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in Eastern Africa

Participatory Market Chain Approach (PMCA)



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BACKGROUND INFORMATION

"Poverty begins with failure to take advantage of existing market opportunities."

Rapid urban growth challenges the development of rural areas, which could become increasingly margin- alized as powerful supermarkets and agro-industrial chains determine the "rules of the game", preferring to work with large and well-organized producers.
Limited access to information and contacts jeopard- ize the position of small producers in the marketplace, making agricultural production unprofitable and risky. This perpetuates poverty and puts at risk the resource base of rural areas. Human and social capital – espe- cially young people – are lost as competitiveness de- clines, setting in motion a downward spiral that further undermines their ability to compete..

Adressing competitiveness

Most R&D organizations agree that improved market access is crucial if the competitiveness of rural areas and its producers is to be enhanced. Promoting col- laboration along the market chain, among different stakeholders, is a promising approach to:

- Increase efficiency in the market chain, by lower- ing the production and transaction costs which occur between the different market chain actors.
- Enhance the value of the products and services generated along a market chain, so justifying higher consumer sale prices.

How to intervene in market chains

Stimulating positive market chain collaboration from the outside is a tricky issue. Market chain actors com- pete with regard to price and quality in their day-to- day business, which apparently inhibits the develop- ment of trust and concerted action.

New methodology to stimulate collaboration

The Participatory Market Chain Approach presented in this user guide provides guidelines for R&D organiza- tions confronted with the question of how to effective- ly intervene in market chains. Based on a three-phase process, PMCA aims to foster the market access of small-scale farmers by generating fruitful collaboration among the different market chain actors. This should help to reverse the declining spiral of competitivity we mentioned above and provide a basis for sustainable rural development

The purpose of this knowledge product

The main objective of this guide is to present the Participatory Market Chain Approach (PMCA), which aims to stimulate market chain innovations by involv- ing different stakeholders within a well-structured and demand-oriented process.
By presenting both theory and practice, this guide should enable the leaders to apply the PMCA method in the specific context in which they are working.

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GSDM Professionnels de l'Agroécologie
SYMABIO SYNDICAT MALGACHE DE L'AGRICULTURE BIOLOGIQUE

INTRODUCTION

What if rural farmers, traders, processors, and researchers could work together to open new markets, build trust, and innovate?

The Participatory Market Chain Approach (PMCA) makes this possible.
It's a flexible, step-by-step process that connects people across the market chain — from producers to consumers to identify opportunities and turn them into innovations.

What is PMCA?

PMCA is:

- Participatory — engaging all relevant stakeholders in decision-making.
- Market Chain-oriented — linking every step from farm to consumer.
- An Approach — a structured framework adaptable to any commodity or context.

The PMCA fills a methodological gap. It is an instrument for facilitating change in market chains that lack coordination, creating an environment that fosters interaction among market chain actors, promotes mutual learning and trust and stimulates shared innovations.
Such an innovation process should create a "virtu- ous circle" that improves the development environment of rural areas, increasing the competitiveness not only of the market chain but also of the communities and producers, who benefit from improved access to markets, contacts and infor- mation (see Figure 1).

What it delivers:

