

Market Systems Development: Components & Tactics

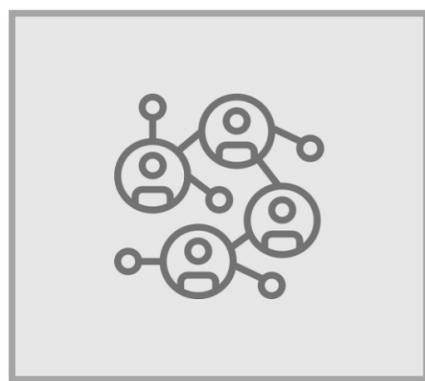
The key to Market Systems Development (MSD) lies in using systems principles and frameworks to understand the underlying causes of challenges ("why?"), in order to identify system-level changes to respond to them ("what?"), and to guide interventions that can bring lasting change ("how?"). This brief synthesizes the components and tactics of the approach. It is part of a three-part series on MSD Fundamentals developed by the Canopy Lab with support from independent consultants Mike Klassen, Samira Saif and Kelsey Bachenberg.

Four Components of Market Systems Development.....



Identify Underlying Causes

as the means to improve access and/or performance of target beneficiaries and achieve sustainability and scale.



Focus on Systems Change

through rigorous (but not exhaustive) market systems analysis.



Incentivize Inclusive Behavior

by market systems actors through mixed tactics that tap into existing incentives, assets, relationships, and dynamics.



Iterate Continuously

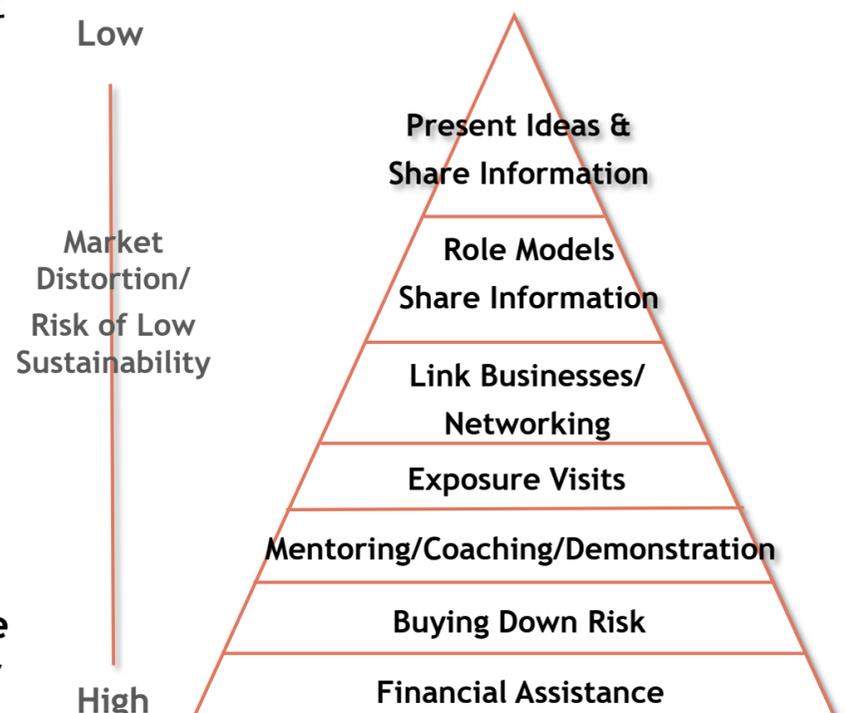
during implementation, informed by an interactive process of monitoring and evaluation (adaptive management).

.....Tactics for Market Systems Development

MSD programs consciously select programmatic tactics that can **deliver desired outcomes - systemic changes** - while introducing the **lowest risk of unsustainability and market distortion** as possible.

A wide range of tactics can be employed on an MSD program, and many may be similar to tactics applied on a non-MSD program. What makes them appropriate tactics is **why they are being applied**—the systemic change they are attempting to stimulate.

A complete ex-ante understanding of what will work (i.e., what tactics will successfully incentivize desired behavior changes) is not possible, so **MSD programs take an iterative portfolio approach**: they apply a range of tactics, monitor indicators of change closely in implementation, and **adjust/pivot accordingly**.



Source: Have you tried everything else? Test graphic.
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