

Applying systemic approaches to developing markets – Caritas Switzerland's expertise



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Caritas Switzerland considers market system development (MSD) to be one of the most important approaches in its work in international cooperation. Although access to markets is essential to get out of poverty, poor and vulnerable people often cannot reap the benefits of market systems. Especially in times of crisis (e.g. global pandemics or unprecedented extreme events due to climate change), well-functioning market systems become even more important in combating food insecurity and other factors contributing to poverty.

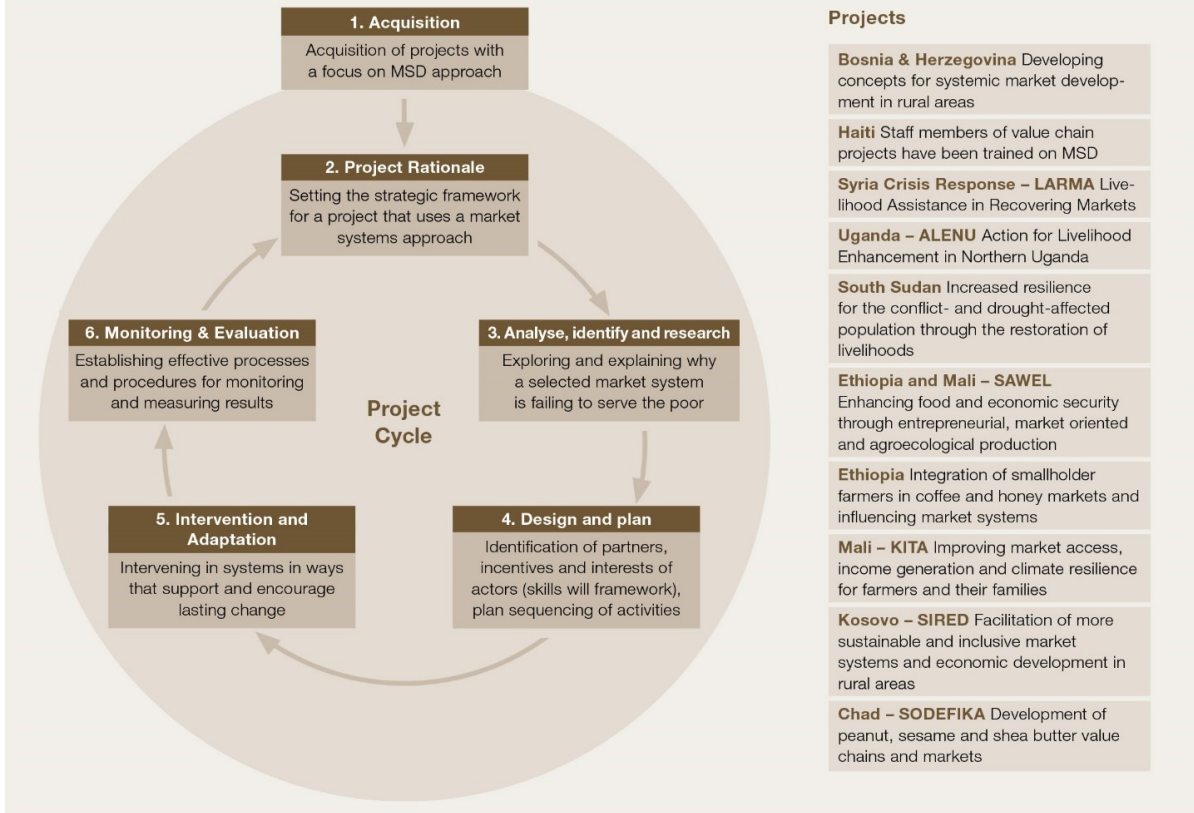
Since nearly 20 years, Caritas Switzerland has geared its projects towards connecting producers of food and other local products to local, national, regional, and international markets. The engagement of its work with agricultural value chains traditionally focused on the establishment of producer organisations and skills development. While these remain important, a systemic approach is increasingly being applied to further increase the scale and sustainability of the interventions. Caritas Switzerland is working in 15 different countries and in many of them the MSD approach and/or principles are applied (see Figure).

