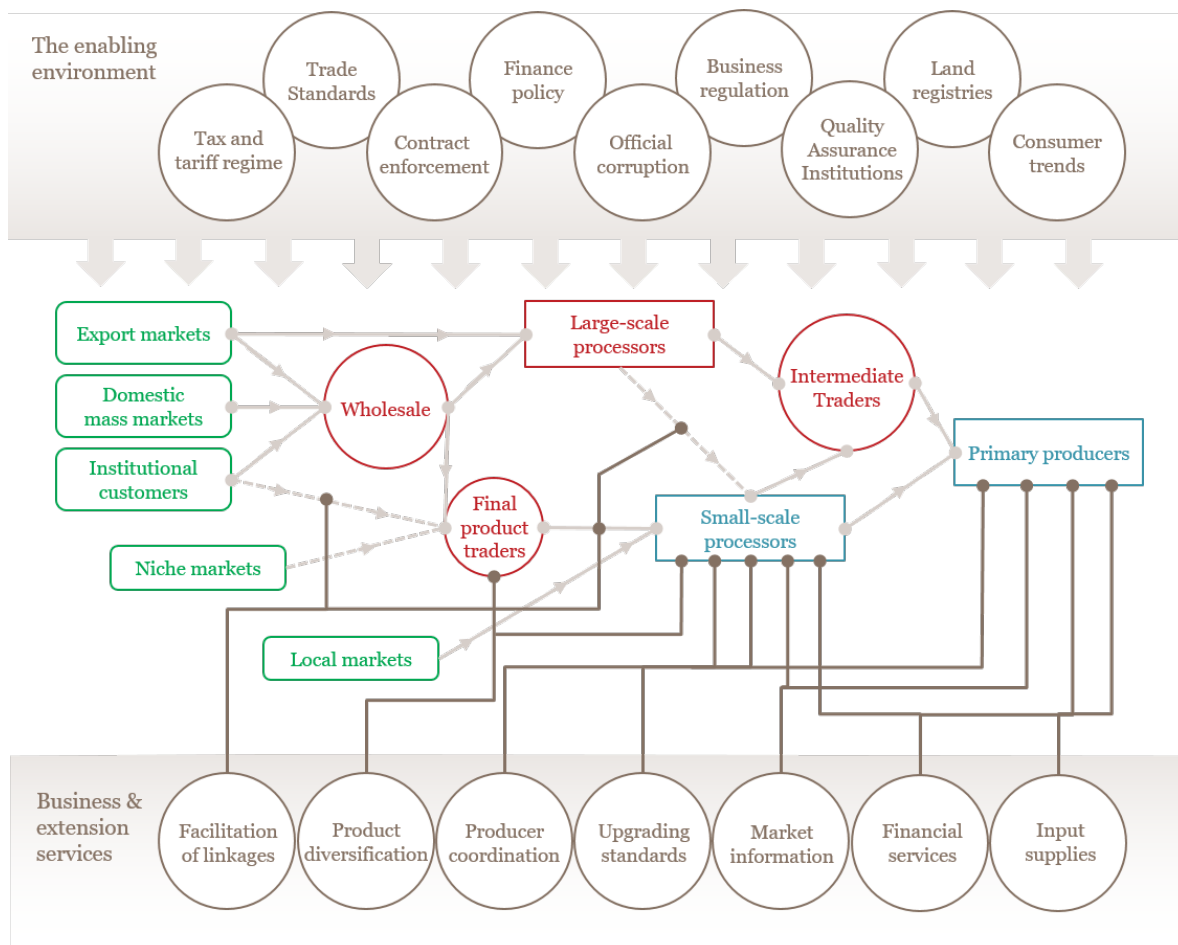


Preliminary Market Mapping and Analysis

‘Facilitators start to make sense of the market system and identify key actors.’

