



Course Notes: Implementing a Market Development Approach (MDA) in the Health Sector

Session 4 of 4: Adapt and Learn

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These notes accompany the FHM Engage pilot course titled “Implementing a Market Development Approach (MDA) in the Health Sector.”

Introduction

At this stage in the course, we have covered diagnosing, designing, and delivering. But in the wise words of Mike Tyson, the former heavyweight boxing champion of the world, “Everyone has a plan until they get punched in the mouth.” History is replete with examples that validate his statement. The point is that when we start doing something, we have to test our assumptions and presumptions, and many of these will turn out to be at least partially inaccurate. Then, while we are actively doing something, we are changing the status quo and creating a different context within which we are carrying out our plans. We have to be able to deal with these dynamics and realities.

The final phase of the Pathway to Impact, Adapt and Learn, is closely linked to monitoring and evaluation (M&E) and is crucial to any successful market development program. Market systems are complex, and intervening to make them more efficient and inclusive is not a matter of implementing a fixed plan. Rigorous and pragmatic M&E arrangements are necessary to deal with the complexities.

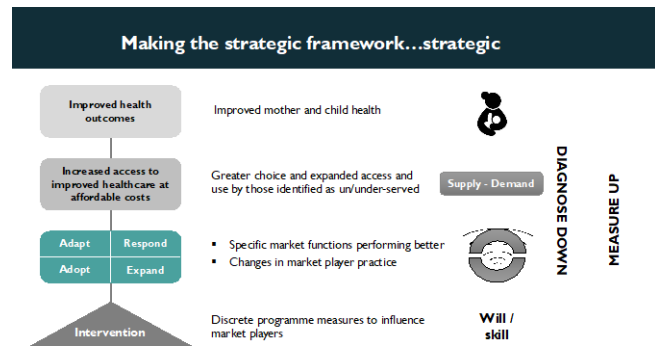
This document will not cover all things M&E. Rather, it will offer guidance on what is integral to M&E within a market development approach (MDA). Two considerations are particularly important:

- **Complexity and unpredictability.** When change processes are driven by market actors in dynamic environments, the outcome is not fully within the control of the market facilitators. Flexibility and responsiveness are crucial. USAID’s Frontier Health Markets (FHM) Engage project facilitators need timely, accurate feedback to assess the effectiveness of the interventions and adjust accordingly. M&E is an integral part of that process of feedback and adjustment.
- **Changes in the market.** Measuring change in a market should be a top priority, along with the sustainability of change and whether it is benefiting those in need. Measurement should include tracking the impact of the interventions on health outcomes, while taking into account the broader influences on those outcomes.

Challenges of Facilitation

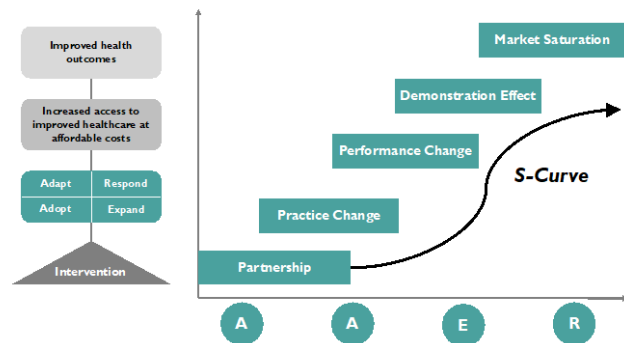
As with all programs, as we move from intervention to impact, we need to manage, measure, and be accountable for our expenditures and results. However, facilitated market development programs have three critical challenges that differentiate them from direct delivery programs:

- How we work:** The FHM Engage team is facilitating—not directly delivering—market system change. We work with and through market actors, with the goal of crowding in, not crowding out; and developing, not distorting, market systems.
- How we scale:** There are different pathways to scale, as we discussed in previous sessions. But whatever the pathway, the market facilitator’s role will often change along the way. As responses are tested, we will learn more about incentives and opportunities. In scaling up, we may continue partnering with the same actors and maybe also with new and different (and sometimes competing) players. The level of support we provide to these various actors will vary, with FHM Engage directly supporting some while only stimulating the actions of others. Sometimes donors want data on M&E results from both supported *and* unsupported (stimulated) efforts instead of just the former. In either case, the claims need to be validated.
- How we attribute:** If we are meeting our access and impact indicators, how do we attribute and apportion the results to us vs. our partner? We are accountable to our funder as well as to the stakeholders we are supporting. Claiming all of the results as our own would risk undermining the contributions and commitments of our partners.