Market System development in fragile and poor context

In fragile or very poor contexts, Caritas Switzerland focuses first on the affected people (i.e. more direct interventions) and over time in collaboration with its partners, starts addressing more systemic problems (i.e. facilitating systemic actors to change their behaviour or services). In South Sudan for example, people need to regain confidence in the stability of the security situation first, before they would be able to invest in new activities. In a multisectoral and climate-smart project

MSD implementation along the Project Cycle and in different projects of Caritas Switzerland

(February 2021)



in Mali, one of the systemic barriers to market access are the high levels of illiteracy, therefore literacy courses formed part of the project activities in the first phase. Subsequent phases emphasise the broadening and deepening of partnerships, increasingly self-financed activities, and producer/partner-led changes. In Kosovo, Caritas Switzerland works with systemic interventions from the start. An increased use of business development services as well as climate-resilient agricultural practices, have been identified as some of the interventions needed to strengthen producers and other market actors' position. In Mali and Ethiopia, the SAWEL project supports smallholder farming families to enhance food and economic security through entrepreneurial, market oriented and agro-ecological production. Partners share knowledge about good practices, tools and methods. The lessons learned are used subsequently to influence regional policy decisions.

Caritas Switzerland builds upon several key factors to consider when planning and putting in practice successful MSD Projects (see Box). Making market development work in fragile contexts requires continuous adaptations to the approach and Caritas Switzerland is in an ongoing learning process and further developing and adapting the sequencing of MSD interventions along the HD-nexus¹. A compendium of project findings in various settings will be composed, combined with analysis of lessons learned from MSD interventions. Caritas Switzerland is convinced that the application of systemic approaches to developing markets, often in combination with other successful approaches, will further increase the impact and effectiveness of its programmes and projects – for the benefit of the poorest and most vulnerable.

Find out more about the **SODEFIKA case study in Chad** in Caritas' newest **Thematic Paper: *The application of systemic approaches to developing markets – Caritas Switzerland's Expertise*** [EN | FR].

¹ The use of the nexus approach means that humanitarian aid and the interventions of development cooperation can be more effectively geared to the overarching goal of sustainable human development. Depending on context, different combinations of humanitarian and development measures are applied.

Key factors to plan and implement successful MSD projects

- 1 Careful and holistic assessment** of the context and the applicability of specific interventions: Assessments at the beginning of the project are to be carried out by interdisciplinary teams (e. g. market assessment and climate research or market and gender assessment).
- 2 Working in fragile contexts** and at the **HD-nexus**: Depending on the context, Caritas Switzerland may initially offer some direct support, working directly with producers on skills development or organisational capacities, before shifting towards a more facilitatory intervention, including many other systemic actors.
- 3 Environmental impact of interventions**: Caritas Switzerland strives for a sustainable MSD approach including activities for the sustainable use of natural resources such as e. g. the introduction of agroecological principles.
- 4 Social responsibility**: Recognition of the crucial role of social responsibility of implementing agencies towards project beneficiaries, e. g. providing rural people with better job security and fair remuneration.
- 5 Formalisation process of informal economies**: Where formal economies create barriers for inclusive markets, Caritas Switzerland puts particular emphasis on formalisation processes, e. g. by supporting the legalisation of markets, promoting informal business activities, influencing standards for registrations for informal business activities, etc.
- 6 Participatory processes**: Caritas Switzerland empowers, includes, and supports its beneficiaries and partners, focusing particularly on women and youth and working with participatory processes. By doing so, local actors assume responsibility for project management and thus ensure that change continues beyond programme duration.
- 7 Leveraging local companies**: Strengthening local companies/actors is not only a powerful driver for creating jobs and income, a strong private sector can also become a powerful actor in the national policy dialogue, thus contributing to improving the general economic policy framework.
- 8 Seeking innovative solutions**: Caritas Switzerland recognises that stimulating economic growth alone does not necessarily benefit the poorest, and thus seeks innovative (e. g. technologies for renewable energy) and courageous solutions to tackle wealth inequality and environmental challenges.