AIM: to provide the project team with a realistically “good enough” picture of the system, its key actors and relationships and how primary producers (fishers, farmers etc.) participate in it. The primary focus is for the project team to understand the market system well enough **to be able to identify who needs to be involved.**

FIGURE 1 Generic market map



KEY RECOMMENDATIONS

- Keep your first attempt at creating a Market Map informal, fluid and energetic: let it be a brainstorming exercise.
- Identify the market actors in the system that you will need to engage in the subsequent participatory process.
- Be as specific as possible to capture the unique context of the market system.
- Identify your knowledge gaps and plan further investigation to build your understanding of the market system on an ongoing basis.

QUICK MARKET MAPPING

The generic market map (Figure 1) will give you ideas, but there may be other actors and factors specific to your market system that aren't included here, so don't be constrained by it.

Some areas of the market map make sense to be mapped at a very local level. In other areas, it makes sense to look at regional or national levels.

STEP 1: Begin with the *market chain* (the middle section in Figure 1) from both ends and work inwards. The market chain contains all the **actors** that own the product at some point in its journey from primary producer to end-market consumer. Working from the ends inwards helps you to focus on both the big picture of the end-market demand (up to the national level and beyond) and the local context of the primary producers you are trying to assist.

STEP 2: After the market chain, **map out the supporting inputs and services in the Business & Extension Services** section. To do this, work your way along the value chain, and for each market actor ask the following question:

“What inputs, services and advice does this core market actor use – or need – to play their role in the market system?” Map out **functions** rather than actors in this area of the market map.

STEP 3: the enabling environment involves thinking of the **issues** (rather than the actors) that shape the way the system works. In a conservation context, these include issues related to sustainable use and conservation of biodiversity.

Questions that can help steer the exploration of the enabling environment include:

- **Laws, rules and regulations:** what government policies formally define how land tenure, natural resources, contracts, trade and taxation are managed? What customary management systems exist?
- **Enforcement, enactment and implementation:** what are the government and customary provisions for the enforcement of laws, enactment of policies and implementation of regulations? Are they effective? What illicit activities still occur?
- **Standards:** what standards exist (e.g. general quality, Fairtrade or organic standards)? What are their terms and how are they assured?
- **Power structures:** what are the power structures behind the formal and informal institutions involved in the market system (e.g. patron-client relationships, kinship relations etc.)? Who is empowered and who is marginalised in these structures?
- **Economic norms:** what are the common ways of doing things within the market system? What are the reasons – economic or otherwise – behind them?
- **Informal social and cultural norms:** what socio-cultural factors affect sustainable use and conservation of biodiversity? What factors affect gender equity and social inclusion in the market system?



STAKEHOLDER ANALYSIS: IDENTIFY KEY ACTORS

The leadership of market actors in improving their market system and the role of the implementing agencies (such as NGOs) as facilitators are fundamental principles of a participatory approach. When market actors come together to discuss problems in their sectors and agree on actions they can take, change in the system is more sustainable than if we, as the implementers, design the solution ourselves and try to get 'buy-in' from the actors once the intervention is designed. Solutions designed and driven by market actors themselves are more likely to be copied by others.

HOW TO IDENTIFY KEY ACTORS – INFLUENCE AND RELEVANCE

To facilitate change in a market system in a participatory way, we need to identify a subset of key actors to engage with. This is achieved through a market actor/stakeholder analysis using two key dimensions:

RELEVANCE: how important a market actor is to the functioning of the system. Some criteria for assessing relevance:

Would the market's performance suffer if these actors were not there?

Would the functions that these market actors carry out be taken up by another group of actors, or would such functions cease to occur?

If the market actors' functions can be replaced by another group, how easily or quickly could this happen?

A market actor that appears to be irrelevant might turn out to be supporting some functions of the system and could also be an unexpected catalyst or driver of change in a participatory market mapping. Keep an open mind.

INFLUENCE: how capable an actor is to change things themselves or mobilise others to change.

Some market actors have explicit or direct power. For example, a government regulator has the power to set a rule that affects every business in a sector across the country; finance institutions have the power to change their lending practices, which in turn affects how businesses operate.

Other market actors have more invisible or indirect power. For example, a lead farmer or a small cooperative may not be able to produce significant change on their own, but their ideas or practices may influence other peers – which in itself can lead to structural changes.