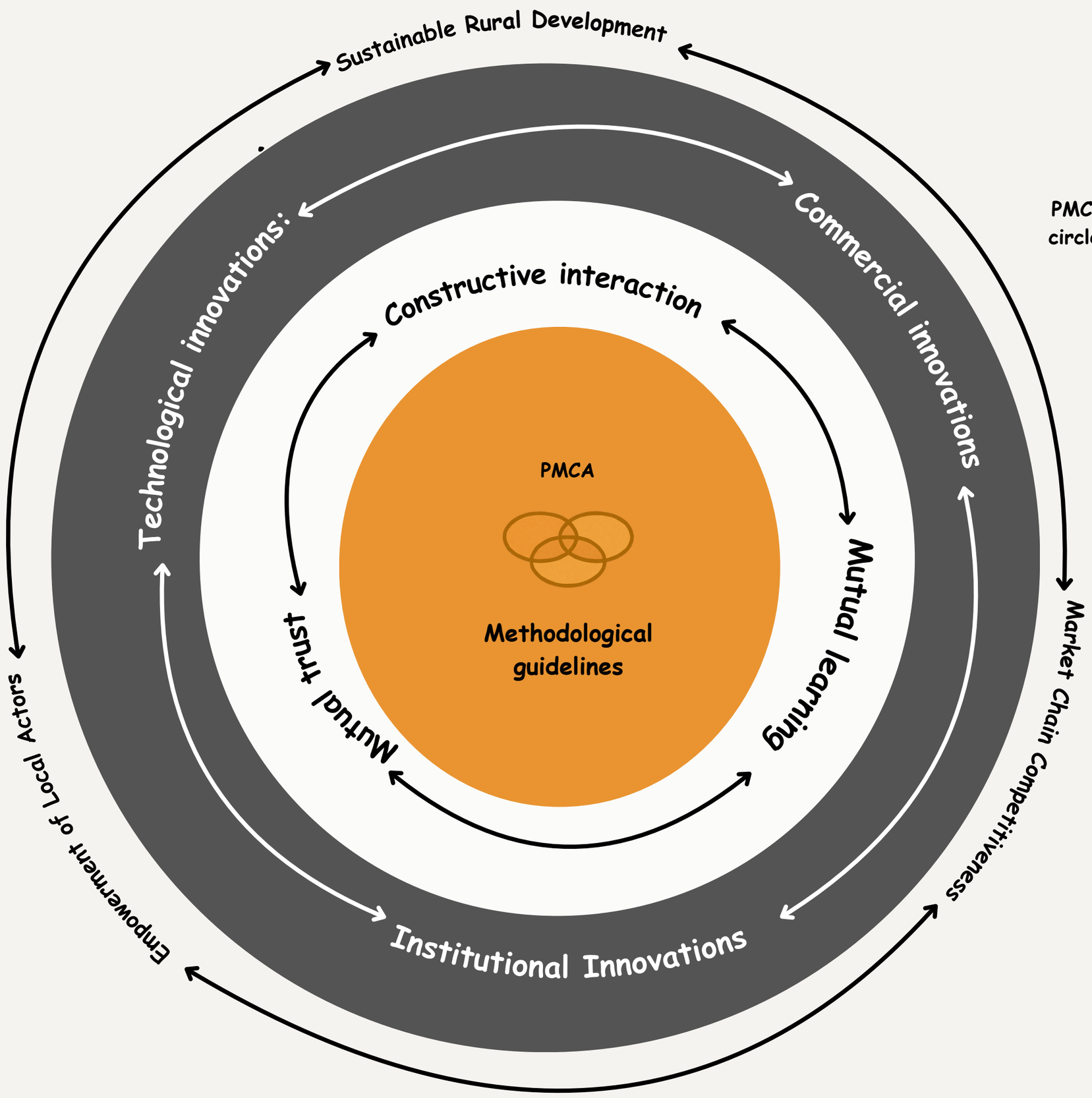


Figure 1 left:
PMCA creates a virtuous circle for enhancing rural development

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Commercial innovations: It involve the creation of new products and services. They don't need to be entirely new (i.e., something that has never been seen before). Rather, their novelty may be attrib- uted to a new processing idea or simply a novel package design.

Technological innovations involve the imple- mentation of new technologies or the application of new practices. From the perspective of the user, however, it may mean that existing technologies or practices are simply adapted and adopted in a new context.

Institutional innovations are new ways of interact- ing or collaborating. These can be formal or infor- mal in character. In practice, they might involve the reinforcement of mutual obligations (e.g. contract agriculture) or the constitution of legally recognized organizations (e.g. an association of market chain actors).

Why PMCA?

Rural producers often face:

- Low competitiveness and poor market access.
- High transaction costs and low bargaining power.
- Mistrust between producers, traders, processors, and service providers.

PMCA changes this by:

- Building trust (internal and external) among market actors.
- Creating a virtuous circle for rural development (see Figure 1 above).
- Turning shared interests into concrete opportunities.
- Empowering marginalized groups, including women and youth.

Benefits:
Reduced costs, better product quality, and higher prices.
Increased market opportunities and long-term relationships.

How PMCA Works: Three phases

Design of the three-phase process

The PMCA involves market chain actors in a well-struc- tured and well-led participatory R&D process that aims to:
(1) identify,
(2) analyze and
(3) put in practice new joint innovations.

