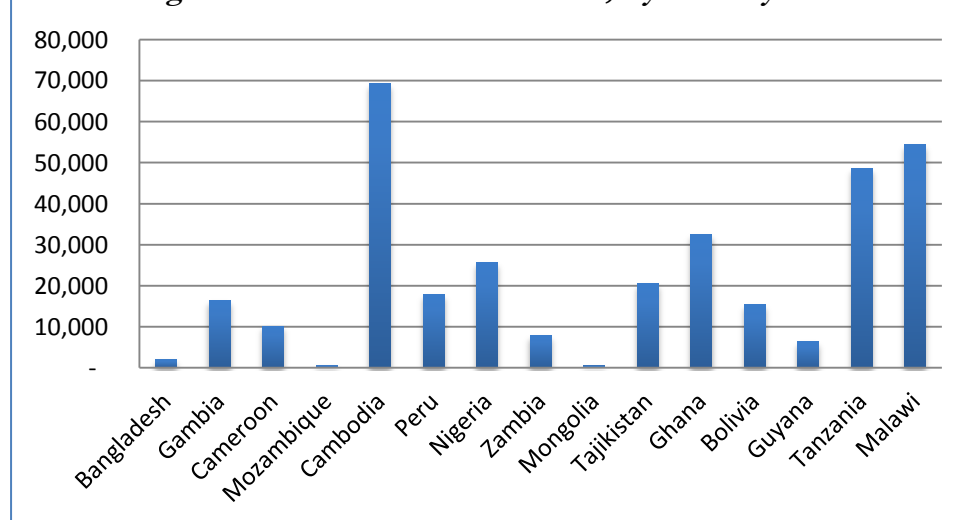


The following figures break the reach data down by region and gender. Table 7 presents reach data for the flagship countries, and the percent of women reached in each country. Figure 4 shows the relative reach figures for each VSO country reporting a market development initiative, and Figures 5 and 6 rank the programmes according to the number and percent of beneficiaries who are women. Figures 7 and 8 present the number and percent of women reached, broken down by region.

Table 7: 2013 Beneficiaries - By Country¹⁹

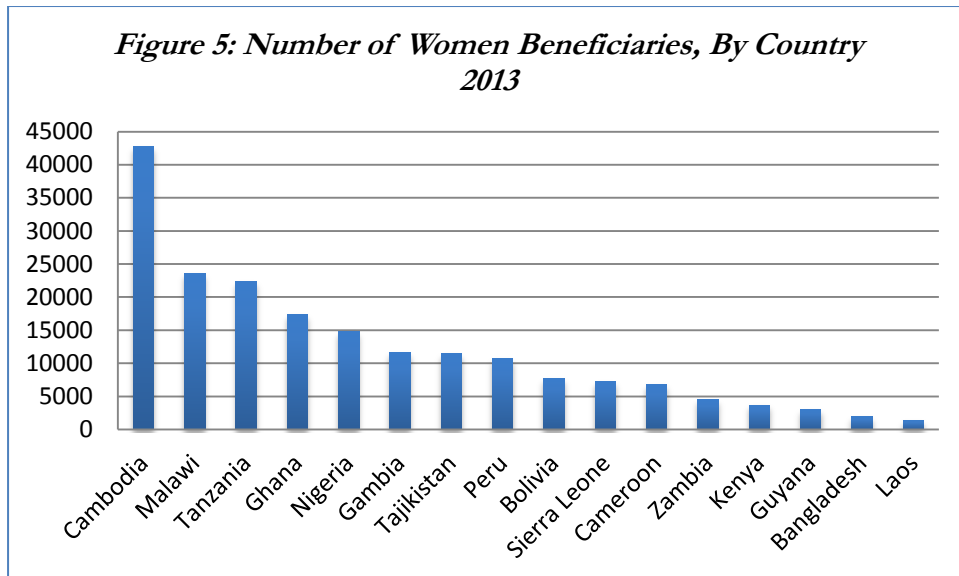
Country Programme	Total	% Women
Cambodia*	69,300	62%
Malawi*	54,424	43%
Tanzania*	48,613	46%
Ghana	32,447	54%
Nigeria*	25,585	58%
Other	134,926	
TOTAL	365,295	53%

Figure 4: Number of Beneficiaries, By Country 2013

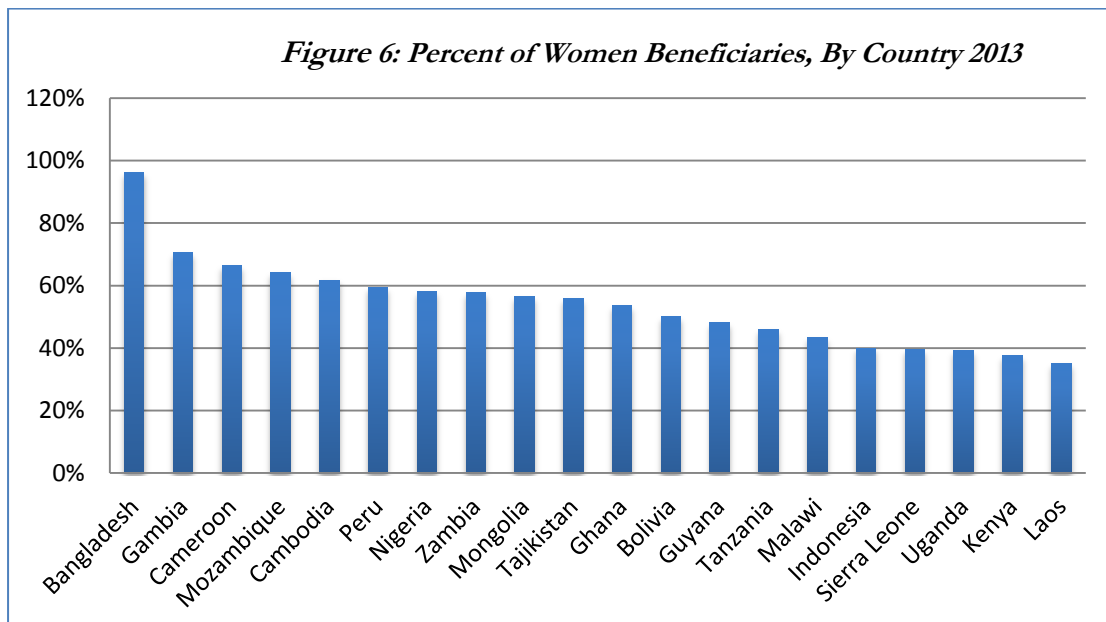


*Less than 2,000: Rwanda, Philippines, Mozambique, Mongolia and Uganda.

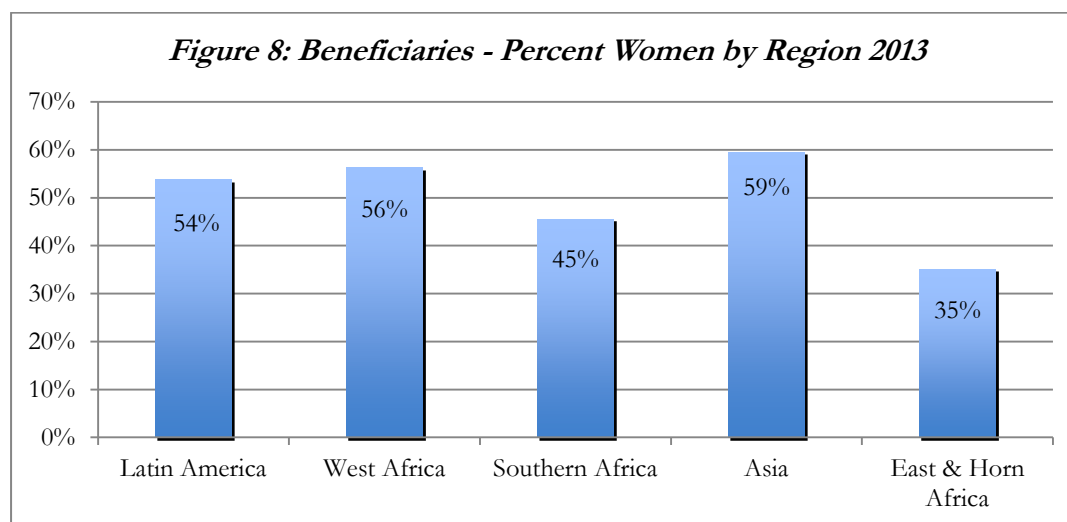
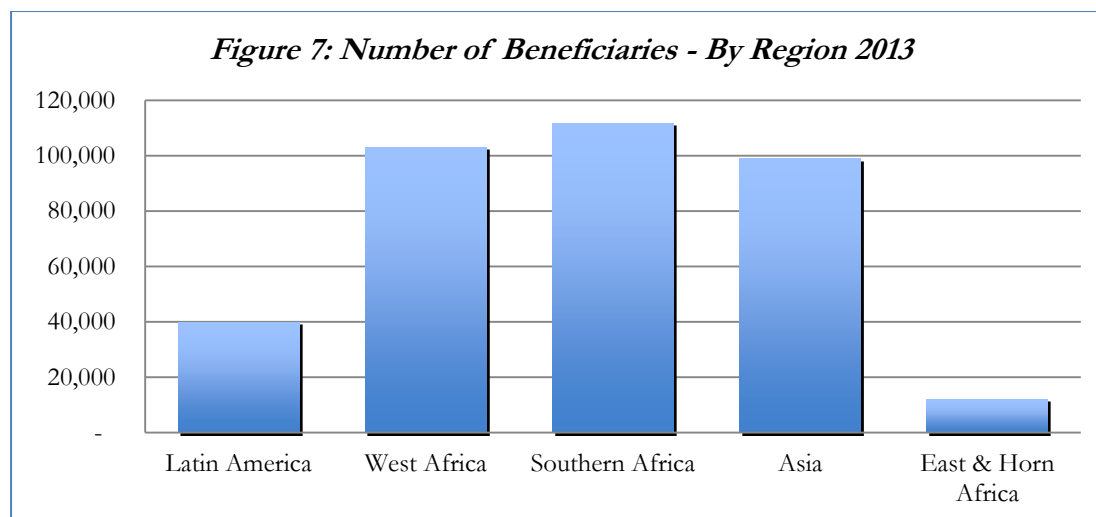
¹⁹ All reach data was reported in August 2013, and reports participant reach figures for programme year 2012/2013.



*Less than 1,000: Rwanda, Philippines, Mozambique, Mongolia and Uganda.



*Less than 25%: Rwanda and the Philippines



4.5 BENEFICIARY OUTCOMES AND IMPACT

Data Quality: VSO reports strong beneficiary impact based on the in-depth impact assessment methodology developed and implemented during MMW4P. The project did not establish quantitative targets for impact objective or overall project goal: helping beneficiaries chart a path out of poverty. Nevertheless, a core focus of MMW4P was to develop and implement an impact assessment methodology, which VSO did. While VSO made significant progress in assessing impact, aggregate impact data was not produced and quality of the impact data in each flagship programme varied. Impact assessment in market development is a challenge for the field, and VSO’s IA work under MMW4P contributed to overall learning. This topic is addressed in more detail in section 5.3, 5.5 and Annex 6: Knowledge Management and Impact Assessment.

Although VSO did not establish targets for the project goal of helping beneficiaries to “chart a course out of poverty,” or for measuring what portion of beneficiaries were living in poverty, the impact assessment system developed and tested during the project produced some quantitative data illustrative of positive impact. As described in detail in sections 5.3 and 5.5, stories, documents, the evaluation survey and interviews all support a positive impact from the project, attributable to VSO volunteer with in building partner capacity. The quality of the data, and VSO’s ongoing efforts to improve impact assessment are discussed in chapter 3 and section 5.3, as well as Annex 6: Knowledge Management and Impact Assessment. Here, the available quantitative impact data from flagship country programme impact assessments is summarized, in Table 8.

Although the data is not very strong, it indicates income and asset improvements linked to beneficiaries increasing access to services that VSO volunteers helped partners to improve. In Nigeria, beneficiaries reported increased access to and use of 10 services related to improving farming techniques and access to inputs – the services VSO helped partners to improve. (See Figure 9-A.) On average, beneficiaries reported an 88 increase in income, with women increasing incomes by 400%, to achieve income parity with men. In Malawi, beneficiaries reported increased access to the five key services that were a focal point for VSO. (See Figure 9-B.) Two of the three partners reported that beneficiaries had increased income, despite a severe macroeconomic crisis blamed for declining incomes in the third partner. In the two programmes reporting positive impact, VSO worked with partners to help beneficiaries reach better buyers who increased their purchase price during the crisis. These data, while limited, are part of the positive impact reported, and verified by additional sources presented in a more analytical way in Chapter 5.

Table 8: Summary of Outcome and Impact Data ²⁰				
Country	Nigeria	Cambodia	Tanzania	Malawi
Reach	25,585 (58% women)	69,300 (62% women)	48,613 (46% women)	54,424 (43% women)
Impact	All 5 partners reporting 88% income increase in asset score 5.6 to 6	2 of 7 partners reporting: 81% increase in income; 78% of beneficiaries increased income by an average of 46%	2 of 4 partners reporting; increased sales between 64% and 300% 3 of 4 partners report increased expenditure on food;	2 of 3 partners reporting: Income decline of 13%; income increase of 48%; increase in number of assets from 7 to 10.
Gender	400% increase in women's income; women's and men's income and assets now equal			
Service Access/Use	Increased access and use of 10 services; increased use of all partner services except chemical fertilizer			Increased access in five key service areas.
Market Access	Linked farmers to commercial supply of chemical fertilizer	No	Yes: linked more directly to buyers, going around the middleman	Yes: access to finance from programme and market
Data quality	Moderate	Low	Low	Low
Attribution (For a more detailed discussion of attribution, see Annex 6: Knowledge Management and Impact Assessment)	High in two partners visited: Improvements in services strengthened by VSO; VSO and partner the only service providers.	Low: VSO had short-term involvement with partners.	Moderate: Farmers received many services from partners, and partners had multiple supporters.	Moderate: Farmers received many services from partners, and partners had multiple supporters.

²⁰ As reported in VSO Impact Assessment Reports; Guyana results being processed at the time of the evaluation.

