

Multi-stakeholder platforms (MSPs): Contribution to Collaborations in Value Chains Development

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Timoteos Hayesso
Senior value chain development advisor
SNV-Ethiopia



SMART DEVELOPMENT WORKS

Introduction

- MSPs (also called chain platforms) can help to bring **actors operating directly or indirectly in the chain** together and realize common objectives through dialogue and cooperation.

(Vermeulen et al. 2008)

- Multi-stakeholder platforms (MSPs) are increasingly recognized by researchers and practitioners as promising mechanisms for stimulating economies in developing countries.

- As a result, an increasing number of non-governmental organizations (NGOs) and private enterprises are participating in such platforms.

Drost, S. and et.al, 2011 (Maastricht School of Management)

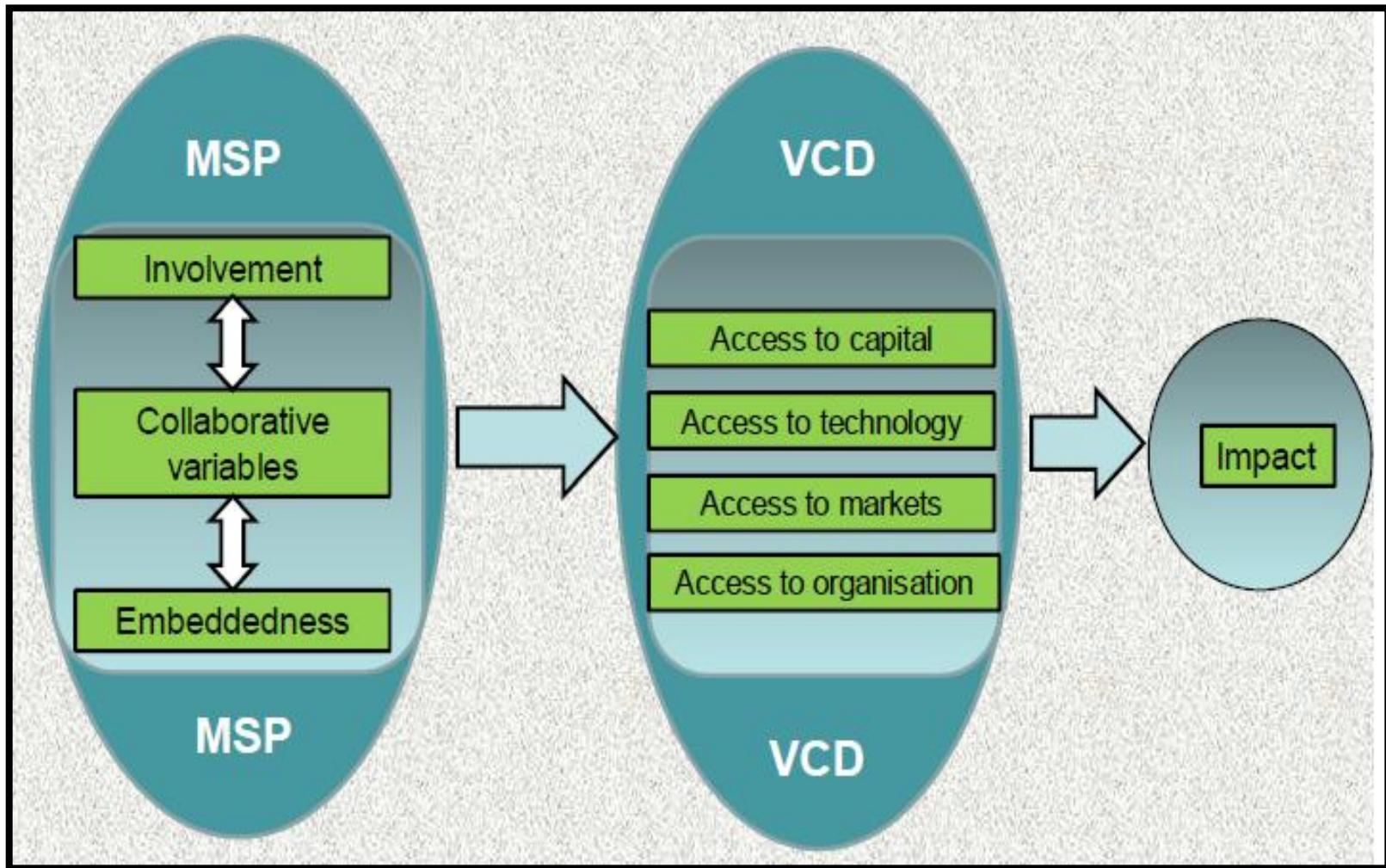
Introduction ... cont'd

- Agricultural value chains in developing countries can only be developed by mitigating/removing a number of ***institutional barriers to upgrading by value chain actors (stakeholders)***.
 - Key barriers include **lack of access to knowledge, to capital, to predictable markets, and to organizations**.
 - Therefore, VC MSPs are supposed to facilitate changes conditional to VCD by addressing these key barriers.
- The actual mechanism that is involved in the change is the **collaborations** that are both highly embedded and which highly involves partners (VC actors – primary and secondary)
 - MSPs that better meet the **conditions for fruitful collaboration** can generate more effects leading to institutional change.

What are the conditions for fruitful collaboration?

- The most common MSPs (CGs) dynamics, which are critical conditions for fruitful collaboration are:
 1. Goal alignment,
 2. Stakeholder involvement
 3. Governance and
 4. Embeddedness

Contextual framework



1. Goal Alignment

- Goal alignment by stakeholders is considered to contribute to the effectiveness of collective goal-setting processes, which, in turn, positively influences the success of the MSPs. Stakeholder goals are related to their 'Theory of Change - ToC'.
- The ToC should air considerable optimism about the unity that can be achieved among stakeholders in respect of the strategic intervention plans.