During this process, PMCA is used to try and gradu- ally increase the level of (1) interest, (2) trust and (3) collaboration among the market chain actors involved.

In order to empower market chain actors and ensure that they develop ownership of the innovations gener- ated, the role of the R&D organization applying PMCA should progressively shift from (1) leadership, towards (2) facilitation and finally (3) backstopping.

PMCA has three explicit phases addressing each objective that systematically promote this shift in roles. Each phase has a clear general objective and its own logic, although specific activities in each phase vary as needs dictate (see Figure 2).

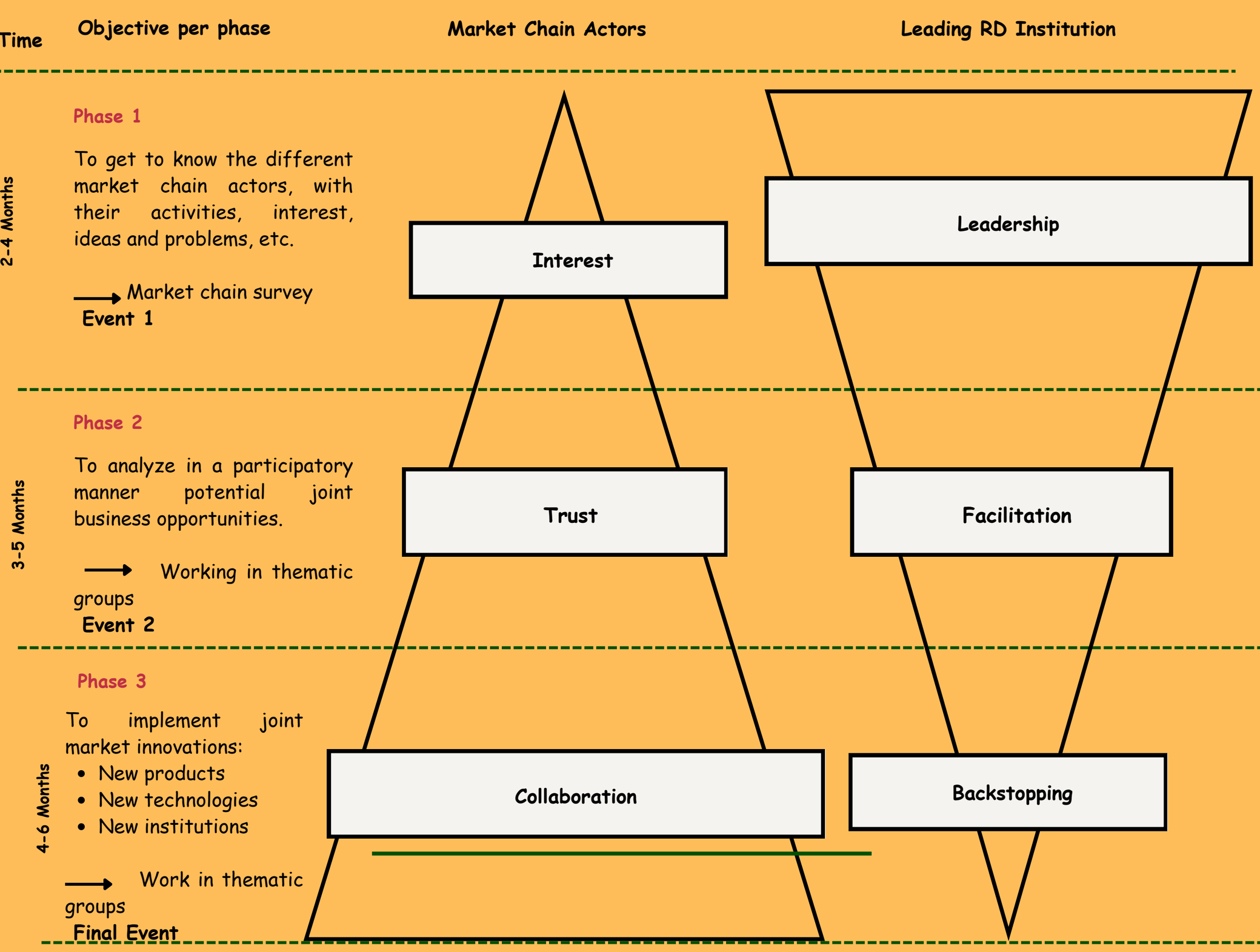


Figure 2: Structure and objectives of the three phases of the PMCA

Phase 1: Getting to Know the Market Chain

Goal: Understand actors, relationships, and opportunities.