Figure 9-A: Aggregate Increase in Service Access, Nigeria

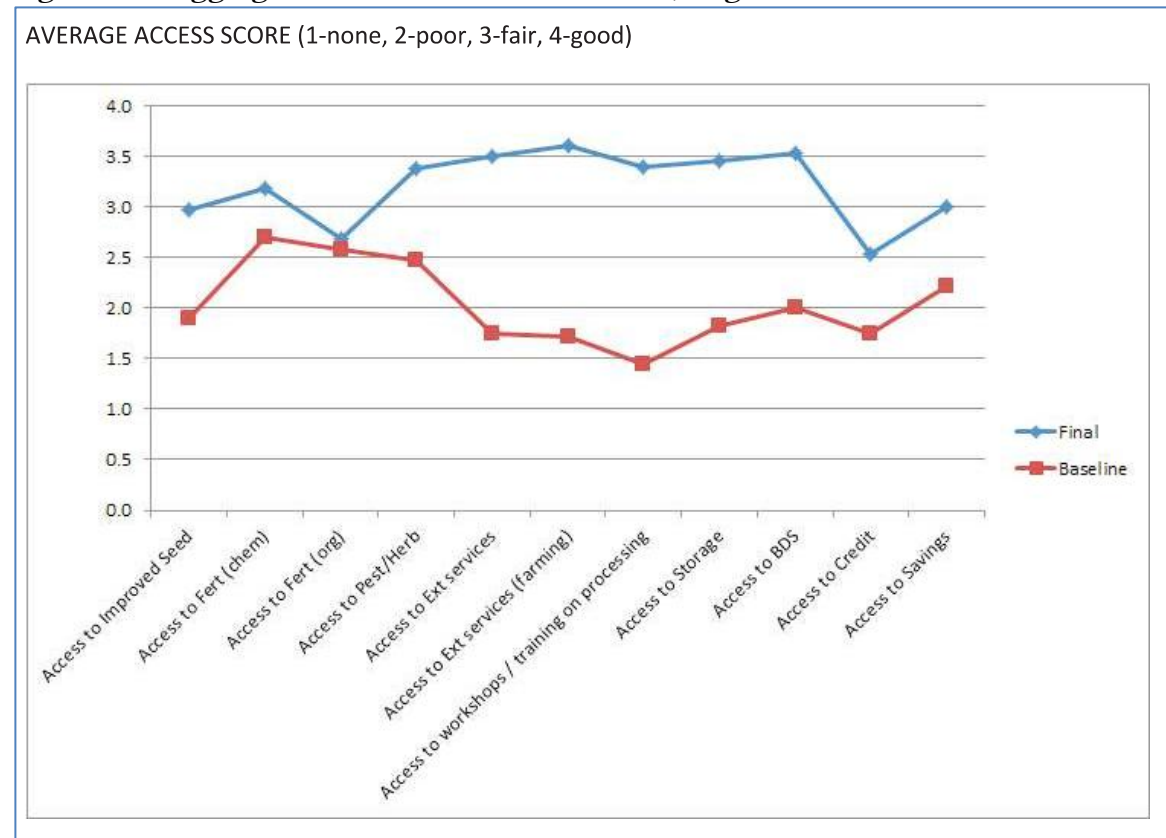
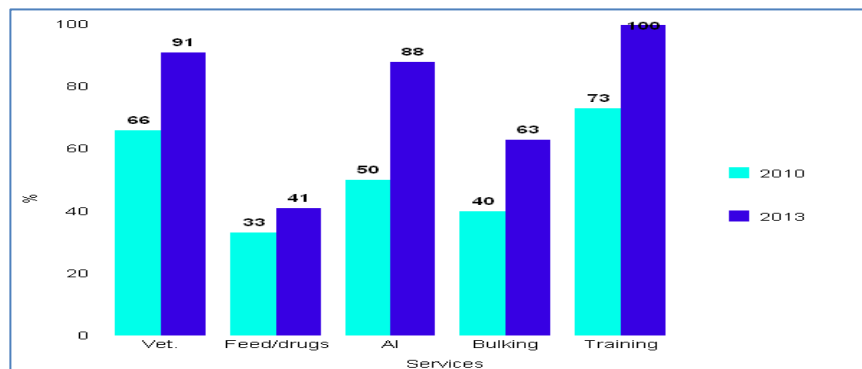


Figure 9-B: Aggregate Increase in Service Access, Malawi

Chart 5.1: Percentage of Farmers Accessing Services 2010 and 2013



5 QUALITATIVE PROJECT RESULTS, EVALUATION FINDINGS AND RECOMMENDATIONS: LOOKING BACK

This section presents qualitative evaluation findings, using the MMW4P ToC as the structure. Before delving into this causal chain, the ToC itself is analysed for its strengths, weaknesses and relevance to the development context. In addition, project performance is benchmarked against good practices in market development. Recommendations are made following each finding. The driving question for this chapter is the core evaluation question:

Has the partnership with Accenture been successful in achieving its objectives i.e. in improving organisational understanding of and programming in market led development? To what extent has VSO been able to combine resources efficiently in order to achieve positive outcomes? Have MMW4P inputs been proportional to those outcomes? Could VSO have achieved more using the model differently or using a different model?

5.1 THEORY OF CHANGE

5.1.1 DID THE THEORY OF CHANGE REFLECT GOOD PRACTICE?

Finding Summary: Although the ToC contains important elements of good practice in market development, it failed to clearly articulate a core principle: the goal of developing sustainable service providers and strengthening market facilitation by organisations outside the market. This may have undermined sustainability.²¹

Strengths: As designed, the ToC reflects many important market development principles. It places VSO in the role of market facilitator, working through partners to deliver services to beneficiaries, rather than delivering services directly to beneficiaries. In addition, there is a clear goal of beneficiaries gaining access to markets in order to realize positive benefits.

Weaknesses: On the negative side, the ToC, and VSO programmes in practice, do not differentiate between subsidized service delivery by NGOs and financially sustainable service delivery by businesses or social enterprises. In the market development “model,” to achieve sustainability, the roles of facilitator and sustainable service provider should be clear, and organisations should avoid providing free or highly subsidized goods and services except on a pilot basis.²² It is unclear in the MMW4P ToC whether the partners are market facilitators or providers; whether they are NGOs, government agencies, cooperatives or private businesses; and, whose role it is to develop the capacity of financially sustainable service providers and stimulate the services and technology markets that support vibrant value chains.

Many staff and volunteers exhibited awareness of this important principle in market development, but VSO struggled to apply it consistently as an institution. The evidence comes from global documents, as well as Nigeria and Cambodia experience:

- **Global Documents:** VSO learning documents reflect how MMW4P staff struggled to find sustainability strategies, and partners who understood and could work in business-like manner. As early as 2010, there was evidence that some staff understood the different between market facilitation and subsidized service provision:

Sources:	
VSO Docs	✓
Interviews (via distance)	✓
Survey	
Field Visit	✓
On-line Jam/Chatter	
Evaluator observation	✓

²¹ DCED 2001; ILO 2006

²² DCED, 2001; The SEEP Network, 2009

“There is a need for NGOs working in this area to become more business- orientated (agriculture becoming agribusiness), however they must also remain aware of their main role as facilitators rather than market actors.”²³

In a 2013 regional learning meeting, participants were still calling for programmes to work in a more systemic manner by carefully selecting more business-minded partners.²⁴

- **Nigeria:** Similarly, in 2010, Nigerian participants in a learning meeting raised the challenge of how their agricultural extension model could become sustainable,²⁵ a topic the Nigeria team was still struggling with in 2014.²⁶
- **Cambodia:** Partners represent a mix of market facilitators, NGOs operating social enterprises, and NGOs providing subsidized services. (See Annex 2: Cambodia Country Report.)

These struggles with sustainability have their roots in the unclear ToC, which did not clarify the important element of developing viable business models for market development work.

- **Recommendation: Adjust the ToC in market development initiatives going forward to explicitly develop financially sustainable service providers that develop the market, and clarify the role of VSO not-for-profit partners as market facilitators or social enterprises in the market.**
- **Recommendation: VSO should provide country offices with a template ToC for market development work and with “models,” meaning theoretical examples of market development strategies, illustrated by cases of successful VSO and non-VSO work.**

5.1.2 WAS THE PROJECT AND THEORY OF CHANGE RELEVANT TO THE DEVELOPMENT CONTEXT?

Finding Summary: Market development is relevant in almost any context, but expectations and strategies need to be aligned to the context.²⁷

Description of Diverse Context in MMW4P: MMW4P operated in a wide variety of contexts, even within the same country; in no situation was a market development approach inherently inappropriate. The field of market development has produced and is implementing guidance for market development as an integral and immediate part of economic recovery from crisis, for example. The strategies, pace, and expectations in terms of reach, cost-benefit, and sustainability should be different in different contexts.

Sources:	
VSO Docs	✓
Interviews (via distance)	✓
Survey	
Field Visit	✓
On-line Jam/Chatter	
Evaluator observation	✓

The country and policy contexts of places as different as Cambodia and Nigeria exemplify the contextual diversity of VSO’s market development work.

- **Nigeria:** One programme operated in an isolated area of a fertile plateau, another operated in and near a bustling small town, and another was disrupted by political-ethnic violence.
- **Cambodia:** One partner facilitated international trade in crafts from diverse locations around the nation, while another served fishing villages only accessible to road via a four-hour boat ride. During the programme, VSO Cambodia changed contexts by targeting a remote rural area in order to focus on very poor beneficiaries.

²³ Making Markets Work for the Poor SAF/HEA Regional Learning Meeting Blantyre, Malawi, 2010

²⁴ Making Markets Work for the Poor Global Workshop Report, 2013

²⁵ Making Markets Work for the Poor SAF/HEA Regional Learning Meeting Blantyre, Malawi, 2010

²⁶ In-Person FGD, VSO Nigeria, 2014

²⁷ DCED 2001; The SEEP Network, 2009

- **Tanzania:** One project operated on the island of Zanzibar, an Islamic, historically significant but economically isolated island, and another in the agricultural flatlands of Dodoma, in the centre of the country.
- **Malawi:** The programme focused on the dairy sector, a large, important national market with established regional associations made up of thousands of small milk-bulking groups.
- **Guyana:** The programme focused on culturally and geographically isolated communities, strengthening small (20 person approx.) group-based food processing businesses.

Additional analysis in this chapter assesses the extent to which VSO and its partners applied market development principles, taking the context into consideration. In MMW4P, there was not a correlation between weak markets and weak implementation of market development; sometimes, VSO partners applied surprisingly business-like principles in challenging circumstances; other times, VSO and/or its partners seemed to miss opportunities to leverage and strengthen the market in the given context.

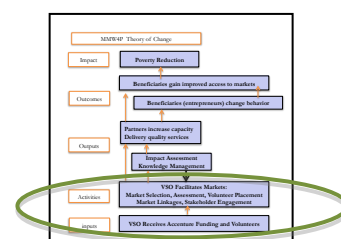
- **Recommendation: VSO should align programme targets, market development strategies and programme contexts. If large numbers of beneficiaries are critical, then VSO might choose to work in stronger markets. If funding is available and the country strategy accommodates it, VSO should continue to work in isolated areas and in weaker markets, with appropriate targets in place.**
- **Recommendation: VSO should provide guidance that presents several options or models relevant to different kinds of contexts, recommending some market development strategies for weaker markets and some for stronger markets, and how to know the difference.**

5.2 INPUTS AND ACTIVITIES: VSO MARKET FACILITATION

This section presents findings about MMW4P inputs and VSO market facilitation, the first level of the theory of change.

Evaluation Questions: *Did VSO deliver the inputs and carry out the activities as planned, on time and of high quality? Was the programme effective and efficient? To what extent has VSO been able to combine resources efficiently in order to achieve positive outcomes?*

Summary of Findings: Overall, VSO successfully utilized Accenture funding to perform its core market facilitation activity planned in the project: to mobilize and place high quality volunteers in appropriate roles in partner organisations in flagship programmes that demonstrate and inspire other market development work at VSO. VSO’s performance in selecting and assessing markets was mixed. And, VSO’s performance in facilitating market linkages and stakeholder engagement was weaker. In addition, sustainability of market facilitation work was a challenge. Evidence backing these findings comes from documentation, interviews, the evaluation survey, the field visits and evaluators’ observations.



Sources:	
VSO Docs	✓
Interviews (via distance)	✓
Survey	✓
Field Visit	✓
On-line Jam/Chatter	
Evaluator observation	✓

5.2.1 PLACEMENT OF HIGH CALIBER, APPROPRIATE VOLUNTEERS - STRENGTH –

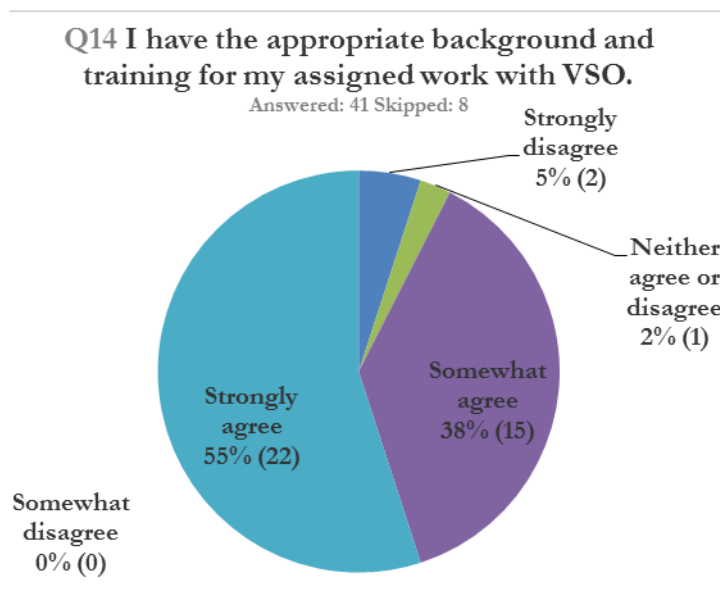
Finding: *VSO placed high caliber technical volunteers in appropriate positions where they were valued, and built partner capacity in specific ways that were reflected in positive beneficiary outcomes.*

Evidence: During the in-person visits, staff, volunteers and partners all ranked VSO provision of volunteers as a strong element of their market facilitation capabilities. VSO is very volunteer-centered and often chronicles the history of a programme or of partner capacity building using

the names of specific volunteers and staff. Furthermore, partners and other volunteers are quick to remember the expertise that each brought to a given programme.

The evaluation survey provided some evidence that, internally, staff and volunteers felt that volunteers were well placed, see Figure 10. The majority of respondents (56%) reported that they felt strongly that they have the appropriate background and training for their work, and a further 37% somewhat agreed that they had the appropriate background and training. Also, volunteer placement was ranked in the top four areas of VSO market facilitation work, with a rating of 3.7 out of 5. (See Annex 8: Evaluation Survey Results.)

Figure 10: Adequacy of Staff and Volunteer Background



5.2.2 SUPPORT FLAGSHIP PROGRAMMES THAT INSPIRE ADDITIONAL MARKET DEVELOPMENT PROGRAMMES – MIXED FINDING

Finding: VSO implemented five “flagship” market development programmes that have inspired replication in those five countries and 17 other countries; market development has become VSO’s core approach to farmer and enterprise development. However, there is no information about the extent to which these programmes are implementing quality market development; given the partial implementation of market development principles in flagship programmes, one can safely assume that market development is also partial in those programmes.

Evidence: VSO carried out five market development programmes in the flagship countries; as of 2014, market development is VSO’s core approach to farmer and enterprise development, and VSO is exploring ways to apply the approach in other sectors.²⁸ VSO reports market development work in flagship countries and in 17 countries beyond the five flagship programmes.²⁹ However, there is very little information available about the market development work on non-flagship programmes. Market development principles were only partially applied in flagship programmes; one can assume that this was also the case in non-flagship countries.

5.2.3 MARKET SELECTION AND MARKET ASSESSMENT - MIXED FINDING

Finding: VSO had mixed performance in selecting and assessing markets.

