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How can a "market facilitation"
approach make progress toward
financial inclusion outcomes?

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Key Concepts in Market Facilitation

- Focus on a **market system**
    - the interaction of actors performing multiple functions at all levels of the market (e.g., providing or consuming financial services, performing market oversight, setting policy)
- Consisting of **market actors**
    - Organizations or individuals that have a role in the market system (e.g., consumers, financial institutions, technology providers, regulators, consumer advocacy groups)
- Designed to achieve **systemic change**
    - a change in the underlying dynamics or structure of a market system that is significant in scale, sustainable, and resilient. This occurs if market actors beyond those directly involved with donor program change or adopt a new behavior
- By employing **facilitation**
    - an intervention approach that works through market actors to identify systemic barriers to financial inclusion in order to change incentive structures, rules, and norms that enable market actors to perform their functions more effectively
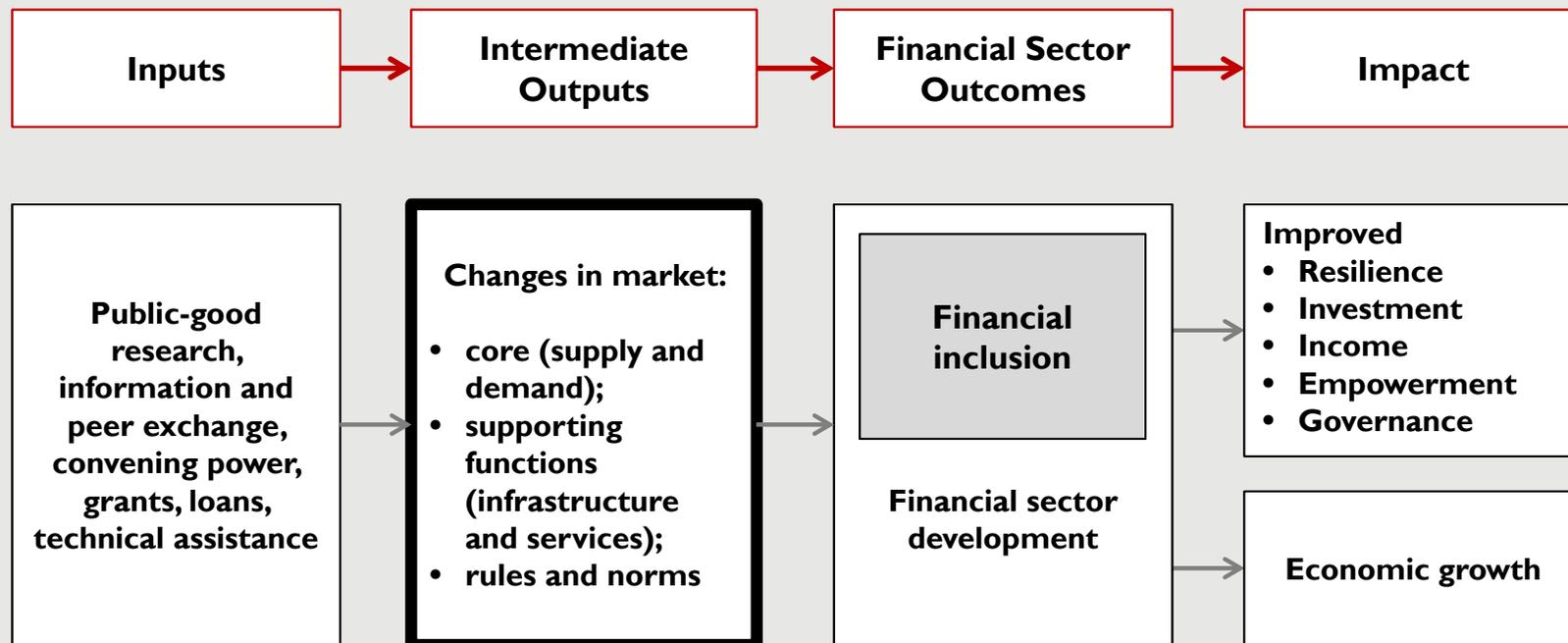
Key Tenets of
Market Facilitation