Ultimately, dealing with these sensitive issues will involve discussion and agreement between USAID and FHM Engage. But we must also respond to technical questions about what and how we measure and how much evidence we are seeking to gather.

The S-curve is a common representation of the stages of market development, starting slowly when risk dominates potential returns, picking up speed when returns outstrip risk, and slowing again as the market matures and is saturated. This has clear implications as we move through the stages of the Adapt, Adopt, Expand, and Respond (AAER) Framework (introduced in Session 3 of this course), particularly in terms of:



- Results:** What we consider as results over time
- Timing:** Distinguishing leading from lagging results and implications for targets and priorities
- Communication:** How and when we communicate during the process

Measurement and Evidence

The motivations for measurement are twofold:

- **Proving:** How can I prove to my stakeholders that my performance is good?
- **Improving:** How can I improve my own performance?

Four categories of market actors and stakeholders are involved and interested in measurement:

- Funders
- Ministry of Health (MOH)
- Implementers
- Partners

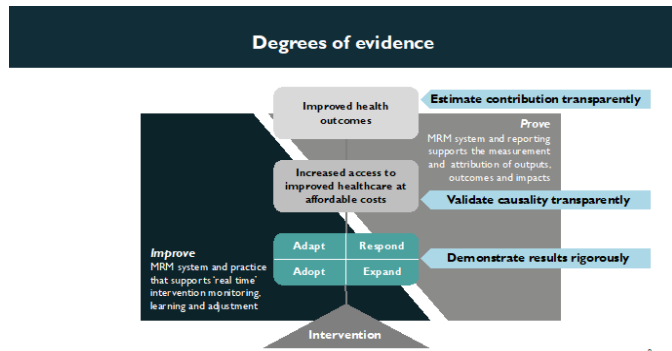
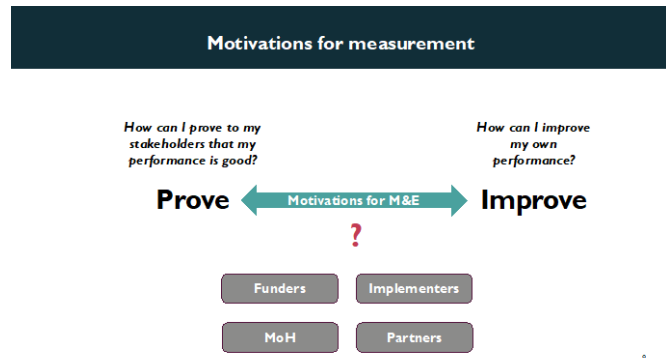
Market development programs are generally advised to focus on “plausible attribution.”

This means:

- **Demonstrating results rigorously (at the intervention level):** What we’re doing, why, and how well.
- **Validating causality transparently (at the market system level):** How the changes we have helped institute are leading to improved partner performance and delivering improved access to target groups.
- **Estimating our contribution transparently (at the access and impact level):** How, in moving from pilot to scale, the market is performing and who and how many people are benefiting from improved access to what they need.

This approach is consistent with the “degrees of evidence” approach advanced by USAID.¹ At the heart of that approach is the need to balance numbers with narrative, accountability with performance, and results with learning.

Up to this point, we have focused on the measurement-related aspects of M&E. But to support performance, not just accountability, M&E must also be embedded in program management and decision-making.



¹ <https://beamexchange.org/resources/347/>

MDA programs do not directly interact with each beneficiary, so we must assess our wider impact by developing a clear theory of change (as described later in this session) and measuring across it. The “chain of causality” that links interventions to final impact is lengthy. We must be able to attribute changes across the chain of causality credibly and practically, based on the theory of change.