Evidence – Weak Market Selection and Assessment: There is some evidence that VSO’s market selection and assessment were weak:

²⁸ Morris, 2014; Murray, 2014; Barker, 2014 (Interviews)

²⁹ Accenture MMW4P Year 4 report FY13 Reach Data by Country, 2013

- VSO’s central Secure Livelihoods team identified market selection and assessment as an underlying cause of weaker performance in other areas (impact, application of market development, partner selection, etc.). In most flagship programmes, it seems VSO first chose partners based on a country strategy, historic relationships, and/or partner request for volunteers; then, VSO elected to work in markets or value chains that were a focal point for these partners. There is not enough information in project documents to clearly understand the strategies underlying partner and market selection. To remedy this going forward, the IMA4P project design includes the development of tools for market selection and assessment as key outputs. The focus for these tools is on identifying good “business cases” for partners and interventions going forward.
- VSO staff in flagship countries report shifting their market selection in order to better achieve project goals, albeit not always consistent with a common forward direction. For example, VSO Malawi staff perceived that some markets or value chains did not adequately include the poor, for example tourism and dairy; their recommendation was to target more basic crop value chains to be more inclusive.³⁰ In contrast, VSO Cambodia found that targeting the poor in isolated geographic areas did not generate the scale and market momentum that VSO desired. As a result, VSO Cambodia has revised its future strategy to target poor people wherever they reside, and to focus on a high-potential value chain: rice. (See Annex 2: Cambodia Country Report.)
- The evaluation survey reported high demand for more prescriptive VSO guidance in market selection and analysis (4.1 out of 5).
- In the evaluation survey, the quality rating for VSO’s market research toolkit was lower than that of most other guides, although the rating was still positive at 3.5 out of 5. (See Annex 8: Evaluation Survey Results.)
- Another perspective is that market selection needs to be better linked to viable funding and partnership opportunities, which was not always the case in the MMW4P programme.³¹

Evidence – Strong Market Selection and Assessment: In contrast to signs of weakness, there is also evidence indicating that market selection and assessment were strong.

- The evaluation survey reported that market selection and market assessment were the strongest areas of VSO market facilitation work (with a rating of 3.7 out of 5).
- From the evaluators’ perspective, many of the choices seem valid in their context: In Tanzania, given a focus on Zanzibar, the selection of pro-poor tourism seemed a natural way to capitalize on Zanzibar’s two core strengths: tourism and agriculture. In addition, the experience in Nigeria reflected positively on market selection and analysis. VSO Nigeria partner CCDP referred specifically to the VSO market assessment as a critical contribution, and the “foundation” of their programme. The market assessment highlighted strategies for increasing maize production, evening income streams throughout the year, and diversifying production, which were the core elements of CCDP’s support to farmers. Maize was selected somewhat by default, driven by geographic and partner selection parameters, but the strategy of improving production of a known crop, while supporting gradual diversification, was appropriately low risk, for the low-income, low-asset target population. (See Annex 1: Nigeria Country Report.) In Malawi, VSO’s dairy strategy was “pro-poor.” VSO strengthened the dairy sector to better market affordable milk; one partner specifically targeted remote dairy farmers, and the project included a cow pass-on scheme to improve poverty outreach.

In sum, MMW4P has had many positive experiences with market selection and analysis.

- **Recommendation: Tighten guidance for market selection and for investing in market assessment, but reduce the importance of these factors as critical areas of improvement under IMA4P going forward.**

³⁰ Msiska, 2014 (Interview)

³¹ Morris, 2014 (Interview)

- **Recommendation: Review and update the Market Research Toolkit, with a view toward ensuring that it incorporates more advanced principles of market development, for example, by assessing all aspects of the value chain including agricultural technology and extension and business service markets.**

5.2.4 FACILITATING MARKET LINKAGES AND STAKEHOLDER ENGAGEMENT - WEAKER AREA

Finding: *VSO's performance was weaker in facilitating market linkages and stakeholder engagement.*

Evidence: VSO's performance was weaker in facilitating market linkages and stakeholder engagement, in order to link beneficiaries with businesses in the broader market – input suppliers, service providers, better quality buyers – and improve the broader operating environment. In the evaluation survey, respondents ranked these kind of activities lowest in terms of effectiveness, between 2.6 for engaging larger, more powerful businesses and changing the broader market and enabling environment and 3.3 for facilitating broad stakeholder engagement (on a scale of 1 to 5). (See Annex 8: Evaluation Survey Results.) Field visits and other interviews also identified these as weaker areas, which is reflected in the core focus on the next phase of this partnership, IMA4P – Improving Market Access for the Poor. In the five flagship programmes, there were attempts to facilitate broader market linkages and stakeholder engagement, but in general they came later in the programmes, were somewhat limited in scope and/or were not very effective or sustainable.

Despite the overall weaker performance in market facilitation, there were pockets of success that are recognised by VSO:

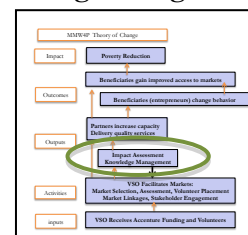
- **Nigeria:** VSO linked CAEVs with an input supply company, Notore, but VSO was not proactive in advancing a clear business model for expanding this private sector linkage, and Notore was not seen as a critical VSO partner. In Nigeria, stakeholder engagement took the form of meetings among NGO partners working in different value chains in different geographic areas; it was more of a knowledge management activity than a market facilitation activity. (See Annex 1: Nigeria Country Report.)
- **Cambodia:** VSO was not deeply or consistently involved in facilitating market linkages, although VSO did provide marketing advice to one partner in the establishment of their social enterprise tourism company. Only in 2014, VSO's partners are holding a stakeholder workshop in the chicken, fish and rice value chains. Going forward, VSO has elected to work in the rice sector most likely with a partner that has experience facilitating stakeholder engagement. In addition, recognizing the importance of government engagement, the (potential) new partner suggests that a volunteer with advocacy expertise would be helpful. (See Annex 2: Cambodia Country Report.)
- **Tanzania:** The programme facilitated a pro-poor tourism cluster to link smallholder farmers and other enterprises to hotels, restaurants and other tourism companies. VSO successfully engaged tourism and farmer associations, local government and NGOs stakeholders. VSO has yet to present evidence, however, that farmers increased sales to tourism businesses, and sustainability of cluster leadership is in question once the programme ends. (See Annex 3: Country Briefs / Assessments.)
- **Malawi:** VSO in Malawi faced a very challenging operating environment and worked creatively and in conjunction with other stakeholders to change the regulations governing the sale of non-pasteurized milk. Unfortunately, they were not able to achieve this goal. Rather than strengthening linkages with larger firms, the appropriate goal was to free farmers and regional associations from the monopoly of larger firms, or to fill the gap when a monopolistic larger firm failed. These objectives were accomplished and the impact assessment reports that farmers who own cows increased sales. On the input and training/service supply-side, VSO worked with regional associations to improve input supply, which was fairly successful based on the impact assessment. The downside was that the regional associations were monopolistic suppliers and in one case a monopolist buyer,

with uncertain governance and financial sustainability given high levels of subsidy received from various donors.

- **In Guyana**, VSO established a network of women food processing groups that, among other activities, facilitate member access to an annual national trade fair where the groups make significant sales, and meet potential large-firm buyers. The downside is that this occurs on a very small scale.

Discussions with VSO staff and analysis of the IMA4P proposal demonstrate that VSO is aware of and plans to address this weakness, building on lessons learned and pockets of positive experience during MMW4P.

- **Recommendation: VSO should focus next phase improvements on strengthening market facilitation, particularly regarding market linkages and broad stakeholder engagement.**



5.3 ACTIVITIES: KNOWLEDGE MANAGEMENT AND IMPACT ASSESSMENT – SUMMARY

Knowledge Management (KM) and Impact Assessment (IA) were specific work-streams in MMW4P, alongside the core work-stream of Market Development. In the ToC, these three streams form a causal loop in which VSO “institutionalizes” programme and impact assessment through knowledge management in order to a) stimulate replication of market development work beyond the flagship programmes, and b) increase partner capacity to deliver better services and improve their impact assessment. These topics are treated together in the evaluation report because of their placement in the ToC, their synergy in implementation and analysis, and VSO’s plan to merge the functions going forward.

Sources:	
VSO Docs	✓
Interviews (via distance)	✓
Survey	✓
Field Visit	✓
On-line Jam/Chatter	✓
Evaluator observation	✓

Evaluation Questions: *Is the knowledge management function serving its various purposes within the VSO MMW4P project? Given the 2013 results of the impact assessment external review, what measures have been incorporated into IA work to date and into the future plans? Are there additional recommendations from evaluators regarding IA?*

Summary of Findings: MMW4P exhibited mixed performance in knowledge management and impact assessment work, but overall VSO significantly strengthened capacity in both areas. On the one hand, the IA and KM systems developed guidance and tools that were well regarded by staff and volunteers, and both systems generated high volumes of useful information that VSO staff and volunteers used to make programme improvements. On the other hand, the data and information generated by KM and IA systems had significant shortcomings in terms of rigor, and in providing strategic descriptive information on market development. VSO has undertaken systematic learning initiatives in KM and IA, documenting strengths and weaknesses, and engaging in continuous improvement and deeper integration of KM and IA into programme management.³² VSO’s KM and IA work is ahead of most market development programmes globally, although there is still work to be done to align VSO’s KM and IA work with global good practice standards.

³² Murray, 2014; Spencer-Smith, 2014 (Interviews)

Text Box 5: Description of Knowledge Management and Impact Assessment Work under MMW4P

KM Work Under MMW4P: KM work under MMW4P was diverse and loosely defined, but in this evaluation KM refers to documentation, storage and exchange of information and also skills to apply the information – primarily among VSO staff and volunteers. KM work more closely related to partner and beneficiary capacity building is addressed under the objective of partner capacity building.

Specific activities carried out under MMW4P included in-country and regional learning events and study tours, and at least one global learning event in Malawi in 2013. KM volunteers, funded by CIDA, helped to organise these events, documented programme experience and lessons, and established KM systems through an evolving framework and guidance for staff and other volunteers to follow. KM also involved a Document Management System (DMS), and on-line platforms such as a Learning Hub for sourcing key programme guidance, and on-line interactive tools that evolved during the programme. Evaluators also included the development and dissemination of market development and impact assessment guidance and tools as well as staff and volunteer orientation and training in the category of KM.

Impact Assessment (IA): IA work under MMW4P focused on understanding beneficiary behaviour change resulting from partner training and improved market access, and the subsequent financial benefits to the household. IA guidance was developed by external experts, the Mennonite Economic Development Associates, in consultation with the central Secure Livelihoods, MMW4P and Monitoring and Evaluation teams and the volunteers who carried out IA with partners in flagship programmes. IA was closely linked to KM in that IA experience and lessons were documented and shared, and IA information and lessons about beneficiaries were shared with partners and VSO in order to improve project impact. The IA system gathered baseline, mid-term and final evaluation figures from a random sample of beneficiaries, conducted longitudinal case studies on randomly selected individuals, and collected impact stories (success stories) from beneficiaries known to be doing well as a result of the project. The IA system itself was evaluated in 2013, and improvements are being tracked and implemented.

5.3.1 STRENGTHS – KNOWLEDGE MANAGEMENT:

- **High volume of project documentation:** Evaluators reviewed some 140 documents, and relied heavily on the flagship country programme case studies, IA reports and learning meeting summaries in conducting this evaluation.
- **High level of core competence for specific work:** The majority of evaluation survey respondents feel they received adequate orientation and training for their VSO work (68%).
- **High satisfaction levels with in-person KM events and personal guidance:** Of the 8 KM resources with a positive rating in the evaluation survey, six were in-person and two were remote interaction with individual mentors or experts. Interviews with staff and partners emphasized the high value of in-person knowledge sharing among the country programme volunteers and partners.
- **Improving KM Systems:** KM systems and support have improved since 2011 in the following areas, according to the evaluation surveys of 2014 and 2011:
 - Motivation to learn and share
 - Having sufficient time and training
 - Support of technology for remote knowledge sharing
- **High Awareness and Satisfaction with MMW4P Guidance and Tools:** The evaluation survey reported high awareness regarding the Market Development Handbook (71%), the Impact Assessment framework and guidance (68%), and the Partnership Monitoring and Learning Tool (68%). Satisfaction among users is positive for all market development tools, ranging from a rating of 3.9 for the Market Development Handbook and the Impact Assessment framework and guidance, to 3.3 for the Secure Livelihoods Taxonomy (on a scale of 1 to 5). (See Annex 8: Evaluation Survey Results.)

KM for market development is an evolving practice at the moment, and VSO's KM work is ahead of current practice. The MMW4P KM work advanced VSO's KM work in general, according to the VSO Evaluation Team.

5.3.2 WEAKNESSES – KNOWLEDGE MANAGEMENT

The weaknesses in KM were also significant. Many are being addressed with the new KM Framework and Strategy. This evaluation concurs with the new KM strategy and with observations in the evaluation, identifying a few additional gaps and prioritizing some issues over others.

- **KM under-resourced:** In general, the knowledge transfer expectations far exceeded available resources. VSO was able to leverage the Accenture funding by obtaining CIDA funding for KM volunteers, who were vital to KM within MMW4P. Nevertheless, objectives outstripped volunteer capacity.
- **Regional Learning Centre Model and KM in non-flagship countries:** One of the most significant strategies in knowledge management – to have flagship programmes act as regional learning centres – simply did not happen and was effectively dropped as a strategy mid-way through the project. Why? The KM agenda was too broad and expansive for the resources dedicated: KM volunteers prioritized the KM needs of in-country stakeholders, leaving central Secure Livelihoods staff with a high, unplanned KM burden, which they managed commendably.
- **KM Gap – strategic information on non-flagship programmes:** One result is that MMW4P has very little information about non-flagship market development programmes.
- **Wide, ill-defined understanding of KM:** the understanding of “what KM is” varies significantly among MMW4P staff and volunteers, with many having a very wide definition that includes information and knowledge flow within the target market, among partners in-country, among volunteers and staff in-country, and among all these stakeholders globally. This contributed to a misalignment of goals and resources.
- **KM Gap – Internal Focus:** Perhaps because of the overwhelming tasks of internal KM, in general, MMW4P's KM work in practice, and the KM framework in general, are internally focused. VSO's market development work would be significantly enhanced by regular influx of filtered external information and learning opportunities, and a system for cascading this information to less technologically connected volunteers and partners.
- **KM Gap - Capacity building for new volunteers and staff:** The focus in MMW4P was on knowledge management and impact assessment, but a missing element was capacity building for staff and volunteers in the fundamentals of market development and market facilitation. VSO staff and volunteers seem to have strong training and skills for their specific assigned work, but in general their background and capacity in making markets work for the poor (referred to here as “market development”) was weak.
- **Weak leveraging of technology:** VSO was not able to leverage technology well for knowledge management; the majority of evaluation survey respondents got most of their information from in-person interaction with other volunteers and with VSO Staff.

Recommendations – Knowledge Management:

- **Clarify the scope of KM at different levels:**
 - Level 1 – Market: Capacity building and learning systems within the target market that generate and transfer information and skills from business-to-business, including beneficiaries. This function is ultimately the responsibility of businesses and associations in the market. One goal of market development is to strengthen these learning systems (rather than replace them with free training, provide on a temporary basis).
 - Level 2 – Project Management: Project documentation and information sharing among managers and implementers. This function ensures that project strategies, activities, results, and lessons are properly documented, reported, shared processed,

- absorbed and used – by VSO staff, volunteers and appropriate partners - for strong management and improved implementation.
 - Level 3 – Capacity Building of Project Implementers: Market development capacity building and learning, for staff, volunteers and partner facilitators. This function includes orientation, training and continuous learning about how to conduct market development using global good practice. In a quickly evolving field, with active on-line learning opportunities, this involved linking VSO market development staff and volunteers to global sources of information.
- **Align objectives with resources:** Considering the three systems mentioned, ensure that VSO objectives in terms of advancing market development are well resourced.
- **Leverage Technology:** Invest in improved technology systems for communication, training and knowledge management as a matter of high priority, including:
 - Current VSO technology plans: promoting the use of Salesforce Chatter to all volunteers and staff by incorporating training and signing on into induction, and the roll-out of Sharepoint as the main document management system and learning hub potentially with a “home page” for different technical fields including market development;
 - Tools for continuous orientation of new volunteers and staff;
 - Guidance on “cascading” information from staff and volunteers with high technology access and skills to stakeholders with lower technology access and skills);
 - Improved design and reporting systems that strengthen strategic information exchange;
 - A newsletter to continuously engage and inform VSO staff, volunteers and partners;
 - An update to the KM framework to incorporate these changes;
 - Incorporating these KM expectations into job descriptions and performance review.
- **Invest in clear market development guidance** including “models” with accompanying case material that provide VSO staff, volunteers and partners with clear options and specific guidance and examples of how to conduct market facilitation work.
- **Highlight orientation and training in market development** as high priorities going forward, above knowledge management; develop self-guided orientation and training materials and processes and continuous learning events that leverage technology to address the demand for a common set of knowledge and skills for conducting market development.
- **Increase emphasis on gathering and disseminating external information** at the global, regional and national levels, including pursuing opportunities to share VSO work with others.