NB: for this analysis, it is important to **include actors/stakeholders** who provide **inputs and services**, and **those behind the issues in the enabling environment**, not just the core market actors in the market chain.

Map actors onto a Relevance-Influence Matrix. Figure 2 provides guidance on how to engage with the actors who fall into the different quadrants of the matrix.

FIGURE 2 Influence-relevance matrix

INFLUENCE	HIGH	<p>STAY OPEN MINDED ABOUT THESE ACTORS</p> <p>They are powerful and they may be important drivers of change, despite them not seeming very relevant at this stage. If they show an interest, be quick to provide them with information about your investigation and preparation process and subsequently keep them informed.</p>	<p>ACTIVELY TARGET THESE ACTORS</p> <p>They are both important parts of the system and the 'movers and shakers' that have lots of power to change things. Engage them as early as possible and throughout the investigation and preparation process.</p>
	LOW	<p>STAY RECEPTIVE TOWARDS THESE ACTORS</p> <p>Although they do not seem important or relevant at this stage, they may still prove to be as you continue to build your understanding of the system. If they show an interest, provide them with information about your investigation and preparation process.</p>	<p>STAY OPEN MINDED ABOUT THESE ACTORS</p> <p>They are an important part of the market system. Ignoring them may have severe unintended consequences. Keep them informed about the investigation and preparation process.</p>
		LOW RELEVANCE	HIGH RELEVANCE

IDENTIFY ISSUES IN THE SYSTEM

This first attempt at a Market Map and identification of key actors in the system will give the team an overview of the issues in the system.

It is important that you **do not use the preliminary market mapping as the basis for firm and inflexible intervention design**. You must try to leave the process open and flexible enough to respond to the interests of market actors that you will learn about through the next step: Participatory Market Mapping.

It is helpful to consider three kinds of issues in the market system:

- **Systemic blockages/constraints:** situations or processes that hamper the ability of the market actors to make the market system work better (i.e. become more inclusive, efficient, productive, ecologically sustainable).
- **Systemic opportunities:** A moment in time or a combination of favourable circumstances that create an opening that market actors can use to achieve their objectives and that would make the market system work better.
- **Systemic risks:** possibility of negative impacts on the efficiency, inclusiveness, productivity or ecological sustainability of the market system or that may expose the market actors to unacceptable risk.

An example of these kinds of systemic issues is illustrated in Table 1, using examples from a FFI project on islands off the west coast of Aceh, Indonesia.

TABLE 1 Systemic issues

WHAT ARE THE SYSTEMIC BLOCKAGES?	WHAT ARE THE SYSTEMIC OPPORTUNITIES?	WHAT ARE THE SYSTEMIC RISKS?
Destructive fishing practices undermine ecosystem health, reduce catch size and volume of key target species and threaten the sustainability of supply of high value seafood.	Formal recognition and revitalisation of customary fishers management institutions and granting of exclusive access rights to them.	Free riding – other fishers benefit from management measures (e.g. seasonal closures), access to national buyers and export companies but do not themselves comply with rules and regulations
Transportation of seafood from islands to mainland markets and exporters is expensive and time-consuming.	Public-private partnership investment in cold chain maintenance and processing facilities on the islands.	
One company has the monopoly on air transport for high value lobster for export.	Air transport company is owned by the Minister of Fisheries who has taken a strong stance against illegal fishing.	
Fishers not aware of protocols for handling catch that would improve quality and hence price.	At least one island-based intermediary willing to coach fishers to meet quality standards and pay higher price for higher quality.	
No accessible mechanism for sustainability certification; no price premium for sustainability in local or national domestic market or Asian export market.	At least one major national seafood company markets produce from the island as 'from unpolluted waters and a sustainable fishery' (currently unsubstantiated claims).	

