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► Can development results last a decade? A sustainability assessment of an ILO enterprise development project in Sri Lanka

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April 2020



Donors and development agencies are increasingly interested in the sustainability of the programmes they fund and implement. However, less effort has gone into measuring what, if anything, is sustained beyond the lifespan of development programmes. As a result, there is little empirical data on the long-term effectiveness of approaches that explicitly promote sustainability - such as Market Systems Development (MSD).

This paper summaries the findings and lessons from an assessment into selected outcomes of the ILO Enter-Growth project in Sri Lanka ten years after it closed. It focuses on understanding whether the changes brought about by Enter-Growth were lasting, and the reasons why (or why not).

► Background

Enter-Growth was a four-year local enterprise development initiative in Sri Lanka, implemented by the ILO and funded by the Government of Sweden (Box 1).

The project aimed to contribute to pro-poor economic growth and quality employment for poor women and men in the North West and North Central provinces.

Box 1: Enter-Growth at a glance

Timeframe: June 2005 - September 2009.

Budget: US\$5,049,511.

Funder: Swedish International Development Agency (Sida).

Implementer: ILO Sri Lanka

Government partners: Ministry of Enterprise Development and Investment Promotion, District Secretariats.

Geographical focus: Four districts in the North/West and North/Central Provinces of Sri Lanka: Puttalam, Anuradhapura, Polonnaruwa, and Kurunegala.

Target group: Micro and small enterprises (MSEs)

Immediate objectives:

- Market access: improving market access for MSEs.
- Business environment: creating a more conducive policy regulatory and legal environment for MSEs.
- Enterprise culture: improving attitudes towards business and entrepreneurship.
- Business development services (BDS): greater access countrywide to market-led, sustainable business services for MSEs.

Primary sectors:

- Local value chains: fruits and vegetables, ornamental fish, floriculture, dairy and tourism.
- Regional value chains: dairy, floriculture, packaging, coir.

While Enter-Growth was not initially conceived as an MSD initiative, it followed a 'light-touch' intervention approach in order to initiate sustainable change.

As the project progressed, Enter-Growth adopted aspects of a [systemic approach](#) (see Box 2): incorporating a value chain development methodology, whilst retaining its local, participatory emphasis.



Box 2. What is a systemic approach to decent work?

A [systemic approach](#) aims to understand and address the underlying reasons why a problem exists, and not just treat its symptoms. One popular systemic approach is known as market systems development (MSD). MSD focuses on improving the performance of 'supporting functions' (such as information, skills, infrastructure, finance) and 'rules' (policies, standards and norms) that shape how a particular exchange – for example between workers and employers, or smallholders and buyers – works for a given target group.

Enter-Growth can be considered as part of the 'first generation' of global MSD interventions as it was implemented just as thinking around the market systems approach was emerging. In subsequent years, many more donors and development agencies, including the ILO, have commissioned and carried out programmes with systemic change ambitions. To date, MSD has been used to improve outcomes across all four pillars of the Decent Work Agenda: employment creation, rights at work, social protection and social dialogue.

Enter-Growth was the first ILO project to adopt a systemic approach and as such, offers important lessons for future programming. On the tenth anniversary of the close of the project, the [ILO Lab](#) – a Swiss-funded ILO knowledge exchange on how to achieve long-term and large-scale decent work outcomes – commissioned a study to assess the sustainability of Enter-Growth.

A team from the [Springfield Centre](#) carried out research between August and November 2019.¹

As a first step, the team developed a framework to assess the ex-post sustainability of projects using a systemic approach. This was then applied to three of Enter-Growth's intervention areas: ornamental fish, floriculture and public-private dialogue. The framework adopted a stringent definition of sustainability: *the capacity and incentives within a given system to continue to adapt and provide the means by which poor or otherwise disadvantaged women and men access benefits, independently of aid funding, on an ongoing basis.*²

¹ The external consultants had support from the ILO Lab and members of the original Enter-Growth team. Due to a lack of data, the assessment was unable to collect empirical information to quantify lasting impact on MSEs, employment and incomes. The link to end-beneficiaries was therefore validated in theory and on the balance of probabilities, based on changes in the market system.

² This definition is based on the definition found in The Springfield Centre's Operational Guide.



► Findings

The assessment found that a substantial number of the behaviour changes introduced in the Enter-Growth intervention areas had been sustained. For instance:

- The Sri Lankan Export Development Board (EDB) continues to invest heavily in the floriculture sector;
- The National Aquatic Research and Development Agency (NAQDA) continues to provide training to an increasing number of small-scale ornamental fish growers; and
- In Anuradhapura district, a Micro and Small Enterprise (MSE) Forum continues to facilitate public-private dialogue at a vastly improved level from when the programme started.