5.3.3 STRENGTHS – IMPACT ASSESSMENT

- **IA system produced needed data:** As demonstrated by this evaluation, the IA system produced the data needed to report on MMW4P quantitative targets, with strong elaboration using qualitative information documented through a range of IA and KM tools.
- **High awareness and positive satisfaction with IA guidance:** The evaluation survey reflects high awareness, appropriate use levels and positive satisfaction rating of the IA framework, guidance and tools.
- **Continuous improvement of IA:** Of the 14 recommendations from the external review of the MMW4P IA system, VSO is implementing 6 and plans to incorporate the other 8 into future market development work. Some important ongoing improvements include:
 - Improved collection and reporting of reach data
 - Improved orientation and technical support for IA volunteers
 - Use of a learning log to track lessons/recommendations and implementation actions
- **Use of IA for programme improvement:** VSO partners and staff report using impact assessment information to improve programming. For example, VSO Nigeria observed in the mid-term evaluation that outreach to women was lower than hoped, and that farmers had trouble affording improved inputs even though the desire for them was strong. These findings led VSO and its partners to intensify their focus on recruiting women, and to add the goal of helping farmers gain access to finance. (See Annex 1: Nigeria Country Report.)

- **Strong impact stories and case studies:** These provide rare descriptions of VSO market development in action and serve to validate other sources of VSO's development impact. They demonstrate clear linkages between improved beneficiary livelihoods and VSO partner capacity building work.

Evaluators relied heavily on the IA data and reports in conducting this evaluation. IA for MMW4P is an evolving practice in the market development field at the moment, and VSO's IA work is trending with current practice. Under MMW4P, VSO as an organisation advances its impact assessment work.

5.3.4 WEAKNESSES – IMPACT ASSESSMENT

Shortcomings in the IA system were highlighted in the 2013 external review of impact assessment in MMW4P.³³ As per the recommendation in the impact assessment, these are being tracked and addressed using a learning log.³⁴ Of 14 tracked recommendations, VSO is implementing 6 including improved methodology for reporting reach data. Evaluators concurred with these conclusions and steps, with some different recommendations to streamline IA and bring it in line with current market development standards. In addition, evaluators endorse VSO's plan for a more integrated M&E framework going forward.

Challenges included:

- **Narrow Focus:** Overall, the impact assessment system was focused on measuring beneficiary-level impact, but it was not an overall monitoring and evaluation system to track changes at each level of the ToC.
- **Weak incorporation of market development principles:** Reflecting the ToC and VSO's traditional focus on building NGO partner capacity, the IA system - including the Partnership Monitoring and Learning Tool (PMLT) - did not incorporate the market development principles of sustainability, and did not measure change in the broader market system.
- **Weak IA data:** From reach figures to impact indicators such as increased income, including standard ways of understanding service access and use, the IA data is unreliable overall; in addition, because of weak standardization, it is difficult to tell the overall positive story of VSO impact without seeming biased. The data is not strong enough to support a rigorous and convincing report of positive impact with clear causal links.
- **Ambitious IA system:** The review of the IA system and feedback from staff and volunteers highlighted significant shortcomings in the data produced, from basic reach figures to household income data, as well as the significant burden of gathering the data; market development industry standards are significantly less ambitious than VSO's IA system, promoting a more practical, less rigorous approach with the vision that the data collected will be more accurate, and will serve as a proxy for actual household income.³⁵
- **Gaps in IA indicators:** The IA system did not measure poverty levels of clients, and did not quantify empowerment indicators; improved poverty outreach was a stated MMW4P output, but empowerment was not. Also, VSO has a broad mission of reaching and serving marginalization populations, but these were neither defined nor measured under MMW4P.
- **Weak reach figures, and non-standard measurement going forward:** VSO is working to improve how reach figures are calculated, and has been applying more rigorous standards in agreement with Accenture. However, these standards contradict the Donor Committee on Enterprise Development (DCEd) Standard for Results Measurement,³⁶ and are too

³³ VSO's Livelihoods Work: Lessons from Making the Markets Work for the Poor, 2013

³⁴ Accenture MMW4P IA Learning & Recommendations Log, 2013

³⁵ DCEd, 2014

³⁶ DCEd, 2014; The Donor Committee on Enterprise Development is a coalition of primarily public sector funders who "agree on effective practices for creating economic opportunities and jobs." It is a central source for good practice guidance, tested through implementation and endorsed by leading funders.

restrictive for sustainable, large-scale market development work. Using the current method, VSO risks incentivizing staff and partners away from sustainable, large-scale market development.

- **Attribution:** Because of the wide variety of market development initiatives implemented in association with MMW4P, on top of the typical challenges in impact assessment, it is very hard to make generalizations about the attribution of beneficiary income or other changes to VSO work, and to Accenture grants specifically.
- **Flexibility in IA:** The IA system did not generate aggregate figures for key impacts such as income or asset change because of the flexibility given to different programmes and the lack of focus on generating aggregate data. Funders are increasingly interested in the kinds of figures that go beyond the number of people reached.

Recommendations – Impact Assessment:

- **Integrated M&E System:** As is planned in the IMA4P, VSO continue to advance its IA system, with a stronger focus on implementing an integrated M&E system, one that incorporates and incentivises staff to implement principles of sustainability and broader market facilitation.
- **Further revise methodology for reporting “reach” figures:** VSO and Accenture explore alternative measurement and reporting of reach figures so that VSO can report to other funders figures measured in accordance with the DCED standard designed specifically to ensure that IA systems capture changes in the broader market that were stimulated by market development initiatives.³⁷
- **Reduce the number of indicators tracked** and use more proxy indicators, particularly if additional indicators for poverty outreach, reaching marginalised populations, and empowerment (gender) objectives are to be added; standardize a small number of indicators to be aggregated globally. For example, the DCED standard focuses on (net) increases in sales and (net) jobs generated.
- **VSO to assess DCED and other standards for attribution to determine if there are feasible methods that could be integrated into impact assessment guidance.** For example, the DCED standard recommends two potential methods for measuring attribution: before and after comparison, or comparison with a control group.

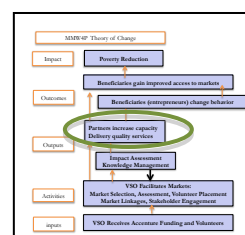
5.4 OUTPUTS: PARTNER CAPACITY DEVELOPMENT, SUSTAINABILITY AND SERVICE PROVISION

This section presents findings about partner capacity development, sustainability and service provision, at the output level of the theory of change.

Evaluation Questions: *Did partners increase capacity, delivery better services and improve impact assessment to become more sustainable and responsive to beneficiaries and to improve poverty outreach?*

What partnership models and partner selection have supported sustainability in MMW4P programmes, and what might support sustainability in the future? Are current partners appropriate partners for MMW4P work? Which were most effective and why? Are the partners clear about their role as services providers or market facilitators?

Summary of Findings: MMW4P performed well in partner capacity development and service provision, but weaker in partner selection and financial sustainability. On the positive side, partner capacity scores increased,



Sources:	
VSO Docs	✓
Interviews (via distance)	✓
Survey	✓
Field Visit	✓
On-line Jam/Chatter	
Evaluator observation	✓

The Standard for Results Measurement can be found at <http://www.enterprise-development.org/page/measuring-and-reporting-results>.

³⁷ DCED, 2014

and there were numerous cases in which volunteer training strengthened partners who in turn trained beneficiaries who realized benefits specific to the training received. Regarding sustainability challenges, many partners were unclear in their role as market facilitators or service providers, and many were fundamentally community-based organisations providing subsidized services to select beneficiaries. There were instances of VSO strengthening social enterprises or cooperatives, but their financial viability was not reported. VSO documents and staff were not very clear why specific partners were selected, and how partner selection aligned with any market development strategy.

5.4.1 STRENGTH – PARTNER CAPACITY BUILDING AND SERVICE PROVISION

Finding: *VSO performed well in its core business of building partner capacity to deliver quality services.*

Evidence – General: The evaluation survey respondents rate VSO performance as moderately effective (3.3-3.6 on a scale of 1 to 5) in work related to partner capacity development and service delivery. (See Annex 8: Evaluation Survey Results.)

Evidence – Nigeria: VSO staff, volunteers and partners in Nigeria all reported partner capacity development and service delivery as a core strength. Nigeria’s impact assessment reports significantly improve partner capacity. In all components of partner capacity development, VSO Nigeria’s partners increased their scores between baseline and final assessment. Partner interviews corroborated these scores. Partners’ average service quality score was quite noticeably improved from 2.7 to 4.3. (See Table 9)

Text Box 5: Partner Capacity Building and Service Delivery Cases - Nigeria
CCDP – Nigeria: At the in-person interview, Cocin Community Development Programme (CCDP) reported that VSO volunteers had significantly helped to improve CCDP’s both organisational development and technical aspects of capacity development as important progress areas. Their responses aligned for the most part with VSO staff reflections and the Nigeria impact assessment report. In terms of organisation development, CCDP highlighted IT, resource mobilization and volunteer management as valuable area that Volunteers helped to improve. In technical areas, CCDP pointed to the importance of VSO bringing the CAEV model to their community as well as specific technical training Volunteers provided in maize production and storage, savings and loan group methodology, and crop diversification. They found training in gender auditing to be less useful and didn’t mention impact assessment training.

Premier Agricultural Development (PAD): Fish farmers who were beneficiaries of a different partner, PAD, articulated the importance of the technical training provided by a VSO volunteer from Uganda. Although PAD as an NGO is in the process of closing due to funding constraints and leadership shifts, the private business at the NGO’s roots is, according to former staff, still using the accounting system VSO volunteers helped them establish. In addition, the former staff member is deploying his considerable fish and agricultural extension skills, strengthened by volunteers, in his role with a neighboring NGO and VSO partner under a different project. (See Annex 1: Nigeria Country Report.)

Table 9: VSO Nigeria Partner Capacity Development (See Annex 1: Nigeria Country Report.)		
	Baseline	Final
Market and Beneficiary Knowledge	3.0	4.0
Linkages (<i>mostly public/ not-for profit</i>)	3.0	4.7
Service Quality	2.7	4.3
Financial Resource Mobilization and Management	2.3	3.7
New Market Initiatives	3.3	3.7

Text Box 6: Capacity Building From the Volunteer Perspective - Project Agape in Nigeria.³⁸

Lukas Partzsch was a VSO international volunteer on information technology (IT) in Nigeria. He supported five implementing partners on the Making Markets Work for Poor (MMW4P) project. His role was to strengthen information technology and monitoring & evaluation systems so that the lives of beneficiaries can be tracked for progress. Project Agape was one of the project's implementing partners that has benefitted from Lukas's capacity building activities and its staff attach great value to his efforts.

Project Agape's Finance Officer, for instance, says Lukas's IT support enables her to analyse and interpret large pieces of information more efficiently. These insights, in turn, have increased her knowledge in a way that makes her donor reporting more effective and accountable. Thanks to training from Lukas, "creating power point presentations is also much easier to produce."

Franklin (not his real name) is Project Agape's microfinance credit officer and acting administrative officer. He enjoyed the word-processing session which improved his ability to write reports. Prior to training, Franklin says he had many challenges, especially when it came to editing text. He promises "to build on the skills gained" as he moves forward in his work.

Another microfinance credit officer says his day- to-day client transactions continue to be refined and enhanced as he comes to know and work with more software formulas. "The most significant thing that I learnt was how to use Excel to do calculations." Project Agape's lawyer appreciates his new power point skills. This presentation tool lets him use charts, pictures and other visual elements to support his public speeches and arguments.

Evidence – Cambodia: The situation in Cambodia was different, but serves to emphasize the findings that VSO volunteers are highly valued in their capacity building role. VSO Cambodia, as a whole, undertook a significant strategy shift mid-way through the MMW4P programme, and is undertaking another this year. The lack of continuity with partners undermined capacity building. Although individual volunteers may have served their terms with assigned partners, both partners and VSO value having several volunteers build capacity in different areas, and value working with VSO staff and the MMW4P programme over time. (See Annex 2: Cambodia Country Report.) For example, in Nigeria, partners met quarterly for learning specific topics, for peer knowledge exchange, and for networking. (See Annex 1: Nigeria Country Report.) Despite the strategy disruptions in Cambodia, the partners visited were able to highlight specific volunteer training work and describe how it improved partner services to beneficiaries.

³⁸ Making Markets Work Nigeria 2010 - 2014 Final Impact Assessment Report, 2013

Text Box 7: VSO Cambodia Partner Capacity Building and Service Delivery

VSO Cambodia's impact assessment report and field visit focused on market research and strategy training provided by volunteers as an important input. Specific areas of improvement include:

“Confidence in Staff to Identify Barriers to Market Participation (improved): Both AAC's and AS's scores on this indicator have increased over the course of the project. AAC was commended in the mid-term review for their understanding of their strengths in the textile value chain. The final term report highlighted that this understanding was burgeoning and that staff could quickly identify barriers to market access for the products of indigenous producers. VSO's work with a recent partner, CRDT, also strengthened market assessment capacity. At the time of the evaluation, CRDT was completing an updated poultry market assessment based on research in six districts of Kratie province with no VSO assistance.

Cooperation and Coordination in the Market: “All partners have expanded their networks and established new relationships with market actors, NGOs and/or ministries. AS has expanded their networks the most, going from having no partners in 2011 to coordinating with government, private sector and other organisations.”³⁹ During the field visit, CRDT reported being in the process of organising a stakeholder meeting for the poultry value chain.

Value-added Technical Assistance: CRDT received volunteer advice on its tourism business in which remote village families host tourists for “home stays.” And, a long-term volunteer conducted an assessment of the poultry value chain that identified the need for vaccination services. AS was able to implement the vaccinations, but infrastructure barriers (electricity, refrigeration) proved too challenging for CRDT beneficiaries. With a longer term volunteer presence, or follow-up from a different volunteer, this problem may have been addressed. In another example, implementation was a challenge in environmental sustainability training that CED received and passed on to communities. For example, fisherfolk in the targeted community had stopped electric fishing, in which a shock is delivered to the water to kill a larger number of fish regardless of size/age. However, their patrols to stop outsiders were less effective. (See Annex 2: Cambodia Country Report.) These examples underscore the high value of volunteer input, and the importance of continuity of VSO programme strategy and partnerships over a long period of time.

Evidence – Malawi: In another example, VSO Malawi's work building capacity of regional associations to deliver improved technical services to member dairy farmers significantly increased farmer satisfaction with high priority technical services. According to the impact assessment report:

“... satisfaction with veterinary/technical support/extension services has increased significantly from 2012 to 2013. In 2012 both organisations indicated that these were the services with which they were least satisfied while in 2013 they received high satisfaction rankings. This is testament to the MMW (MMW4P) programme and the importance placed on this support by beneficiaries.”