At this stage, it is **not** the role of the facilitator to work out solutions to blockages and how market actors can take advantage of opportunities. This task is **best led by the market actors** who are involved and affected, during subsequent Participatory Mapping and Action Planning workshops. They are the ones with the best understanding of their interests and motivation and who can negotiate new arrangements and business models where their incentives align. However, **in a conservation context**, you will want to be prepared to explore with the market actors the potential biodiversity impacts (positive and negative, direct and indirect) of any strategies that they later identify.

CONTINUE TO INVESTIGATE

In order to have a good enough understanding of the market system to prepare for the Participatory Market Mapping, you are likely to need to **address some of your knowledge gaps**. The first attempt at mapping the market might not give enough information to prepare the participatory process. The team will probably need to carry out further research to increase knowledge and complete the Market Map and the key actor analysis:

- **seek out key informants** within the system or in the government and speak with them to access their knowledge and gain their perspectives; and/or
- **carry out desk-based research** and read government policy or regulatory material or data produced by the public or private sector

STEERING QUESTIONS TO BRAINSTORM FURTHER RESEARCH NEEDS

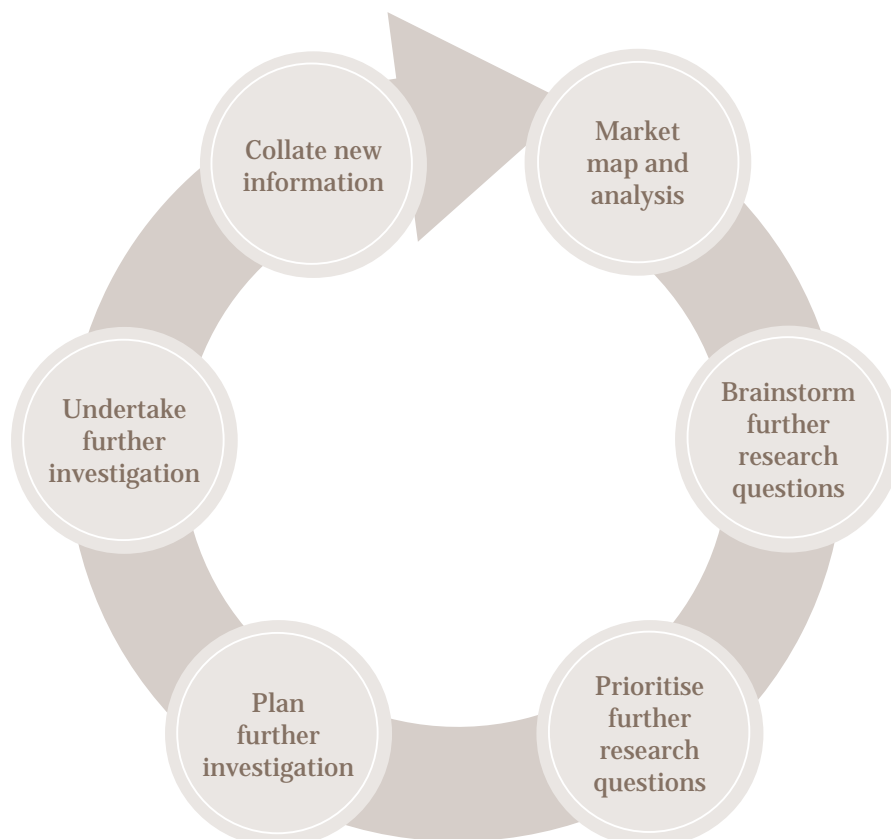
Market chain, supporting functions and issues in the enabling environment: Are there gaps in your understanding of how the market chain works, what supporting functions are important and what the issues in the enabling environment are? Do you need more detailed or specific information?

Linkages: Are you sure the linkages between different market actors are direct, or might some intermediaries be missing?

Market actors: Do you know the names and locations of the companies and associations? Are you aware of the specific organisations and associations that represent particular groups in the market system? Do you know the relevant offices within government departments?

Quantification: Think about the numbers. How many individual market actors are carrying out each process along the market chain? What volumes are they producing/trading? What are their production costs? What are their sale prices? How do these numbers change and fluctuate over time?

FIGURE 3: Iterative investigation process





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