The fact that a number of behaviour changes instigated by Enter-Growth have persisted can be viewed as a positive. Indeed, the fact that any project-supported results have lasted for more than a decade – and can be linked back to the initial Enter Growth intervention – is impressive, and reinforces the importance of a sustainability-focus both in project implementation and the way in which project success is evaluated.³ However, the new behaviours being adopted by local actors have not, on the whole, made the sectors more resilient or inclusive. For instance, while NAQDA continues to provide training to ornamental fish growers, virtually no other training providers have emerged and technical knowledge remains a critical constraint in the sector.

If this assessment had been undertaken four years after the programme ended – arguably a more reasonable time period for assessing sustainability – there would be a longer list of sustained behaviour changes. For example, the project helped set up the Bingirya Collection Centre, securing a mandate and budget from the President to establish a series of agri-export zones across the country. The Centre functioned well for about five to seven years, until the EDB withdrew support and the Centre gradually collapsed. An attempt to hand the Centre over to the local Bingiriya Development Foundation failed due to capacity constraints. Some growers that had worked with the centre have continued, but many have stopped producing. According to the Treasurer of a local association: *“Farmers expect everything for free...everything was free before”*. The local EDB office indicated that the EDB had taken on many roles for the centre, including collection, setting and policing quality standards and some transportation. When they left, the system was not able to function as there were no other players to take on these roles.

³ <http://valuingvoices.com/assuming-sustainability-and-impact-is-dangerous-to-development-evaluation-criteria/>



► Conclusions

What does sustainability mean in practice, particularly for programmes that have attempted to take a systemic approach? It would be easy to argue that interventions that lead to long-term behaviour changes are sustainable, pointing to the direct benefits they yield, such as access to government subsidised training or access to trade fairs organised by associations.

However, unless those behaviour changes also lead to a lasting solution to the problem originally identified (let alone the ability to adapt to new problems that emerge), it seems to stretch the definition of sustainability too far.



To be truly sustainable, changes in behaviour should be observed not only at the individual or enterprise level, but at the level of the system itself. These behaviour changes in the system must first deliver a desired benefit without external support and then adapt and evolve such that benefits are sustained in the face of changing conditions, shocks or other threats.

The goal of sustained systemic change is for a system to work differently than it used to, in such a way that it no longer perpetuates an identified problem (such as poverty, exclusion, or inequality). Instead, it continues producing specified benefits, even as the players, their behaviours and their relationships to one another, shift and change.

So how do we achieve this? The Enter-Growth assessment's findings suggest that there are three factors that underpin sustainability over the long-term.

Firstly, to achieve sustainability, programmes must catalyse change through existing systems, rather than delivering it themselves. Enter-Growth was a pioneer in this respect with its dedication to a 'light-touch' [facilitation approach](#), particularly in relation to financial support. Instead of funding or providing local actors with grants, Enter-Growth provided 'soft' support such as knowledge, coordinating and brokering⁴. While minimising financial support helped build local ownership, even low levels of technical and other support, when delivered directly, undermined the sustainability of interventions. This validates the results of a recent study on the viability of [business models for decent work](#) as well as the overall theory underpinning the market systems development guidance⁵.

Secondly, sustainability of impact on target groups requires having had impact in the first place. Whilst this sounds obvious, during implementation it is remarkably easy to focus on supporting behaviour changes, and measuring their immediate benefits, fuelled by the assumption that these will eventually solve problems and lead to better performing functions and systems. A long-term sustainability study makes it clear that this is not necessarily the case. For example, in the floriculture sector the technical training and advisory services introduced by the Royal Botanical Gardens (and supported by Enter-Growth) continues to be offered. However, it has not delivered the intended impact on improving the incomes of end-beneficiary farmers.

Thirdly, changes that are genuinely adopted and owned by local players, reach scale, and those that are reinforced by other complementary behaviour changes, are more likely to last. The Bingirya Collection Centre provides a good example of this. There were significant achievements, but the change did not reach scale and was not reinforced by other complementary behaviour changes; it has therefore not proved sustainable over time.

⁴ A similar approach has been adopted by another ILO MSD project in Afghanistan. The case is analysed in this brief: "[Doing more business and less aid: The journey of a market system development project in Afghanistan](#)".

⁵ Based on guidance from Operational Guide for the Making Markets Work for the Poor (M4P) Approach.

▶ Lessons learned

What lessons can we learn about improving sustainability of outcomes?