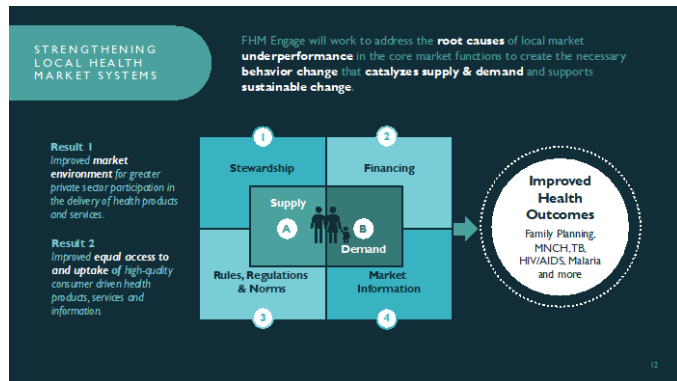
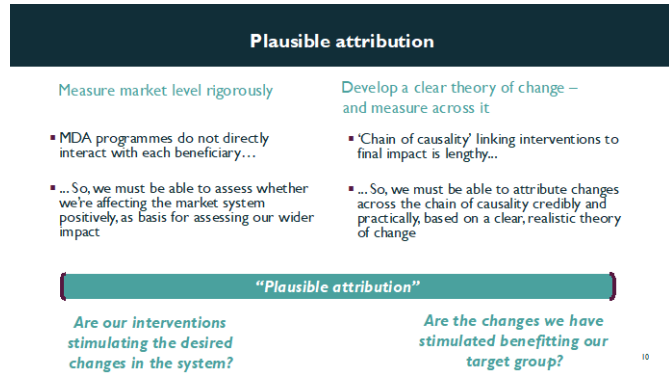
A specific plan for monitoring, evaluation, and learning can be helpful, particularly in three areas:

- **Facilitation:** How do FHM Engage activities relate to supply, demand, and supporting market functions?
- **Performance and context:** How is the health market changing over time?
- **System change:** How can we measure health system change?

FHM Engage Results Framework

To review what we discussed in earlier sessions, FHM Engage works to address the **root causes of underperformance** in the local market’s **core functions** to create the necessary **behavior change** that **supports supply and demand** and **sustainable change**.

The FHM Engage results framework focuses on improving the environment to spur that change.



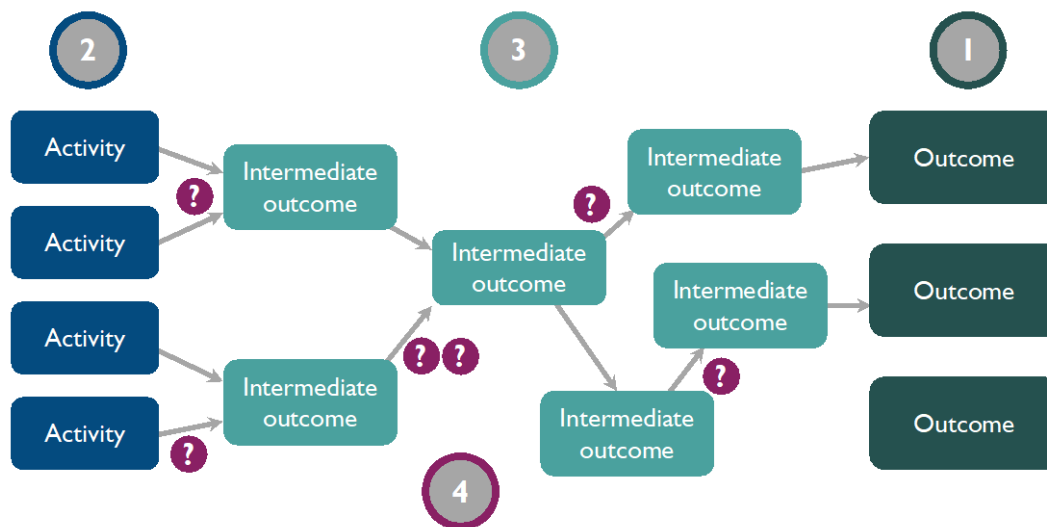
FHM's results framework focuses on improving the environment to catalyze the health market