2. Stakeholder involvement

- Was there a 'COMPELLING CASE' (MOTIVATING FACTOR) as driver of each value chain actor to participate?
- Are the MSPs driven by an important need that can be best fulfilled through an MSP (CG), and that is recognized and accepted by all members?

Examples:

- 1) the need to initiate a multi-stakeholder platform where actors from different sectors (private sector, government, and civil society - NGOs) meet and work together to better link smallholder producers and processors to (international) markets. **OR**
 - 2) the need for collaboration in a multi-stakeholder platform to tackle the problems in each sector and to create change in the whole country.
- Is there a built TRUST among actors?
 - Trust building is the critical position in either the internal or external dynamics of the MSPs. It influences both conditions for collaboration (i.e. distrust obstructs the process of identifying common and shared goals) as well as outcomes of the collaboration (i.e. facilitating the establishment of business to business relations).

3. Governance of MSPs

- MSPs are often considered as highly promising alternative forms of governance. They are inclined to be horizontally organized, with a greater degree of flexibility and openness than traditional and more hierachal forms of governance.

"Although MSPs may create more understanding between various parties sitting at the same table, it is questionable whether MSPs are in reality horizontal processes in such contexts (i.e. culture, kinship, political), or is there a degree of verticality present, related to internal power sharing and leadership"

(Warner, 2006:22, as cited by Drost, S. and et.al, 2011).

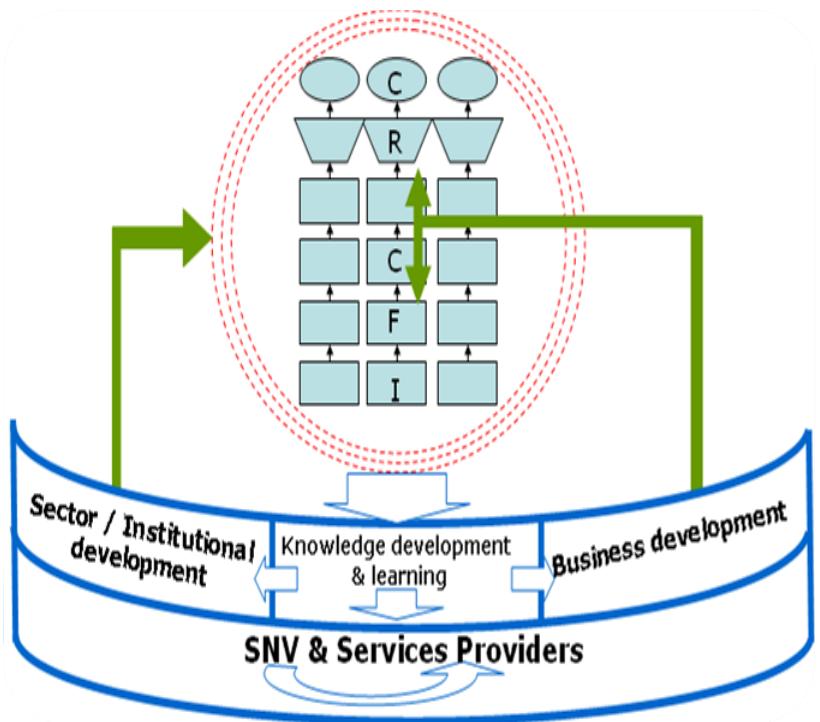
- Meaning, actors participating in multi-stakeholder platforms do not necessarily have equal powers to negotiate, and influence the process of agenda setting, selection of stakeholders and decision making.
 - Therefore, there should be a leadership role in facilitating MSPs. Searching for such a 'credible leader' (who can drag and push) is recommendable, but only if he or she can act as a *primus inter pares* (first among equals).