Key activities:

- Rapid assessment — interviews with 20–40 actors across the chain.
- Identify bottlenecks and opportunities.
- Form thematic groups based on shared interests.
- Hold final event to share findings and set focus.

Tools:

- Impact Filter
- Market Chain Sketch
- Outcome: Clear understanding of the chain and 2–3 themes for deeper exploration.
- Visual: Simplified diagram of "Phase 1" from Figure 2.

Phase 2: Analyzing Opportunities

Goal: Study selected opportunities in detail with stakeholders.

Key activities:

- Market appraisals, focus groups, business plan drafting.
- Identify feasibility, market potential, and value addition.
- Strengthen trust and commitment within thematic groups.
- Mid-process event to present findings and invite new actors.

Outcome: Agreed-upon, viable innovations ready for piloting.

Tools:

- Rapid Market Appraisal
- Quantitative Market Study
- Focus Groups
- Marketing Concept Development
- Business Plan

Phase 3: Implementing Innovations

Goal: Turn selected opportunities into real innovations.

Key activities:

- Pilot and launch new products, services, or institutional arrangements.
- Showcase results at a final event.
- Gradually transfer leadership from R&D facilitators to market actors.

Outcome:

- Market actors take ownership of innovations.
- Sustainable collaborations continue beyond the project.

Principle: The R&D organization steps back to a support role — without replacing the private sector.

Follow-up: Consolidation of innovations

Defining the new role for the R&D organization

PMCA ends with the final large event of Phase 3. At this point, full responsibility for the innovations created is transferred to the market chain actors, who must take the reins and capitalize on them in the "real world". At the same time, the R&D organization which facilitated the PMCA process must distance itself from any commercial responsibility.
This, however, does not mean that the R&D or- ganization cannot continue to provide support. On the contrary, in most cases follow-up activities will be essential, though they must be conducted within a new institutional setting, where the R&D organization responds to specific demands from partners. Thus, the R&D organization should plan its new interventions very carefully, so it confirms and does not question the market chain actors' ownership of the innovations obtained! In this sense, the R&D organization's new role must be one of a service provider, responding only to demands made by the market chain actors.

Providing different types of support

The type of support required from the R&D organiza- tion will depend on the specific needs that arise at the end of each PMCA application. In general, market chain actors dealing with institutional and technological innovations might require more support to help consoli- date and diffuse those innovations, while commercial innovations might require only short-term support

Building capacity for new opportunities

A special concern of PMCA follow-up activities relates to capacity development. Since the innovations developed during PMCA imply changes in the way that things are done, learning must continue to support the innovation process and make changes sustainable. Capacity building might be needed at different levels of the market chain – to address specific bottlenecks in production, storage, processing, commercialization and consumption.
Capacity building is particularly necessary in critical areas that require concerted action across the market chain, for example with production quality, technology use and develop- ing associated organizations

Capitalizing on new contacts

Once the PMCA process has ended, the R&D organi- zation should follow up certain activities to maintain the good contacts that have been established. If the different new relationships are not used, the new social capital will diminish and could be los. From the perspective of the R&D organization, it is especially interesting to invest in collaborative activities with complementary partners that have different goals and resources. In such partnerships, extraordinary results can be expected, where trust built with PMCA catalyzes new initiatives (i.e. through low transaction costs). In the long term, this collaboration process builds social capital that favor cooperation between all the actors involved and enhances the competitiveness of the market chain and the rural areas linked to it.

CONCLUSION

The Participatory Market Chain Approach is more than a tool for building better markets, it's a pathway to fairer, more **inclusive economies**. By deliberately involving women, men, and youth at every stage, PMCA helps to unlock the full potential of rural communities. When women have equal voice and leadership, markets become more innovative, households more resilient, and benefits more widely shared.
True market transformation happens when economic opportunities go hand-in-hand with social change — where gender barriers are dismantled, decision-making is shared, and all actors are valued for their contributions. PMCA makes this possible by fostering trust, collaboration, and equitable access to resources and opportunities. An inclusive market chain is not only fairer, it is stronger, more competitive, and more sustainable.