Goal	Contribute to the USAID's priorities of preventing maternal and child death, curbing the HIV/AIDS epidemic, combating infectious disease and strengthening countries' healthcare markets						
	Result 1: Improved market environment for greater private sector participation in the delivery of health products and services			Result 2: Improved equal access to and uptake of high-quality consumer driven health products, services and information			
Intermediate Results	1.1: Strengthened and effective stewardship of and engagement with the private sector	1.2: Mobilized and leveraged financial and non-financial resources and incentives to improve private sector capacity, responsiveness, and financial sustainability	1.3: Improved institutional norms, rules and regulations, and registration of the private sector to support market growth	1.4: Increased effective collection, harmonization, and utilization of private sector data and market intelligence for informed public and private sector decision making	2.1: Improved quality of care and client-centered focus of healthcare services in the private sector	2.2: Enhanced sustainable supply of quality, affordable health products and services in the private sector	2.3: Increased client-driven demand for private health products and services in the private sector
Sub-Intermediate Results	1.1.1: Market stewards capacity to triangulate market level and private sector data improved 1.1.2: Market stewards oversee all market actors and information to create inclusive decision-making processes 1.1.3: Markets actors increasingly engage in joint programs or partnerships through joint investments	1.2.1: Private sector increases participation in health markets through improved responses 1.2.2: Private sector has increased access to financing through public-private, and donor funding channels	1.3.1: Health market regulations, rules, and norms facilitate private sector participation 1.3.2: Private sector organizations and/or aggregation improved to engage with health markets	1.4.1: Private sector actors increasing share and discuss product and service data with public 1.4.2: Private sector organizations and/or aggregation improved to engage with health markets	2.1.1: Appropriate CHQ standards established for private sector health market 2.1.2: Client satisfaction with private sector quality improved	2.2.1: Private sector product and service offering better aligned to client demand 2.2.2: Private sector product and service offering expanded or improved	2.3.1: Private sector service and product utilization increased across targeted market segments

Theory of Change

A **theory of change**, rendered as a simple diagram, shows the chain of causality of a specific market intervention—what the intervention is doing and why. This clarifies the logic of the program by showing how activities will lead to outputs, outcomes, and eventually health impact.

Building a Theory of Change (TOC)



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A theory of change can:

- **Lay out a vision** in a specific health area, health market, or activity
- **Articulate a pathway** for achieving this vision (via FHM Engage and others)
- **Ensure alignment** of FHM Engage activities with this vision
- **Clarify assumptions** underlying the goals for change



Goals of a TOC

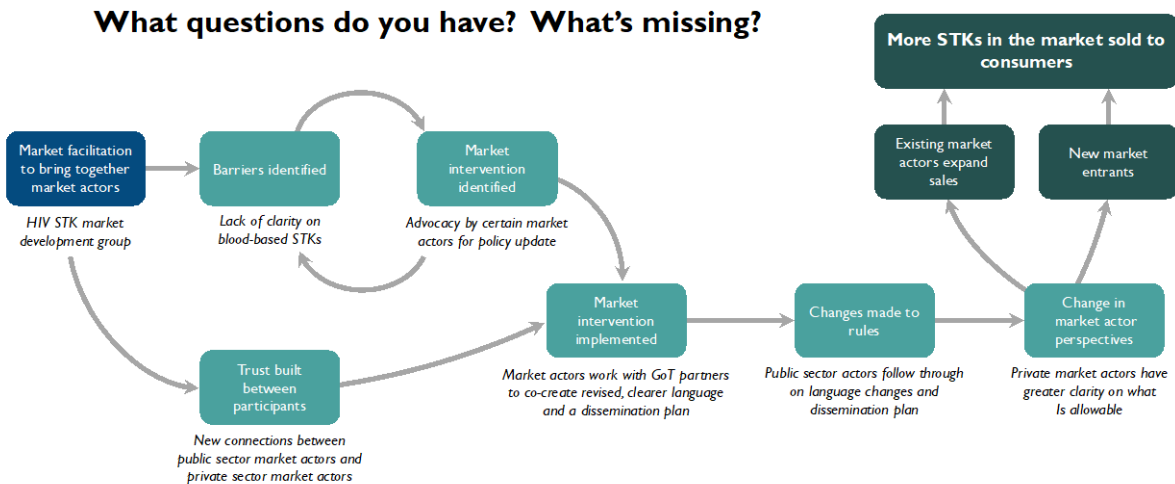
- **Drafting a vision** for a health area, health market, activity, or buy-in
- **Articulate pathways** for achieving this vision (via FHM Engage and others)
- **Ensure alignment** of FHM Engage existing and potential activities with this vision
- **Understand what assumptions** underlie the theory of change