VSO provided volunteers to strengthen the associations' veterinary and extension services in order to help farmers increase milk production.

5.4.2 WEAKNESS – FINANCIAL SUSTAINABILITY

Findings: *MMW4P performance was weak in financial sustainability of partners to maintain and expand service delivery to beneficiaries, and of any market-based service delivery. The finding underscores the need for VSO to deepen its implementation of market development principles, and expand its partnerships to include more businesses and social enterprises.*

³⁹ Making Markets Work for the Poor -- Impact Assessment Report Final Term, 2013

The weaker area of partner capacity development concerns financial sustainability. In general, VSO approached the issue of financial sustainability from a fund-raising point of view, offering partners training in community-based fundraising and partnering or supporting grant proposal opportunities. This is a worthwhile endeavor, but is more typical of community development than market development.

In some situations, VSO missed opportunities to support financial sustainability or social enterprise. For example, in Nigeria, CCDP operates a social enterprise that is sometimes drawing donor money as an investment and sometimes transferring money to a community development account to cover budget shortfalls. The business sells seeds, fertilizer, and pesticides for application in the field and for application to grain in storage. CCDP also operates a guest house. The social business, in theory, has separate staff and in practice separate financial accounts. VSO has not provided technical assistance to support the social enterprise, and CCDP was not sure VSO would support it as a strategy.

In a few situations VSO did explicitly build partner capacity to run a business or social enterprise and to generate revenues from serving beneficiaries. These examples appear to be positive experiences such as the community tourism initiative in Cambodia.

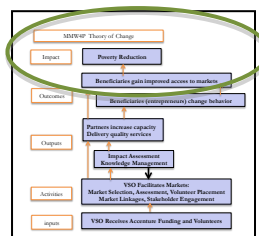
“A VSO long-term volunteer along with VSO country staff facilitated an approach that addressed the needs of local actors and created a tour company under CRDT’s ownership. The volunteer advised on issues such as human resourcing, product development, financial planning and analysis. ... A series of VSO-facilitated meetings resulted in approval for the project from the Ministry of Tourism.” (See Annex 2: Cambodia Country Report.)

In another example, the Malawi dairy programme provided technical, management and marketing volunteer expertise to help two regional dairy associations to establish milk processing and packaging facilities. (See Annex 3: Country Briefs / Assessments.) Thirdly, VSO Tanzania supported a farmers association to manage a storage facility. Although data is not available regarding the profitability of these businesses, (and equipment was donated), the enterprises appear to be functional several years after their establishment. A critical element of successful market development is the sustainable delivery of services, so this is an area VSO should strengthen going forward, in order to enhance sustainability and scale.

- **Recommendation: VSO to integrate sustainability strategies and capacity building for financial sustainability into market development work, with an emphasis on socially responsibly businesses or NGO social enterprises as partners, and planning for financial sustainability early in the programme design process.**

5.5 OUTCOMES AND IMPACTS: MARKET LINKAGES, BENEFICIARY BEHAVIOUR CHANGE AND LIVELIHOOD CHANGES

This section evaluates changes in beneficiary behaviour, their access to markets, and impact on beneficiary livelihoods experienced as a result of partner services and activities strengthened by VSO. These occur at the outcome and impact levels of the theory of change.



Sources:	
VSO Docs	✓
Interviews (via distance)	✓
Survey	✓
Field Visit	✓
On-line Jam/Chatter	
Evaluator observation	✓

Evaluation Questions: *Did beneficiaries change behaviour and gain better access to markets as a result of VSO work? Did this help them “chart a course out of poverty?” What was the poverty level of beneficiaries and how did this compare to intentions? To what extent did the programme reach and serve women or other disadvantaged populations? Were there additional benefits not expressed in the theory of change? Were there unintended negative impacts? What evidence is there that any changes, or results measured and reported are attributable to VSO work?*

Summary of Findings: Within the limitations of the impact assessment data, which was only gathered and reported in flagship country programmes, VSO reports strong impact regarding its partner capacity development. There is significant evidence of beneficiaries improving farm and business practices and experiencing improvements in their livelihoods, although the process did not always involve improved access to markets.⁴⁰ VSO also reports improvements in empowerment, for example increases in confidence, and the development of networks inside and outside the community. Behaviour change and impact is less apparent around gender issues. In addition, there is uncertainty around the scale of impact due to inconsistent reporting of reach figures, and there is evidence that VSO's poverty outreach was diverse. No negative outcomes or impact were reported. The evidence for this positive impact, and links to VSO partner capacity building work, was sourced from aggregate survey data and case studies in the impact assessment reports, and corroborated by field visits to Nigeria and Cambodia, interviews with the VSO Evaluation Team and Secure Livelihoods staff in countries with flagship programmes, and the evaluation survey. With some repetition of Section 4.5, this section presents strengths and weaknesses in VSO's outcome and impact overall and specifically in Nigeria, Cambodia, Tanzania and Malawi.⁴¹

5.5.1 OVERALL POSITIVE OUTCOMES AND IMPACT - STRENGTH

Finding: MMW4P contributed positively to beneficiary behaviour change and livelihoods, as highlighted by reports, staff, volunteers and partners.

Evidence: VSO staff, volunteers and partners highlighted beneficiary behaviour change and impact as very successful elements of MMW4P; this perspective is backed by positive impact assessment reports, although aggregate data was not available. In the evaluation survey, VSO staff and volunteer reported that the majority (61%) were satisfied, or somewhat satisfied, that their work with VSO was making a meaningful difference in the lives of poor people. (See Annex 8: Evaluation Survey Results.) In interviews and focus group discussions, VSO staff, volunteers and partners also highlighted the strong performance of the MMW4P programme in achieving beneficiary outcomes and impact compared to other elements of the ToC.

5.5.2 IMPROVED FARM AND BUSINESS, INCREASED INCOME, ASSETS, EMPOWERMENT - STRENGTHS

Finding: Beneficiaries accessed and used more services, improved farm and business performance, and increased income, assets and empowerment as a result.

Evidence: Impact assessment reports, programme case studies, and interviews all report positive impact of MMW4P in increasing income, food security, assets, outreach to women, community networks and empowerment. (See Annex 1: Nigeria Country Report and Annex 2: Cambodia Country Report.) The following data was presented in chapter 4, but repeated here due to its importance. Table 9⁴² presents a summary of data available for the countries with some aggregate data, along with a checklist of behaviour change and market access that illustrates linkages between partner services and beneficiary impacts. Where there is evidence of clear attribution, this is noted. Figures 11 and 12 illustrate aggregate increases in service access in Nigeria and Malawi. In both cases, partners improved delivery of these services as a result of VSO volunteers providing technical advice specifically on their services. Text Boxes 8-9 present beneficiary case studies that explain in more real life terms, how partner services helped beneficiaries change their

⁴⁰ Making Markets Work for the Poor -- Impact Assessment Report Final Term, 2013; VSO's Livelihoods Work: Lessons from Making the Markets Work for the Poor, 2013; detailed information regarding the data quality and limitations of the impact assessment process are provided in section 4.4 of this report.

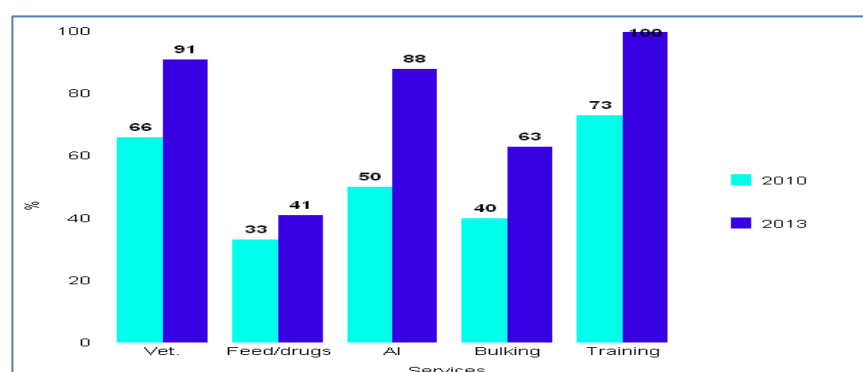
⁴¹ Guyana's impact assessment report is not yet complete.

⁴² Making Markets Work for the Poor -- Impact Assessment Report Final Term, 2013

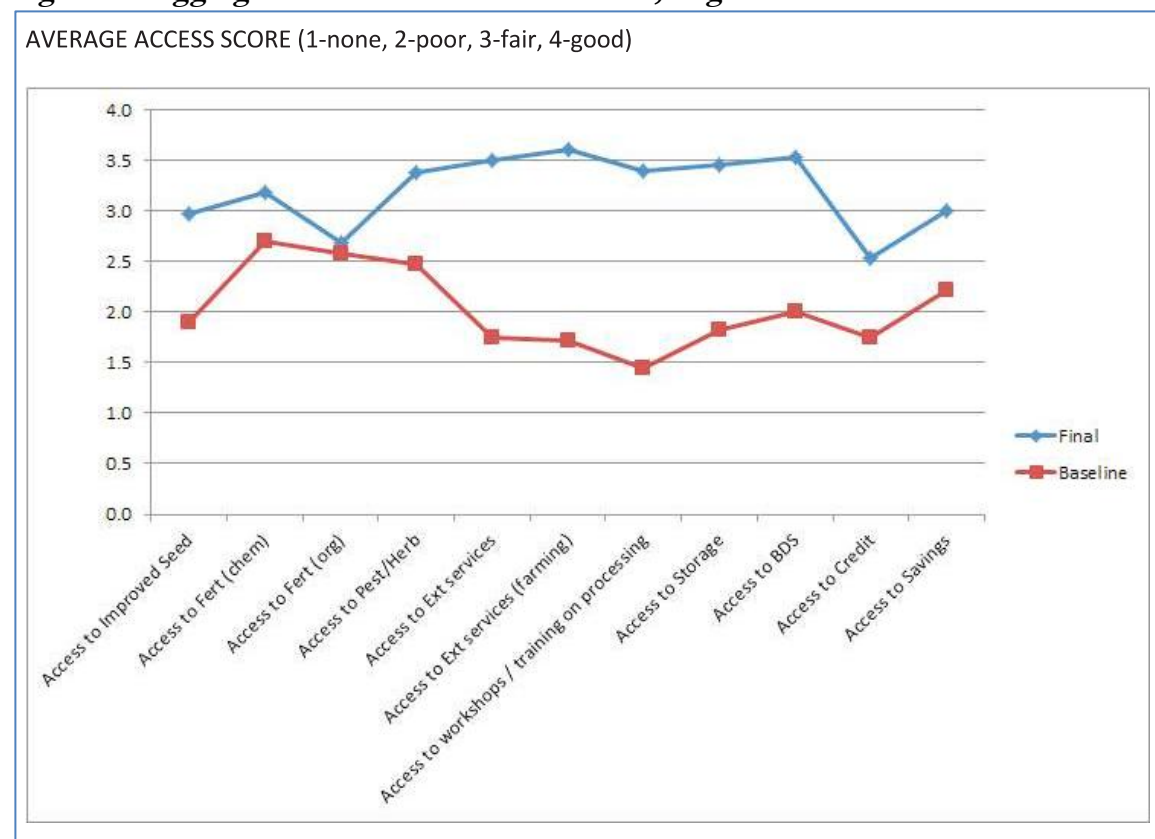
behaviour and improve their livelihoods, sometimes through access to markets. These stories also illustrate empowerment changes not registered in impact assessments.

Table 9: Summary of Outcome and Impact Data ⁴³				
Country	Nigeria	Cambodia	Tanzania	Malawi
Reach	25,585 (58% women)	69,300 (62% women)	48,613 (46% women)	54,424 (43% women)
Impact	All 5 partners reporting 88% income increase increase in asset score 5.6 to 6	2 of 7 partners reporting: 81% increase in income; 78% of beneficiaries increased income by an average of 46%	2 of 4 partners reporting; increased sales between 64% and 300%; 3 of 4 partners report increased expenditure on food;	2 of 3 partners reporting: Income decline of 13%; income increase of 48%; increase in number of assets from 7 to 10
Gender	400% increase in women's income; women's and men's income now equal			
Service Access/Use	Increased access and use of 10 services; increased use of all partner services except chemical fertilizer			
Market Access	Linked farmers to commercial supply of chemical fertilizer	No	Yes: linked more directly to buyers, going around the middleman	Yes: access to finance from programme and market
Data quality	Moderate	Low	Low	Low
Attribution (See Annex 8 for a more detailed discussion.)	High in two partners visited: Improvements in services strengthened by VSO; VSO and partner the only service providers.	Low: VSO had short-term involvement with partners.	Moderate: Farmers received many services from partners, and partners had multiple supporters.	Moderate: Farmers received many services from partners, and partners had multiple supporters.

Figure 11: Aggregate Increase in Service Access, Malawi
Chart 5.1: Percentage of Farmers Accessing Services 2010 and 2013



⁴³ As reported in VSO impact assessment reports; Guyana's final impact assessment was ongoing at the time of the evaluation.

Figure 12: Aggregate Increase in Service Access, Nigeria**Text Box 8: Beneficiary Profile - Malawi⁴⁴**

Jane (not her real name) is married and lives with her husband in Malawi. She has one child of her own aged 15 years who is at a boarding school and currently looks after her sister's baby because of her sister's ill health. Jane, who is HIV positive, originally did not have any intention of becoming a dairy farmer because she did not think she would be strong enough.

It is only as a result of a casual conversation with a staff member of a VSO supported regional cooperative that she was encouraged to do so by joining a MBG (milk bulking group) in 2009. After being assessed in 2010 Jane received a pass-on cow which was five months pregnant in 2011 and eventually gave birth to another heifer. This heifer will be passed on by Jane to the milk bulking group when it becomes pregnant. Jane's original cow should be coming into heat again soon when Jane will arrange for artificial insemination, which she hopes will result in the birth of another heifer. Jane milks twice a day, keeps two litres for her family and the remainder is taken to the MBG by pushbike and sold. She has an excellent, well-kept shed which has a good roof and drainage thus allowing urine and dung to be used as manure for her crops which are grown to support her family.

When asked what difference having a cow had made to her life Jane appeared somewhat overwhelmed because so much has changed for her and her family. With the income from the milk Jane has been able to repay the start-up loan, which she received from the regional cooperative via the MBG. She has also been able to build a good house, which she said was very poor previously. Additionally, she has been able to put more money towards her son's education (though her father also contributes to the school fees). This is particularly impressive since

⁴⁴ MMW4P Dairy Sub Sector: Malawi Impact Assessment 2010 - 2013, 2013

school fees have increased significantly over the past year. A further benefit has been the manure for the crops and she has been able to pay for labour to help her with this aspect of the farming.

Text Box 9: Beneficiary Profile - Nigeria⁴⁵

Bashiru (not his real name) is a 45 year old farmer, married with 4 children. He moved to the Shikara area approximately 20 years ago and is now sharing his house with his sister and mother. Bashiru mostly farms maize, which he sells, but he also produces some vegetable for family consumption and keeps a small number of chickens.

At the time of the VSO impact assessment, Bashiru had been a beneficiary of the VSO Nigeria partner, Cocin Community Development Programme (CCDP) for 1.5 years and received training regarding his productivity and business-skills. More specifically, he had learned how to properly store maize, how to form a cooperative and start a savings-account, and how to market his produce.