The first is to ensure that programmes are actually 'evaluable' from a sustainability perspective. Certain **conditions** need to be in place to be able to conduct ex-post sustainability assessments. These include:

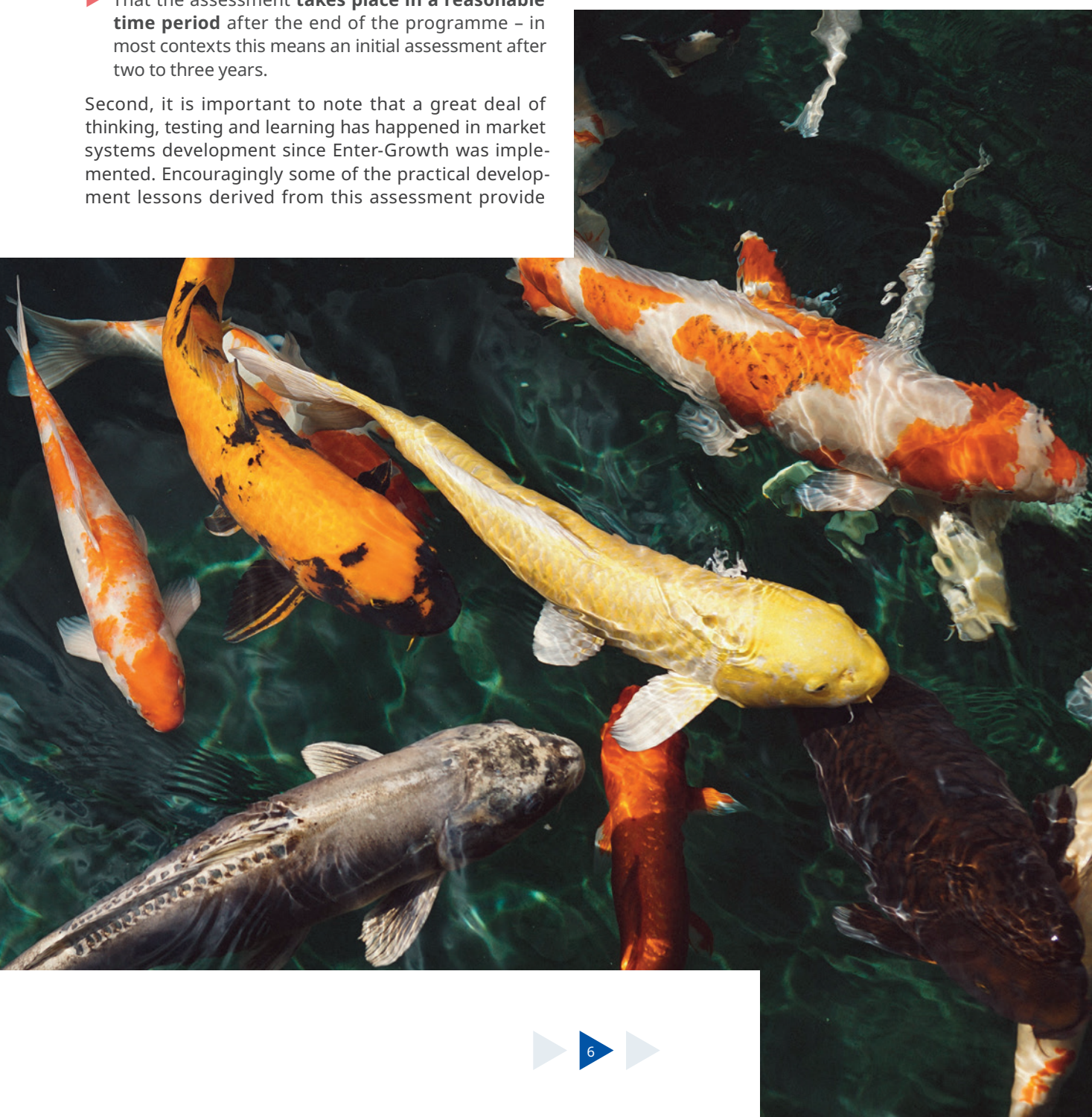
- ▶ The programme having had a **comprehensive and credible monitoring and evaluation (M&E) system in place**, with strong evidence of impact, and clearly articulated theories of change;
- ▶ That it is possible to **access stakeholders and programme partners**; and ideally having someone on the assessment team with excellent local and programme knowledge and good contacts; and
- ▶ That the assessment **takes place in a reasonable time period** after the end of the programme – in most contexts this means an initial assessment after two to three years.

Second, it is important to note that a great deal of thinking, testing and learning has happened in market systems development since Enter-Growth was implemented. Encouragingly some of the practical development lessons derived from this assessment provide

empirical evidence for what is increasingly understood to be **good development practice**, including:

- ▶ **Planning for sustainable outcomes** from the start of a programme;
- ▶ **Mitigating the risks** of an overly participatory approach (such as focusing on powerful stakeholders' perspectives);
- ▶ **Applying a facilitative approach** consistently, including for non-financial support; and
- ▶ **Taking a systemic approach** to the design and implementation of interventions.

Lastly, perhaps the most important lesson from this assessment is that it is long overdue. Applying the practical learnings from this process to more, and more recently ended, programmes is an important next step that will help with designing and implementing programmes to achieve sustainable outcomes.





This briefing is based on the work of the Springfield Centre for Business in Development and their report “The Enter-Growth Programme: A Decade On” If you would like a copy of the full report please write to thelab@ilo.org



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