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The theory of change provides the basis for assessing whether and to what extent changes are taking place and is useful for tracking progress for day-to-day management.

As the diagram above illustrates, one key element of a theory of change is the link between activities and intermediate outcomes. The example below is from the work on developing the market for HIV self-testing kits in Tanzania.

A theory of how market facilitation changes STK sales



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The activity is shown in blue, intermediate outcomes in light green, and outcomes in dark green.

Activity:

- Market facilitation to bring together market actors

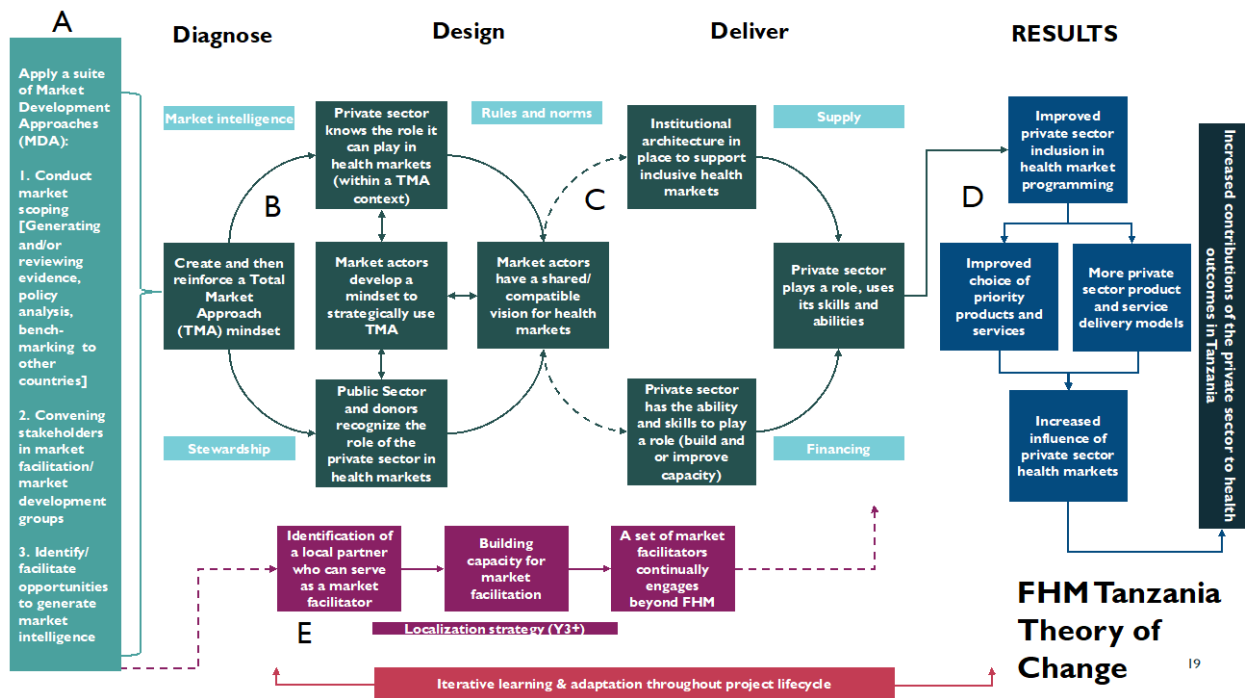
Intermediate outcomes:

- Barriers identified
- Trust built between participants
- Market intervention identified
- Market intervention implemented
- Changes made to rules
- Change in market actor perspectives