Since Bashiru has been involved with CCDP, several aspects of his and his family's life have drastically improved. Perhaps most importantly, he formed a cooperative with other community-members that provided him with assistance when he built a new house – Bashiru provided the building materials and the cooperative members provided the labour.

Concerning his main produce, Bashiru new skills regarding storing maize have reduced his post-harvest losses significantly and his knowledge of marketing has enabled him to maximize earnings by only bringing produce to markets when prices are up.

5.5.3 REACH AND POVERTY OUTREACH - UNCLEAR RESULTS

Finding: The information and data available were inconclusive regarding the reach (scale) and poverty outreach of MMW4P. As previously reported in the 2013 external review of the MMW4P impact assessment system, reported figures for the number of beneficiaries served vary so widely that the reported figure of 365,000 beneficiaries reached cannot be verified as a reasonable estimate.⁴⁶ Poverty outreach was not specifically measured, but there is evidence of diversity in the poverty levels of project beneficiaries. Similarly, the MMW4P ToC did not articulate a goal of reaching and serving marginalised populations, not measuring these, but the overall women's participation rate is high and several initiative reached remote areas and populations previously discriminated against.

Evidence – Reach: As described above in section 3, section 4.4 and in Annex 6: Knowledge Management and Impact Assessment, different methodologies for calculating reach data, and significant differences in scale between partner-level reports and aggregate reports mean that reach figures are unreliable. This issue is known to VSO, and steps were taken to improve the measurement of reach data in the next project fiscal year. These steps are an improvement in clarity, but they do not reflect standard practice in market development; VSO risks under-reporting and also reducing incentives for wider market development should the current methodology remain in place.

Evidence – Poverty Outreach: MMW4P beneficiaries appear to be a mixed population living at a fairly wide range of economically vulnerable and low-income levels including some populations that experience discrimination.

- **Nigeria:** CAEV's reported that their farm sizes ranged from mid-size to the largest in the community, but one CAEV represents a group of 70 HIV+ widows, a vulnerable and often discriminated against group. (See Annex 1: Nigeria Country Report.)

⁴⁵ Making Markets Work Nigeria 2010 - 2014 Final Impact Assessment Report, 2013

⁴⁶ VSO's Livelihoods Work: Lessons from Making the Markets Work for the Poor, 2013

- **Cambodia:** Beneficiaries are reported as poor using physical isolation and lack of infrastructure (electricity, running water) as proxies; one village is a four-hour boat ride from a road, for example. VSO Cambodia specifically targeted this region in order to reach very poor populations. However, VSO Cambodia has since revised its country strategy because the regional focus limited outreach and available funding. VSO Cambodia remains committed to reaching the poor, but in any geographic area. This strategy is likely to support a cost-effective market development work as well. (See Annex 2: Cambodia Country Report.)
- **Tanzania:** The impact assessment reported a “lack of initiatives to serve excluded groups,” yet one partner, the Zanzibar Association of People with Disabilities (UWZ) exclusively serves people with disabilities,⁴⁷ and the portion of women served (43%) is high for this Islamic island.
- **Malawi:** Improved dairy farming requires a significant capital investment, even if the cow itself is donated; the high capital required, the lack of data on poverty levels, and the lack of data around how many people – and who – received cows in the pass-on scheme, indicated that relatively less poor families were participating,⁴⁸ a perspective originally raised by the current secure livelihoods programme manager in Malawi.⁴⁹
- **Guyana:** VSO Guyana’s MMW4P programmes targeted remote, indigenous populations, and in the second half focused on women food processors.

Thus, the MMW4P programme seems diverse in terms of its poverty outreach.

5.5.4 MARKET LINKAGES - WEAKER OUTCOME

Finding: The positive impact generated by MMW4P was often not a result of beneficiaries improving access to markets; in many cases beneficiaries received free services from subsidized service providers.

Evidence: Although all of the flagship programmes attempted to link beneficiaries to markets in some way, and some beneficiary profiles mention market access as important to their farm success, there is little data demonstrating a widespread increase in market access among beneficiaries.

- **Nigeria:** In maize and other crops, VSO introduced partners to a private input supplier, Notore, and a nascent business model is emerging for village-level distribution, but partners did not work on helping farmers improve access to output markets. In catfish, VSO trained fish farmers to assess and find market opportunities, and facilitated a “cluster,” but the cluster is not cohesive and only a few beneficiaries do business with one another.
- **Cambodia:** Around half of VSO’s partners helped beneficiaries reach markets, although several operated social enterprises rather than facilitating beneficiaries to reach private sector markets. A former partner facilitates international trade linkages for craft cooperative members, and a current partner runs a community tourist business.
- **Tanzania:** VSO facilitated a “pro-poor” tourism cluster, bringing together associations of farmers, fisherfolk, tour business owners, and the government and NGOs supporting them. The programme attempted to help farmers and fisherfolk to sell to hotels and restaurants, but no data was reported in the case study or impact assessment about whether this was successful.
- **Malawi:** VSO strengthened regional dairy farmer associations in many areas, and helped them navigate the diverse and complex market barriers in the dairy industry, but the regional associations represent only one market channel, which presents risk of monopoly behaviour in some regions, particularly with regard to input and technical assistance supply.

⁴⁷ Making Markets Work for the Poor -- Impact Assessment Report Final Term, 2013

⁴⁸ Making Markets Work for the Poor -- Impact Assessment Report Final Term, 2013

⁴⁹ Msiska, 2014 (Interview)

- **Guyana:** The programme helped launch an association of women food processing groups and engaged in market linkage activities, but results are not yet documented and the association is very small.

While these results are in fact “mixed,” given the significant focus of the project on market development as a strategy, a mixed result in this objective is viewed as weaker performance.

Text Box 10: Why was market linkage a weaker area?

In discussions, VSO staff and volunteers presented a few perspectives on this challenge:

- **Context:** In some situations, farmer or other beneficiary production volumes and quality were not market-ready at the beginning of the project, so the main focus – appropriately – was on helping farmers to improve production.
- **Weak market institutions:** In terms of input markets, there was a market development curve in the sense that farmer demand needed to be stimulated before the area could attract commercial input suppliers; also, partners and cooperatives needed to be developed to help farmers navigate relationships with commercial suppliers who are often exploitative.
- **Steep learning curve:** Partners, volunteers and staff had a learning curve to climb in terms of market development; due to high turnover, skills were not as deep as they needed to be even later in the project.
- **Weak measurement of market access:** The impact assessment system was inconsistently applied, so there may be more market access than the data reflects.

VSO staff, volunteers and partners seem, for the most part, aware of this weakness, but in need of solutions to address it.

5.5.5 POSITIVE GENDER CHANGE - WEAKER OUTCOME

Finding: A second area of weaker performance – positive gender change – was not a goal of the project, but VSO did invest in a gender audit in part to stimulate improvements in women’s empowerment and gender equity. As an organisation, VSO is interested in improving gender equity and women’s empowerment. Staff, volunteers and partners reported that they were satisfied women are being reached by MMW4P, but that they would like to see deeper impact in terms of “gender change” broadly defined.

Evidence: In interviews and at the On-Line Jam, VSO staff, volunteers and partners reported satisfaction that many women were being reached, but desire to deepen the gender change of their market development work. (See Annex 7: Online Jam Report and Annex 1: Nigeria Country Report.) VSO undertook a gender audit during MMW4P. Feedback from some partner countries was that it was tried, not valued, and not repeated. The tool use was, in part, a participatory appraisal of the use of time (and possibly other resources or decision-making functions) in families, and served to assess inequalities among men and women and to stimulate discussion for finding solutions. Partners, for the most part, did not repeat the gender audit and reported a perception of it as a “Western” imposition. At the same time, partners reported positive gender equity and empowerment results of market development work. Gender change is a challenge area for market development as a field, so VSO is trending with good practice in its attempts and its ongoing interest in stimulating positive gender change.

- **Recommendation:** VSO should establish a gender change or women’s empowerment goal and select a clear and simple indicator for it. VSO should assess the potential of some gender change tools that integrate gender and market development, such as “farming as a family business”⁵⁰ or Gender Action Learning Tools⁵¹ as applied in

⁵⁰ ACDI/VOCA 2012

⁵¹ www.wemanglobal.org

value chain development. These are tools through which gender awareness is integrated into market-delivered extension services, so they are sustainable. If relevant, these can be adapted to the VSO market development context.

5.6 BENCHMARKING MMW4P AGAINST GOOD MARKET DEVELOPMENT PRACTICE

Evaluation Question: Overall, how does the performance of MMW4P compare to good practice market development initiatives? Could VSO have achieved more using the model differently?

Finding: MMW4P overall moderately reflects good practice in market development, with pockets of good practice in all flagship programmes and in all aspects of market development. Malawi was the most exemplary of strong market development, followed by Tanzania, Nigeria, Cambodia and Guyana, in that order. As described above, the project performed better on impact and partner delivery of useful services, but weaker on sustainability and development of the broader market.

Text Box 11: Benchmarking Tool – Five Market Development Principles

In the field of market development, the extensive principles recommended by the DCED in 2001 and evolved since then are often distilled by experts into the following five core principles, which are to be applied as best as possible given the context.⁵²

- 1. High-Impact Strategy:** Devising market development strategies/programmes that lead to increased income/assets for poor or excluded populations.
- 2. Tailored, Demand-Driven Services:** Promoting solutions (services, technology, new ways of doing businesses) that are specifically designed to meet the needs of the market, sector, value chain and target population. Ensuring that service providers experience financial pressure to deliver quality services, that target enterprises or other businesses with a financial interest pay at least part of the cost of the service.
- 3. Sustainability:** Strengthening financially and institutionally viable business models for long-term delivery of services, and expanding outreach to more businesses over time. Generally strengthening private sector suppliers – from micro to larger – to do better business with target populations. Also, incorporating environmental and social sustainability goals into business models.
- 4. Market Development:** Strengthening different elements of the market – from market linkages to the enabling environment – not just directing services to target farmers or enterprises. Facilitating a competitive, viable market of many different kinds of businesses, rather than directly providing services to a select group of farmers or enterprises.
- 5. Replication And Resilience:** Stimulating specific, sustainable market up-take strategies – methods for innovations and better practice to flow through the market and reach more people, even after the project ends. Also, building capacity of market leadership for ongoing market facilitation, after the project.

Evidence/Analysis:

An analysis of MMW4P performance against the five MARKET DEVELOPMENT principles is presented below. This analysis presents a static assessment of flagship programmes as of this evaluation. Ideally, a benchmarking exercise such as this would compare current performance to

⁵² DCED, 2001; ILO, 2006

the baseline performance in 2009; further, it could compare performance to targets established by particular programmes based on the operating context and available resources. Managers would fully understand the principles, and be aware that the programme was to be assessed accordingly. None of these were in place for MMW4P. Thus, this static benchmarking analysis is presented below as much to provide information as to demonstrate its possibilities to the VSO market development team, for consideration as an assessment tool going forward.

1. High-Impact Strategy: Medium-High Rating

MMW4P programmes generally charted a high-impact path for beneficiaries to improve business practices and/or market access, in turn significantly increasing income, but evidence for real impact at scale is weak.

- Impact: All information indicates high impact, but the impact data is of weak quality.
- Scale: Reach data is difficult to interpret, but only a few programmes employed strategies designed to reach scale, for example the Malawi Dairy work with regional and national dairy associations.
- Gender: VSO reports high rates of women's inclusion, but stakeholders express a desire to deepen gender change strategies and outcomes.
- Poverty Outreach: VSO seems to reach a larger portion of poor people than most market development initiatives – for example by working in remote areas of Cambodia or Guyana, with food insecure populations in Nigeria – but VSO's strategy for poverty outreach and measurement need improvement.

2. Tailored, Demand-Driven Services: Medium-High Rating

VSO volunteers and partners seem to deliver very tailored and valuable services, but in most cases beneficiaries do not pay and are not part of other business deals. There are some cases – in Malawi dairy, and in tourism in Zanzibar and Cambodia – in which demand signals reach cooperative service providers.

3. Sustainability: Low Rating

Most MMW4P programmes did not define and operationalise a clear business model for long-term, financially viable service delivery. When attempts were made – mostly to support cooperative businesses - there was weak evidence of sustainability, and indications of potential vulnerability to weak management and poor governance. Financial sustainability of partners was not a tracked indicator and there is very little evidence provided about financial sustainability. Environmental and social sustainability were only rarely addressed.

Text Box 12: Attempts at Sustainable Business Models in MMW4P

Weak Cooperative Business Models: When supporting sustainable service delivery or market access, most MMW4P programmes targeted cooperatives. While cooperatives can work, they are often also plagued by limited scale, slow growth, hidden subsidies, and poor governance. These limitations seem endemic to the MMW4P cooperative initiatives.

- **Nigeria – Fish Food:** To fill a critical gap in the catfish cluster, VSO’s partner helped form a group of vulnerable women to operate a fish food trading business, with the ultimate goal of making their own fish food to sell. The group collapsed when some kind of procurement issue arose with fish food processing equipment and it became apparent that trading in fish food was not very lucrative.
- **Malawi – Dairy Cooperatives:** The regional dairy associations are legacy institutions from the former parastatal dairy system that historically had a guaranteed income which attracted corrupt leaders; VSO worked to improve governance, but this legacy is hard to overcome and is somewhat endemic to the business model. In addition, as “go-to” points for any development organisation working in dairy, they regularly receive subsidies. VSO helped two of the associations to establish milk processing businesses, with donated equipment.

Private Business Linkage Model with Potential - Nigeria

In Nigeria, in several agricultural markets, VSO linked partners, CAEVs and beneficiaries with a private input supplier that is driving expansion of farmer extension services. VSO introduced partners to Notore, a quality fertilizer supplier. Different partners worked out different arrangements to increase fertilizer distribution and sustain farmer extension services:

- Partners purchase and sell Notore inputs, to CAEVs and directly to farmers. Partners use income to incentivise CAEVs or expand extension services via staff or additional CAEVs.
- CAEVs become “village sales promoters” for Notore, using the training received by partners. Notore began to drive this model forward by promoting some CAEVs to the status of “senior village sales promoters.” These seniors recruit five more CAEVs, who will reportedly be trained by Notore and provided inputs to establish demonstration farms.

Social Enterprise Model – Cambodia

VSO strengthened CRDT’s capacity to operate a community tourism business in which remote villagers provided a home-stay experience. In the above example, NGO partners were operating – with varying levels of structure- social businesses marketing agricultural inputs. While these are small, subsidized examples – and challenges abound – VSO may want to consider whether social enterprise has a role to play in sustainability strategies.

4. Market Development: Medium Rating

Some MMW4P initiatives worked at multiple levels of the market, but VSO and MMW4P partners were too often involved in subsidized service delivery to beneficiaries, rather than facilitating sustainable supply of services, technology and market linkages – to smallholder farmers or microenterprise customers. Nevertheless, there were “pockets of success” in implementing stronger market development. See Annex 9: Market Development Illustrated for an illustrated depiction of this principles, and how each flagship programme performed.