- Informed by deep understanding of incentives for and barriers to financial inclusion outcomes

- Ability to look beyond specific market actors to system dynamics and structures at multiple levels

- Patient donor

- Implementing partner with right skillset (local credibility, entrepreneurial, honest broker)

- Ability to adjust activities (and metrics) to reflect evolving market context

- Focus on contributions to change within the market (showing influence beyond direct partners), instead of linear chains of causation
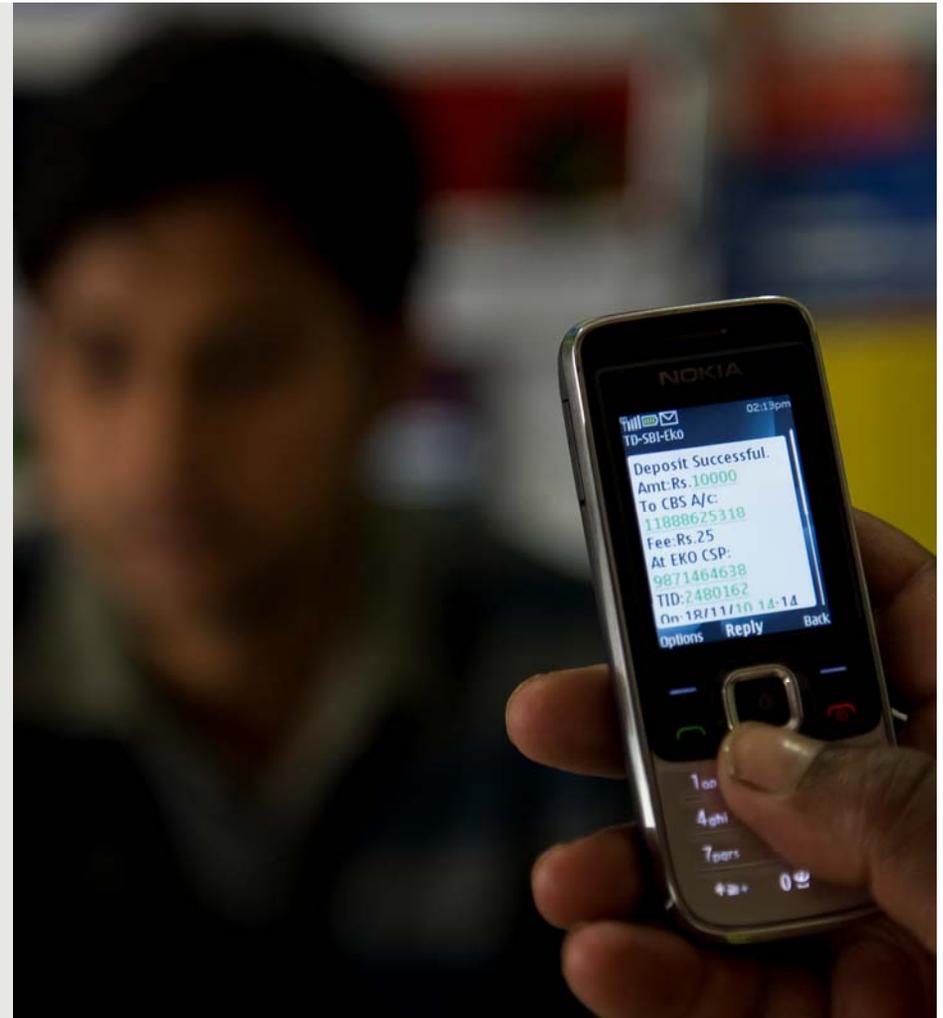
What does a typical theory of change look like for market facilitation in the context of financial inclusion?

Inputs	Intermediate Outputs	Financial Sector Outcomes	Impact

Public-good research, information and peer exchange, convening power, grants, loans, technical assistance

Changes in market:

- core (supply and demand);
- supporting functions (infrastructure and services);
- rules and norms

Financial inclusion

Financial sector development

Improved
- Resilience
- Investment
- Income
- Empowerment
- Governance

Economic growth

Topics to Discuss

- **What market facilitation looks like in practice**

- **What lessons we have learned**

- **What success factors are important to have**