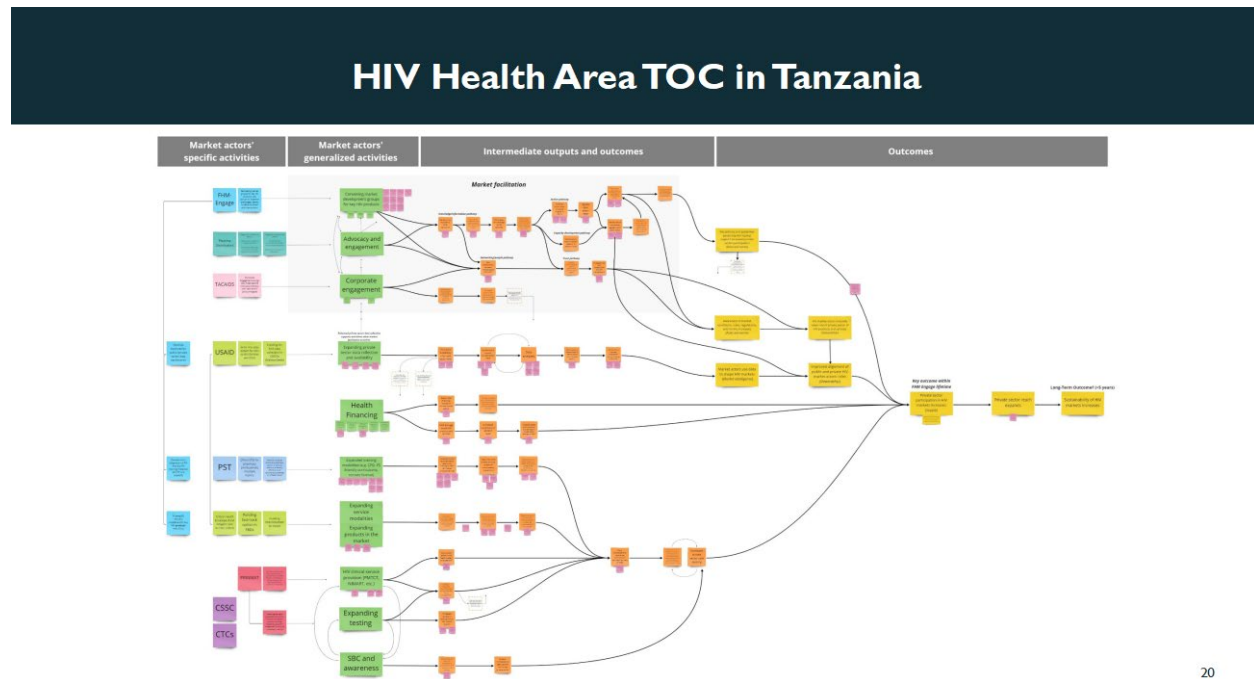
Outcomes:

- Existing market actors expand sales
- New market entrants
- More self-testing kits in the market sold to consumers

The figure below shows the different elements and the links between them, grouped by the categories Diagnose, Design, and Deliver. The results include learning and adaptation throughout the lifecycle of the effort.



This next figure shows another way to represent the theory of change, with the different actors, their activities, the corresponding intermediate outputs, and how they're related to outcomes.



Difference Between a Results Framework and a Theory of Change

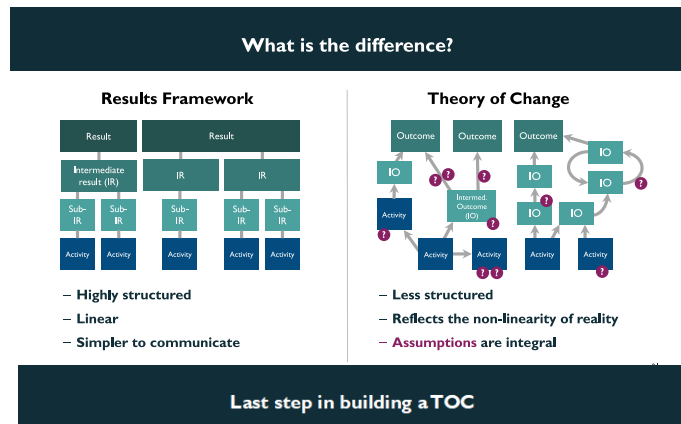
A theory of change is meant to inform the results framework. Results frameworks are highly structured, linear, and easier to communicate, while theories of change are less structured and reflect the non-linearity of reality, and assumptions are integral.