Text Box 13: Pockets of Stronger Market Development

- **Malawi:** VSO worked with associations at the regional and national level, which provided opportunities to reach scale and address system-wide constraints. At the regional level, VSO helped partners to address constraints at multiple points in the value chain from input supply and extension services to processing and marketing issues. At the national level, VSO engaged in advocacy work to improve access to affordable milk for the general low-income population by promoting health standards for unpasteurized milk. Although the regional associations were mainly direct service providers, at the national level, VSO facilitated stakeholder meetings and worked with two potential leading organisations who could facilitate dairy market development over the long term.
- **Tanzania.** In Zanzibar, VSO’s ZEST project facilitated a pro-poor tourism cluster and addressed production, storage, and marketing constraints.
- **Cambodia:** A past partner, AAC, is a national fair trade association that facilitates market linkages for member cooperatives and social enterprises. At the local level, CRDT was in the process of organising a stakeholder meeting for the poultry value chain.
- **Nigeria:** In Nigeria, VSO used a cluster development strategy in catfish, and successfully addressed the availability of quality fish stock, fish farming itself, and fish marketing. In addition, attempts were made to address feed supply and fish drying constraints as well.
- **Guyana:** WADnet, the small association establish with VSO assistance, plays the role of a market facilitator to its member producer groups. VSO worked at the group level to improve business management and food processing, and on market access. Toward the end of the programmes, at least one volunteer worked on supply contracts with farmers.

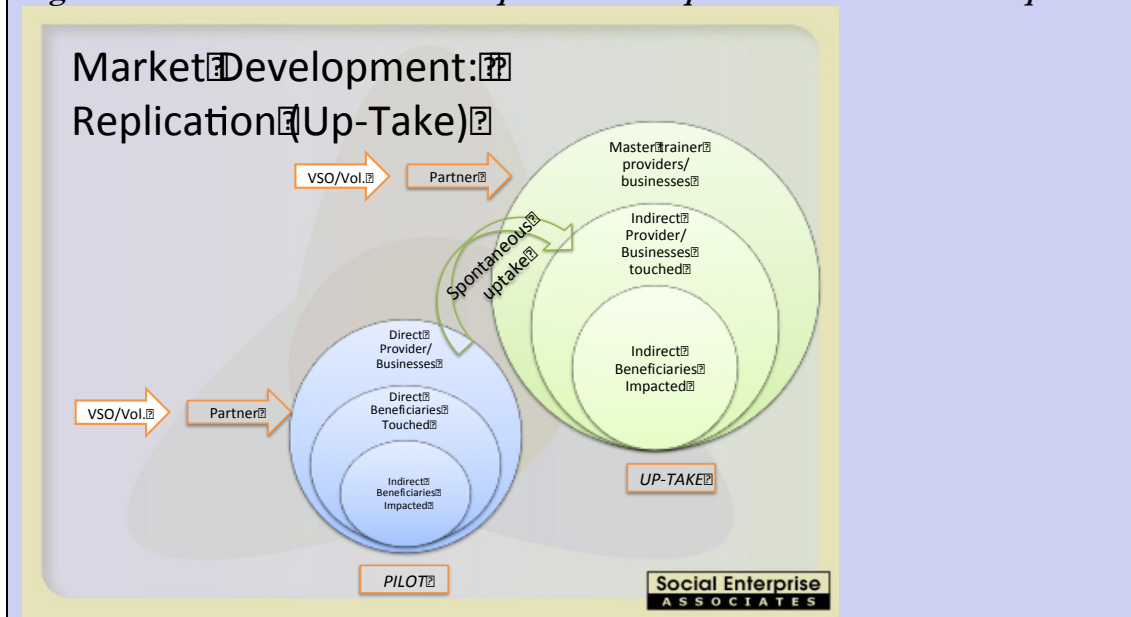
5. Replication and Resilience: Low

VSO did not set in place systems for replication and market up-take of the services and other innovations introduced to partners by volunteers. In Malawi VSO attempted to develop market leadership to take over the kind of facilitation work they were conducting but was not effective. WADNet in Guyana is a market facilitator, but is nascent, with only some 50 women represented. For the most part, VSO staff understand replication as a project function, rather than something to stimulate in the market. In terms of market leadership, some programmes seemed to have a vacuum. On the one hand, the design is that VSO staff play the role of market facilitators; on the other hand, many VSO staff did not have capacity or time to fulfill this role, saw this as more of a partner role, and/or were not aware of the need.

Text Box 14: Replication and Resilience

As illustrated in Figure 13, strong market facilitators work to establish market-based replication methods to stimulate up-take (sustainable replication) of business models that work well. For example, VSO and its partner might work with a national farmer or business association to establish a consulting or training business line, generating funds from training larger buyers or processors on how to offer extension services to supplier farmers. The NGO in Cambodia could charge other NGOs to establish similar community-based tourism businesses. Although this is an advanced principle, it is possible to establish “master trainers” or multi-level sales agents who can reach remote rural areas, helping to overcome the remote conditions.

Figure 13: Illustration of Market Replication or Up-Take in Market Development



- **Recommendation: VSO should incorporate market development principles more clearly into the ToC and M&E system for IMA4P and other market development programmes, and establish clear objectives, indicators and IA guidance for following the principles.**
- **Recommendation: VSO adapt a version of these principles into a practical management tool to guide design, implementation, assessment and reporting of market development principles. The tool would include models, cases, and templates for design, reporting, and assessment, and would be accompanied by orientation and training**

6 EVALUATION FINDINGS AND RECOMMENDATIONS – LOOKING FORWARD

Evaluation Questions: *Going forward, what is VSO’s competitive advantage or niche in market development work? What is an appropriate poverty outreach (and poverty measurement) strategy for VSO’s market development work going forward? VSO proposes to provide and implement more prescriptive or mandatory guidance for staff and volunteers on market development programme design and practice. What kinds of guidance, disseminated and employed in what way, would be important and useful? How can VSO ensure that current staff, volunteers and lead partners – at any time – have the capacity to implement best in class market development work?*

This evaluation was focused as much on the future as on the past. VSO, globally and nationally, has plans for market development that incorporate their significant lessons learned. In this evaluation, beyond normal recommendations from findings, VSO requested that evaluators address several key future-oriented questions and provide advice on some strategic directions under consideration. To gather findings relevant for the future, evaluators assessed VSO and partner plans, gathered opinion from VSO staff, volunteers and partners about current and potential plans in interviews and through the evaluation survey, and interpreted information about the past. The topics addressed here are:

- VSO’s “niche” or specialization in market development
- Poverty outreach
- Potential for more prescriptive guidance in market development work
- Tools and strategies for capacity building in market development

Other topics relevant to the future have been covered adequately in Section 5 of this report.

6.1 VSO’S NICHE OR SPECIALIZATION IN MARKET DEVELOPMENT

Evaluation Question: *Going forward, what is VSO’s competitive advantage or niche in market development work? How can VSO leverage its core capacity in volunteering for development to accomplish best practice and/or leading market development work?*

Finding: As with any international organisation, VSO’s appropriate “niche” is different in different development and funder landscapes, but VSO can continue to build on its core strengths as an organisation to improve its general competitive advantage in market development work. In addition, VSO should assess the potential to develop specializations in linking smallholder farmers with global corporate supply chains, and in reaching and serving the poor, including marginalised populations. In such specializations, VSO can offer centralized technical support, concentrated volunteer recruitment, branding, cross-country funding initiatives, etc. While this focus is advantageous, VSO should not exclude country programmes from addressing other focal issues because other topics may take priority due to contextual circumstances, and funding may be more available for other issues.

Evidence/Analysis: VSO staff reported that VSO possesses the following strengths, which evaluators assess as valuable in market development:

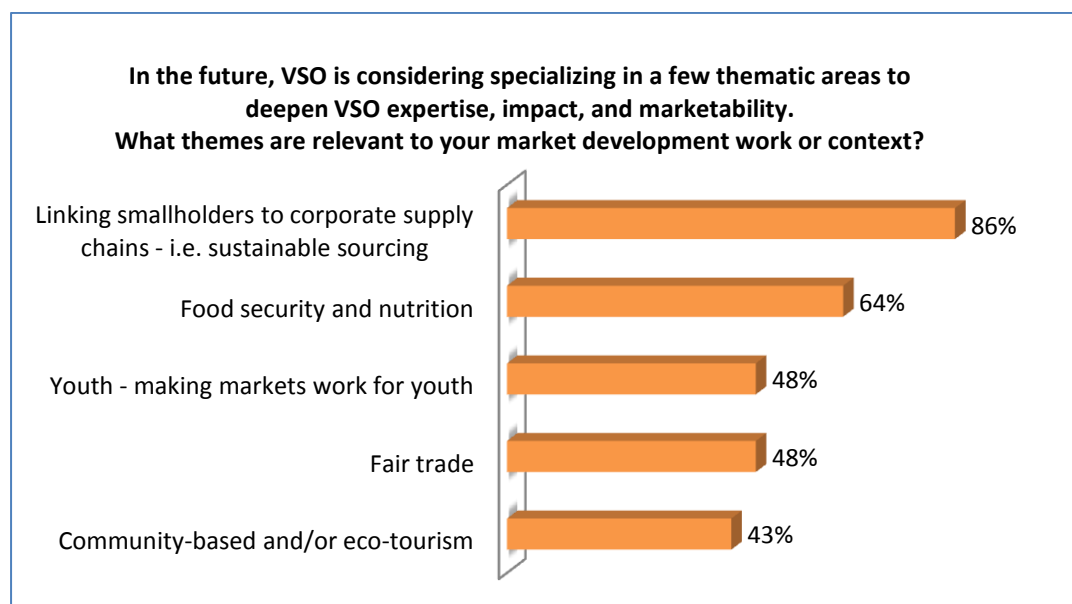
- Capacity building of community-level organisations
- Engaging poor, usually rural populations
- Participatory approaches
- Provision of high quality technical experts (volunteers) at an affordable cost
- Flexible customization of VSO programmes to funder and partner goals and strategies, and to a wide range of development contexts

In addition, the evaluation survey reported that staff and volunteers are supportive of VSO developing specializations in market development, with larger (corporate) firm linkages and poverty outreach ranking high among choices.

- The vast majority of respondents (86%) were in favor of some kind of specialization.
- The most relevant strategy recommended was linking smallholders to corporate supply chains – i.e. sustainable sourcing (86%), with 64% reporting that they felt the strategy of linking to larger firms was relevant and feasible to their market development work.
- The other strongly recommended specialization was food security and nutrition (64%), with 65% reporting that it would be feasible and relevant for VSO to improve poverty outreach strategies.

Interviews with VSO staff and volunteers and the On-Line Jam also supported VSO pursuing these specializations within market development, providing the specializations were not exclusive. (See Annex 1: Nigeria Country Report, Annex 7: Online Jam Report and Annex 8: Evaluation Survey Results.) Based on evaluators’ knowledge of the funding and development landscape, both specializations would be valued by different kinds of funders, thus providing a “niche” for a diversified funding base. In addition, although it was not rated as highly, evaluators see high potential of a specialization in market development for youth, which dovetails nicely with VSO’s capacity in vocational education. VSO Nigeria has taken such a specialization. In such specializations, VSO can offer centralized technical support, concentrated volunteer recruitment, branding, cross-country funding initiatives, etc. While any focus is advantageous, VSO should not exclude country programmes from addressing other focal issues because other topics may take priority due to the context, and funding may be more available for other issues in some places.

Figure 14: Specialization Themes



Text Box 15: Are these strategies well aligned with each other and with VSO capacity?

In practice, there is tension between pursuing both of these strategies in the same initiatives at the same time, because the farmers and businesses with capacity to do business with larger firms, particularly global corporations, tend not to be among the more poverty affected, food insecure households or among the more socially marginalised. To pursue both of these strategies, VSO would have to offer:

- a) options for a country programme or particular initiative to pursue one or the other specialization, or
- b) a synergistic approach with several streams aimed at people in a community with different capacities and vulnerability levels.

VSO has demonstrated capacity in working with poor and marginalised populations to improve agricultural production and food security, and success in managing corporate partnerships. To pursue this strategy, VSO would need to strengthen its market linkage capabilities, and develop a more explicit and measurable poverty outreach strategy. The Cocoa Life project in Ghana might be a good starting point from which to strengthen a corporate-linkage model that may also contain strategies for reaching poor community members with other services.

- **Recommendation: VSO should develop specializations within market development that offer support, guidance and funder linkages to country offices, but do not necessarily restrict the opportunities that individual country programmes can pursue.**
- **Recommendations: VSO should simultaneously explore the specializations of enhanced linkages with larger firms, even corporate supply chain linkages, and deepening poverty outreach. These can be offered as separate or integrated options, providing strategies do not attempt to link very poor households with corporate supply chains.**

6.2 POVERTY OUTREACH

Evaluation Questions: *What is an appropriate poverty outreach strategy for VSO's market development work going forward? What policies and tools are most appropriate to implement this strategy? What market selection and analysis techniques are needed? In the VSO context, how can market development programmes be designed to benefit the poor and ultra-poor? What might have to change in impact assessment to support such a strategy?*

Findings: VSO staff and volunteers are strongly in favor of continuing and deepening VSO's poverty reduction work. They are in favor of VSO developing more explicit poverty outreach strategies and guidance. Stakeholders are more cautious about introducing poverty measurement, given the complexities and weak quality of impact assessment data currently reported.

Evidence: In all interviews VSO and volunteers affirmed VSO's strong commitment to poverty reduction, acknowledging that market development work is not typically immediately accessible to the very poor, and potentially not relevant to people living in destitution. As mentioned above, the evaluation survey reflects staff and volunteer desire to deepen VSO's poverty outreach strategies, with 66% reporting that this would be feasible and relevant, and 66% voting for VSO to specialize in food security and nutrition, goals primarily relevant for very poor populations.

The On-Line Jam (See Annex 7: Online Jam Report) provided an opportunity for staff and volunteers to suggest some potential directions for a future poverty outreach strategy, as follows:

- Approach the issue as hierarchical: first address food security, then address income with stronger private sector linkages.

- Establish or strengthen food-processing businesses located close to farms to stimulate demand.
- Articulate a more clear strategy in which VSO is targeting the “working poor” with a more stable base and assets to invest. To reach more vulnerable populations, VSO could support an employment creation strategy within market development initiatives.
- Ensure that “poverty” or any strategy of inclusion includes a definition of people who are excluded, but potentially not financially vulnerable, such as women and people with disabilities.
- Regarding gender, there was a recommendation that VSO move beyond helping women to access markets, to helping women gain more control in the way markets are governed.

While acknowledging that there is need to measure poverty outreach in order to advance it, at the same time, staff and volunteers raise red flags about adding additional data points to the already over-loaded impact assessment system.

- **Recommendation: VSO to explore poverty outreach in MMW4P as a learning topic in market development. Such an effort would involve synthesizing learning to date, bringing in external examples, devising and testing improved approaches, sharing and documenting learning and developing guidance for future programmes.**
- **Recommendation: Add poverty measurement indicators to the impact assessment system, but only if other indicators are significantly reduced. Assess the relevance and feasibility of using the Progress out of Poverty Indicators (PPI) system.**

6.3 MORE PRESCRIPTIVE GUIDANCE

***Evaluation Questions:** VSO proposes to provide and implement more prescriptive or mandatory guidance to staff and volunteers on market development programme design and practice. What kinds of guidance, disseminated and employed in what way, would be important and useful? What are some of the key messages the guidance should contain? What would help VSO staff, volunteers and partners be responsive to these guidance?*

Findings: Evaluation findings suggests strong support for additional, more prescriptive guidance, but that the planned focus on assessment and design phases of market development in IMA4P may be over-emphasized to the detriment of more urgently needed guidance for implementation and operationalization of fundamental market development principles, strategies and practice. In addition, there is need for stronger promotion and training on guidance and tools overall.

Evidence: Evaluation survey respondents are very supportive of VSO establishing more prescriptive or mandatory guidelines for market development:

- Overall, ratings for guidance proposed ranged from 3.8 – 4.4 out of 5.
- Highest ratings were for market development plans and strategies (4.4), partner selection standards (4.4 out of 5).