4. Embeddedness

- Here embeddedness is about the quality of being firmly & deeply rooted/fixed in the system. In MSPs context, this include:
 - The embeddedness of participating organizations in MSPs
 - The embeddedness of MSPs in society (private sector, government, in NGOs, etc.);
 - MSPs facilitating projects/programmes Inter organizational embeddedness.
- The actors involved in multiple MSPs transfer information and contacts from one MSP to the other to the benefit of the members, and enhance the general networking opportunities for them. In this way they contribute to the effectiveness of the each MSP.
- The **fruitful relationships with the government** are indispensable in the overall development of the value chains, sub sectors /sectors. The sectors' performances are constrained when there are no government agencies onboard to adopt, implement and enforce (for example: basic food safety standards, contract farming, etc.)
- MSPs facilitating projects/programmes are not the sole operators involved in the given VCD, but are embedded in a **broader national /international development networks** - this in return, helps MSPs to benefit from such networks.

Experience of SNV-Ethiopia in facilitating MSPs
for changes needed for the development of
value chains

SNV-Ethiopia VCD approaches



- Sector/Institutional development
- Business development
- Knowledge development and learning
- Service providers capacity development
- The concept is built in such a way that:
 - Sector development provides for opportunities,
 - Business development turns opportunities into results, &
 - knowledge development and service capacity development assures sustainable up-scaling of the approach

SNV Sector/Institutional development approach

- Multistakeholder platforms facilitation
 - Quarterly meetings of CG
- Value chain financing
 - Pilot B2B, sector funds & up scaling
- Producer group strengthening
 - Trainings, Planning, Market linkages
- Service providers strengthening
 - LCBs Competence pool – BDS trainings & intern jobs facilitation

SNV's MSP (CG) Facilitation process

- One of the very first steps of the SNV VCD programmes was to identify key actors involved in within each agricultural sub-sectors.
 - These ranged from private sector companies, smallholder farmers, producer organizations, government bodies and non-governmental organizations (NGOs) to research institutions and aid agencies.
- Representatives of each stakeholder group were invited to participate in the establishment of four sub-sector consultative platforms

Specific roles of the MSPs (CGs)

- Discuss and review SIPs
- Discuss policy and operational issues at different levels and refer them to appropriate levels for action
- Mediate conflicts of interest between partners
- Coordinate programme activities to avoid overlaps
- Decides on priority subjects for project/programme budgets (funds)
- Facilitate communication and coordination with other interventions and actors
- Initiate periodic experience-sharing and learning sessions

Executive committee: roles and responsibilities

- Is accountable to the larger MSP (CG)
- Meets for concept notes appraisal two weeks before MSP meetings
- Evaluate submitted concept notes based on the funds approval guidelines and communicate results
 - to SNV if approved, and
 - to the proponent if rejected
- When need arises, should appeal to SNV on clarification questions
- Report to the MSP (CG) on its activity on every CG meeting

Lessons

- **No blueprints exist** on how MSPs should induce change. Although it seems evident, change only occurs if the value chain stakeholders are willing to change. To induce change MSPs require contextual strategies.
- **Keep the momentum of what has been started:** Opportunities created in the CGs, how small they might appear, can function as a catalyst for further development of the sectors.
- **Find the champions:** Although MSPs offer a greater degree of flexibility and openness compared to traditional & hierarchical forms of governance, there should be leadership.
- **Minimize the number of participants:** At times when there are too many participants in the meetings, it is impossible to 'hear all stakeholders' voices'. In addition, it triggers high levels of rotation of noncontributing members.
- **Ensure embeddedness in the government**
- **Goal alignment is a continuous process**
- **Elaborate on the programme's Theory of Change**
- **Reach out to obstructing non-participating stakeholders:** MSPs are symbolic spaces to bridge divides among stakeholders, not to broaden them.

If you want to go fast, go alone
If you want to go far, go together.

African proverb

THANK YOU FOR YOUR ATTENTION!