Assumptions are necessary for change. If market actors can find a way to influence assumptions, they have a good chance of achieving the outcomes articulated in the theory of change.

Assumptions are many and varied in theories of change, with multiple actors, activities, and dynamics. A few key characteristics of assumptions are:

- **Their importance to the impact pathway.** Is the assumption's influence on the impact pathway large, small, or somewhere in between?
- **How much information we have about them.** Do we have a lot of knowledge and understanding of how the assumption influences the impact pathway? Or do we have a lot of questions?
- **How easy or difficult they are to address.** How much effort would a market actor have to expend to address the assumption? This depends on **how important** they are and **how much information** we have about them.

Market actors do not always have full knowledge of or control over these characteristics. But if they are aware of assumptions, they can monitor and address them.



What are assumptions?

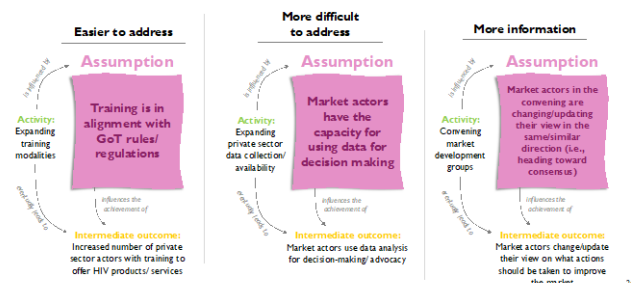
Assumptions are necessary factors or conditions for change:

If market actors can find ways to influence assumptions, then they have a greater chance of achieving TOC outcomes

Assumptions in the context of a TOC

- Assumptions are *many and varied* in TOCs with multiple actors, activities, and dynamics
- A few key characteristics of assumptions are:
 - **How important they are to the impact pathway:** Is the assumption's influence on the impact pathway large, small, or somewhere in between?
 - **How much information we have about them:** Do we have a lot of knowledge and understanding of how the assumption influences the impact pathway? Or do we have a lot of questions?
 - **How easy or difficult they are to address:** How much effort would a market actor have to expend to address the assumption? This depends on *how important* they are and *how much information* we have about them
- Market actors are not always in full knowledge or control of these factors or conditions
 - But if market actors are aware of assumptions, then they can monitor and address them

Example assumptions






Learning and Being Adaptable

As we've pointed out in previous sessions of this course, the success of any market development program is determined by the success of the partners. Those market actors will play new and improved roles, and thereby enhance access to goods and services for unserved and underserved people and improve health outcomes.

Learning and adapting are therefore not just internal program functions. They should be embedded in the facilitation team's culture. Achieving this is no small feat, but it's critical. The following principles can guide us in learning and adapting:

- **Involve partners.** We all have different interests and incentives. Be transparent and test the extent to which our actions are meeting the objectives of everyone involved.
- **Create a data culture.** This means encouraging partners to generate, use, and share data. Let them measure what is most important to them so they have an incentive to get data and use it.
- **Communicate effectively.** Adaptive solutions demand some level of collective action. Learning is therefore a collective endeavor and should be promoted as such.
- **Experiment and adapt.** Making health markets work better requires fostering innovation, and innovation is rarely linear. It involves experimenting and adapting.
- **Create a culture of openness and curiosity.** This means encouraging respectful dissent, critical inquiry, and creative tension.
- **Expect the unexpected and unintended.** Challenge all assumptions, always.

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Healthy Markets for Healthy People

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<https://healthmarketlinks.org/fhm-engage>

Frontier Health Markets (FHM) Engage works to improve the market environment for greater private sector participation in the delivery of health products and services and to improve equal access to and uptake of high-quality consumer driven health products, services, and information. FHM Engage is implemented by four core consortium partners: Chemonics International (prime and co-technical lead), Results for Development (co-technical lead), Pathfinder International, and Zenysis Technologies, and a host of Network Implementation Partners (NIPs).

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