

Having understood why a market system isn't delivering an intended outcome for an intended group, MSD programmes use further analysis to develop an intervention which will improve those outcomes. This analysis and intervention development process happens in five stages.

NODAL STAKEHOLDER ANALYSIS

If a certain type of organisation is not performing a function which is necessary or not performing it well, the first part of developing an intervention is to decide how it might work better. At this stage, you are considering the incentives and capabilities of different types of actor to deliver on that change. It is useful to map out which type of actor is performing a function or setting or enforcing a rule now and why. You can then use this to articulate a vision for how this will be different in future. Importantly, the development partner should not be part of any future vision – that is the essence of the sustainable impact sought.

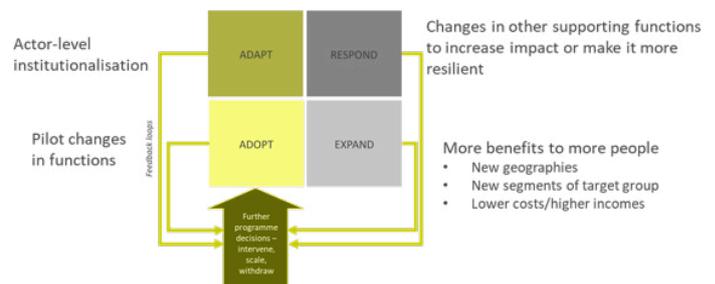
For example, you might see that banks are currently providing commercial loans (performing the function of providing access to credit) to small businesses but it's not working as they are not providing them to the smallest businesses or those owned by poor people. Your vision might be that credit unions take over this role as they have a much greater incentive to deliver services to poorer people because it is both their mandate and their competitive advantage.

Function / rule\	Who does?	Why?
Core function		
Supporting functions		
Rules		

PLANNING FOR SCALE AND SUSTAINABILITY

Before starting an intervention, it is important to have a vision for how it might be both sustainable and achieve scale, as these considerations might influence the intervention design. In the above example, an MSD programme might partner with one credit union, but it's important to have a view as to how other finance institutes might replicate the innovation, how it might move to other areas of the country, or how it might start reaching poorer market segments. One can also consider how other aspects of the market system might change in response to an innovation. How are the government likely to respond if it works? Would new regulations need to be in place? Are other service providers in other aspects of the market needed if the market changes in line with your innovation? To help consider these changes we use a simple framework called the Adopt-Adapt-Expand-Respond (AAER) framework.

We also use the AAER framework later in the intervention process to assess whether the vision is being realised as a tool for adaptive management through monitoring.



BEHAVIOUR CHANGE ANALYSIS

Having developed an overall vision and considered how it might get to scale, MSD programmes need to move towards action. To do this, MSD programmes work with and through "market actors" including public sector, private sector, and civil society individuals and organisations. The task here is to consider the incentives and capabilities of these specific actors and

organisations to change their behaviour. These incentives can be wide ranging, including financial, moral, social, or mandatory incentives, while capabilities might be intellectual, physical or financial.

For an intervention work, it is likely that many different actors will have to change many different behaviours and an MSD programme must map all of these to consider any potential blockers to the intervention working and develop a strategy to overcome them. In the example above, one specific credit union who the programme have analysed as a potential partner may have a strong financial and mandatory incentive but low financial capability to provide these loans without seed capital. Others have similar incentives but also lack the technical capability to manage such loans. The programme would also have analysed that a regulatory change was needed and identified the decision maker in the ministry of finance. This individual's incentive might revolve around their future political career and so visibility in any success was considered the most important thing. Finally, the small businesses would also need to change their behaviour to take out these loans. In order for the change to last, businesses would need to be able to repay the loans and the programme analysed that the businesses lacked some of the intellectual capabilities to do so, all of which influences the intervention design.

In terms of a tool for MSD programmes in implementing this process, it can be useful to develop a scorecard to map the incentives and capabilities of key stakeholder in relation to any potential intervention.

INTERVENTION TOOLS

At this point the programme knows what needs to change, who needs to change their behaviour and what would motivate them to do so. The main remaining task, then, is to decide which of the possible intervention tools to deploy to help deliver that vision.

MSD programmes do not define intervention tools prior to engagement. All potential intervention tools are possible including research, advocacy, linking, loans, grants, guarantees, and other funds. The programme must consider both the type and the size of support they will distribute to which of the relevant market actors in order to change their behaviour. For a single intervention, this may consist of deploying multiple instruments to different actors on different terms. For the above example, a programme might support two credit unions providing a returnable grant to one and technical support on marketing to the other, while placing an expert in the ministry of finance to help them develop an appropriate policy.

The key is to consider all of the research and analysis to this point and ensure you are able to answer the question of how your intervention strategy will help each of the relevant actors to change each of the relevant behaviours.

INTERVENTION APPROACH

The final component of an intervention is how it is developed, negotiated, and agreed. This relates strongly to the components on behaviour change and analysis of tools and concerns the tactics that an MSD programme employs in implementing an intervention. It may be that the programme needs to spend lots of time building relationships with key stakeholders or it may be that they will only get a single appointment of a few minutes to deliver a key message and get a partner to sign up. As such, MSD programmes should consider carefully how and by whom approaches are made to potential partners.

While there is no specific tool here, programmes would do well to engage in training on soft skills and negotiation.

FURTHER READING

[The BEAM Exchange](#)