As described in the ToC section, VSO’s market development work experiences strengths and weaknesses in all areas, but the weakest focus area is market facilitation, indicating the need for guidance in implementation and operations beyond the assessment and design tools specified under IMA4P.

This finding is supported by another data point in the evaluation findings, which also highlights the need for the promotion of all tools: despite high awareness and satisfaction with the quality of current market development tools, use of the tools is infrequent.

- The majority of respondents are aware of most of the market development tools reviewed, and satisfaction with all tools is positive, ranging from 3.3 to 3.9.

- Of the 6 tools reviewed, none are used frequently by a majority of respondents. The most regularly used tool, Impact Assessment Guidance, is used frequently by only 20% of respondents. (See Annex 8: Evaluation Survey Results.)
- **Recommendation: VSO should develop more prescriptive guidance for market development; the guidance should address the entire programme cycle and be operational in nature, rather than focusing on up front design. The guidance should be accompanied by promotional and training strategies to support implementation.**

6.4 STAFF AND VOLUNTEER CAPACITY FOR MARKET DEVELOPMENT

***Research Questions:** Given VSO staff, volunteer and partner staff turnover, budget frameworks and the programme and institutional context, how can VSO ensure that current staff, volunteers and lead partners – at any time – have the capacity to implement best in class market development work? What staff roles, IT platforms and activities are funded for what purposes to support capacity building, knowledge management, LA and learning, and are they adequate to support the programme? What different (cost-effective) strategies might additionally support good capacity for quality implementation?*

***Finding/Recommendation:** VSO should articulate and operationalise an orientation and training strategy for market development staff and volunteers that takes into account resources constraints, technology access levels, and continuous demand for orientation and training. Such a strategy would promote and train on the market development guidance described above.*

***Evidence:** Although VSO staff and volunteers report feeling appropriately qualified for their work, and receiving adequate orientation and training, numerous contrary findings support the recommendation for increased investment in staff and volunteer orientation and training.*

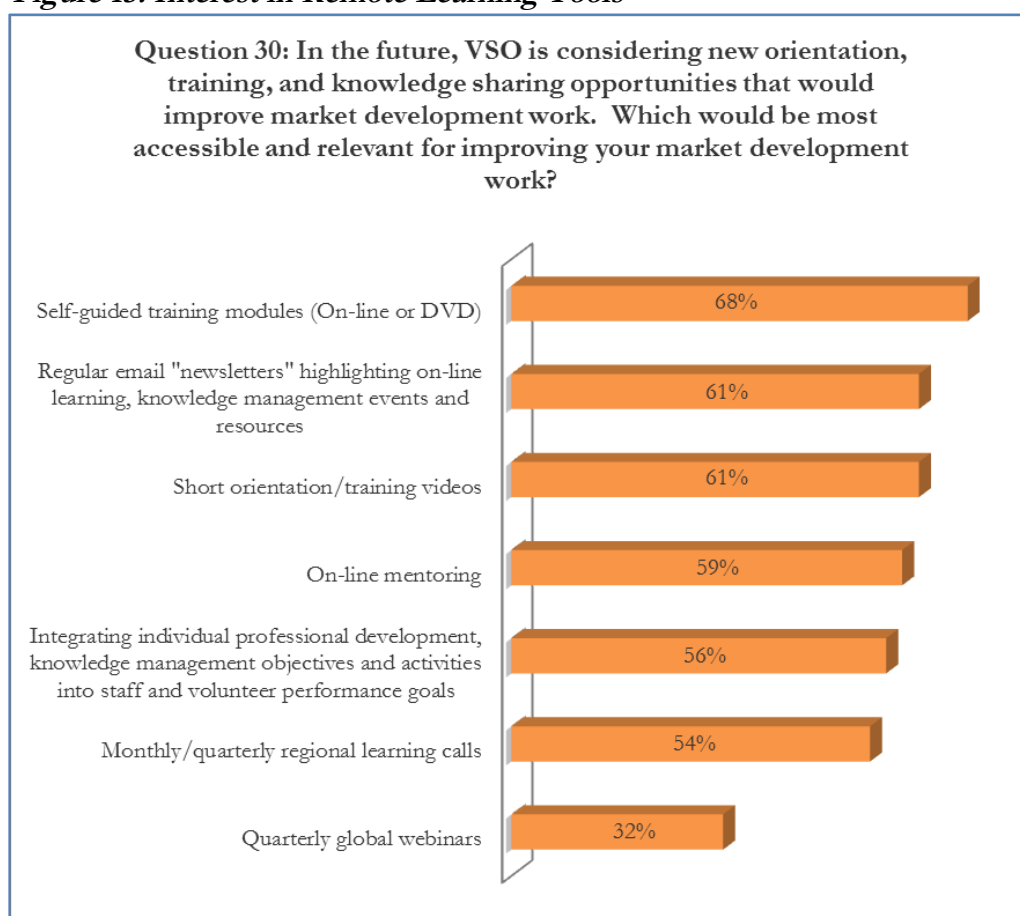
- **Weaker and/or inconsistent application of core market development principles and practice;** gaps in operational tools and documentation for market development strategies; emphasis in MMW4P on sharing experience, over orientation and training, and over bringing experience in from outside.
- **Knowledge Management Survey Responses:**
 - When searching for information, 82% of respondents in the evaluation survey reported looking for market development and value chain development frameworks and guidance.
 - Extremely high frequency of reliance on volunteers, over other resources and tools, as sources of information for market development; as temporary specialists, volunteers are least well positioned to own and transfer core VSO market development principles and practices.
- **Known differences in connectivity** among VSO staff and volunteers, and partners who may also value access to core market development practice.
- **Positive reaction, in interviews, to the proposition that orientation and training in core practice was insufficient in MMW4P,** because it occurred once, early on in the project, and then again only at the tail end of the project; staff and volunteers emphasized that an orientation and capacity building plan need to take into account high VSO and partner staff turnover, the natural onboarding of volunteers throughout the project, and the natural continuous demand for orientation and training in market development that results from new programmes being added at any time.

These findings are driving evaluators' recommendation for an investment in orientation and training on core market development principles and strategies, that would support promotion and application of the guidance mentioned above.

Text Box 16: What Orientation and Training Methodology?

In terms of the methodology that should be used, VSO should develop a “blended” orientation and training strategy that accommodates different levels of internet connectivity and digital literacy, and leverages both technology and in-person opportunities cost-effectively. In the evaluation survey, although respondents expressed a strong preference for in-person knowledge sharing and learning, they also expressed openness to remote opportunities. More than half of all respondents expressed interested in all remote learning opportunities except quarterly global webinars. The most popular options were self-guided training modules (68%), regular email newsletters (61%), short orientation/training videos (61%), and on-line mentoring (59%). Given diversity in connectivity, VSO stakeholders with strong connectivity can access global or national information, and cascade it to less connected stakeholders via in-person events in which the information is digested and adapted for application in the programme. VSO should develop the orientation and training strategy and tools with these methods in mind, assuming participants in remote or global events are, effectively, training of trainer events.

Figure 15: Interest in Remote Learning Tools



Evaluation survey results show a strong preference for in-person interaction, but to be efficient and up-to-date, leveraging technology is not a choice; the choice is only in how technology is leveraged.

7 SYNTHESIS OF RECOMMENDATIONS

This section summarizes the recommendations emerging from the evaluation, all of which also appear above. First, three over-arching recommendations synthesize some of the more important recommendations. Following these are detailed recommendations presented in the order and under the title in which they appear.

1. **Improve Market Development:** VSO should improve its performance in market development and implementation of core market development principles by developing clear, strategic, operational and reporting guidance, and promoting this guidance through technology-leveraged orientation and training for VSO staff and volunteers.
2. **Strengthen VSO's Niche in Market Development:** VSO should articulate its strengths in market development, based on its core competencies as an organisation and leveraging the significant positive documentation of impact under MMW4P; VSO should test and potentially develop its capacity in two specialization areas: linking smallholders to global, corporate supply chains and poverty outreach, which would include outreach to marginalised populations.
3. **Streamline and Improve IA and KM:** VSO should significantly streamline its impact assessment system to improve quality of a few key aggregate indicators, to align better with DCED standard for results assessment in market development, and to make room for poverty measurement and reporting, and reporting on a few key aggregate empowerment indicators, including one for gender equity. As a matter of urgency, VSO should further improve its methodology for measuring reach, bringing it in-line with the DCED standard that incorporates measuring broader market changes. As VSO merges the functions of knowledge management and impact assessment, functions that should include staff and volunteer orientation and training, VSO should be careful to align realistic objectives with resources, and to carefully manage competing priorities.

Tables 10 - 12 link each of the recommendations in the evaluation to one of the over-arching recommendations, or list them as “additional, lower priority” recommendations.

Table 10: Elaboration of Recommendation 1	
Recommendation 1: Improve Market Development	
VSO should improve its performance in market development and implementation of core market development principles by developing clear, strategic, operational and reporting guidance, and promoting this guidance through technology-leveraged orientation and training for VSO staff and volunteers.	
Section	Recommendation
Theory of Change	<ul style="list-style-type: none"> ➤ Adjust the ToC in market development initiatives going forward to explicitly develop financially sustainable service providers that develop the market, and to clarify the role of VSO not-for-profit partners as market facilitators or social enterprises in the market. ➤ VSO should provide country offices with a template ToC for market development work. ➤ VSO should provide guidance matching models/typical strategies with different kinds of markets, recommending some market development strategies for weaker markets and some for stronger markets, and guiding how to know the difference.

Table 10: Elaboration of Recommendation 1, Continued	
VSO Market Facilitation	<ul style="list-style-type: none"> ➤ As planned in IMA4P, tighten guidance for market selection, assessment and for having a good business case for investing in market development, but ensure that there is equal or more significant focus on developing operational and management guidance for implementing market development. ➤ Review and update the Market Research Toolkit, with a view toward ensuring that it incorporates good practice in market development, for example, by assessing all aspects of the value chain including potential private sector partners, business service markets, potentially sustainable service providers, etc. ➤ VSO should focus next phase improvements on strengthening market facilitation, particularly facilitating market linkages and broad stakeholder engagement.
Outputs – Partner Capacity Building and Service Delivery	<ul style="list-style-type: none"> ➤ VSO to integrate sustainability strategies and capacity building for financial sustainability into market development work, with an emphasis on selection business-oriented NGOs, or community oriented businesses as partners and planning for financial sustainability early in the programme design process.
Outcomes and Impact – Beneficiary behaviour change, market access and livelihood improvements	<ul style="list-style-type: none"> ➤ VSO should establish a gender change or women’s empowerment goal and select 1 clear, simple indicator for it. VSO should assess the potential of some gender change tools that integrate gender and market development, such as “farming as a family business” or Gender Action Learning Tools as applied in value chain development. These are tools through which gender awareness is integrated into market-delivered extension services, so they are sustainable. If relevant, these can be adapted to the VSO market development context.
Benchmarking – Global Good Practice	<ul style="list-style-type: none"> ➤ VSO adapt a version of these principles into a practical management tool to guide design, implementation, assessment and reporting of market development principles. The tool would include models, cases, and templates, and would be accompanied by orientation and training.
More prescriptive Guidance	<ul style="list-style-type: none"> ➤ VSO should develop more prescriptive guidance for market development; the guidance should address the entire programme cycle and be operational in nature, rather than focusing on up front design. The guidance should be accompanied by resources promotional and training strategies to support implementation.
Staff and Volunteer Capacity for Market Development	<ul style="list-style-type: none"> ➤ VSO should articulate and operationalise an orientation and training strategy for market development staff and volunteers that takes into account resources constraints, technology access levels, and continuous demand for orientation and training.

Table 11: Elaboration of Recommendation 2	
Recommendation 2: Strengthen VSO's Niche in Market Development:	
<p>VSO should articulate its strengths in market development, based on its core competencies as an organisation and leveraging the significant positive documentation of impact under MMW4P; VSO should test and potentially develop its capacity in two specialization areas: linking smallholders to global, corporate supply chains and poverty outreach, which would include outreach to marginalised populations.</p>	
Section	Recommendation
VSO Niche	<ul style="list-style-type: none"> ➤ VSO should develop specializations within market development that offer support, guidance and funder linkages to country officers, but do not necessarily restrict the opportunities that individual country programmes can pursue. ➤ VSO should simultaneously pursue enhanced linkages with larger firms, even corporate supply chain linkages, and deepening poverty outreach. These can be offered as separate or integrated options, providing strategies do not attempt to link very poor households with corporate supply chains. VSO might also consider a specialization in market development for youth.

Table 12: Elaboration of Recommendation 3	
Recommendation 3: Streamline and Improve Impact Assessment and Knowledge Management:	
<p>VSO should significantly streamline its impact assessment system to improve quality of a few key aggregate indicators, to align better with the DCED standard for results assessment in market development, and to make room for poverty measurement and reporting, and reporting on a few key aggregate empowerment indicators, including one for gender equity. As a matter of urgency, VSO should further improve its methodology for measuring reach, bringing it in-line with market development practice. As VSO merges the functions of knowledge management and impact assessment, functions that should include staff and volunteer orientation and training, VSO should be careful to align realistic objectives with resources, and to carefully manage priorities.</p>	
Section	Recommendation
Impact Assessment	<ul style="list-style-type: none"> ➤ VSO and Accenture should explore alternative measurement and reporting of reach figures so that VSO can report to other funders reach figures measured in accordance with the DCED standard designed specifically to ensure that IA systems capture changes in the broader market, stimulated by market development initiatives. ➤ Reduce the number of indicators tracked and use more proxy indicators, particularly if additional indicators for poverty outreach and empowerment (gender) objectives are to be added; standardize a small number of indicators to be aggregated globally. ➤ VSO to assess DCED and other standards for attribution to determine if there are feasible methods that could be integrated into IA guidance.
Poverty Outreach	<ul style="list-style-type: none"> ➤ VSO to explore poverty outreach in MMW4P as a learning topic in market development. Such an effort would involve synthesizing learning to date, bringing in external examples, devising and testing improved approaches, sharing and documenting learning and developing guidance for future programmes. ➤ VSO should more clearly define poverty levels and target populations, and should clarify language and meaning of “marginalised” populations that VSO hopes to target with market development work. VSO should more clearly elaborate intended benefits to these populations, as well as the strategy for achieving these changes. ➤ Add poverty measurement indicators to the impact assessment system, but only if other indicators are significantly reduced. Assess the relevance and feasibility of using the Progress out of Poverty Indicators (PPI) system.

8 ANNEXES

8.1 NIGERIA COUNTRY REPORT



Annex 1 Nigeria July
9.docx

8.2 CAMBODIA COUNTRY REPORT



Annex 2 Cambodia July
9.docx

8.3 COUNTRY BRIEFS/ASSESSMENTS



Annex 3 Country Briefs
July 9.docx

8.4 EVALUATION QUESTIONS



Annex 4 Evaluation
Questions July 9.doc

8.5 BIBLIOGRAPHY



Annex 5 Bibliography July
9.docx

8.6 KNOWLEDGE MANAGEMENT AND IMPACT ASSESSMENT



Annex 6 Knowledge
Management and Impact

8.7 ON-LINE JAM REPORT



Annex 7 On-Line Jam July
9.docx

8.8 EVALUATION SURVEY REPORT



Annex 8 Evaluation Survey
July 9.docx

8.9 MARKET DEVELOPMENT ILLUSTRATED



Annex 9 Market
Development Illustrated

8.10 INCEPTION REPORT AND EVALUATION TERMS OF REFERENCE



Annex 10 Inception Report
July 9.docx