LEARNING AGENDA

Feed the Future Market Systems and Partnerships Activity

July 2021
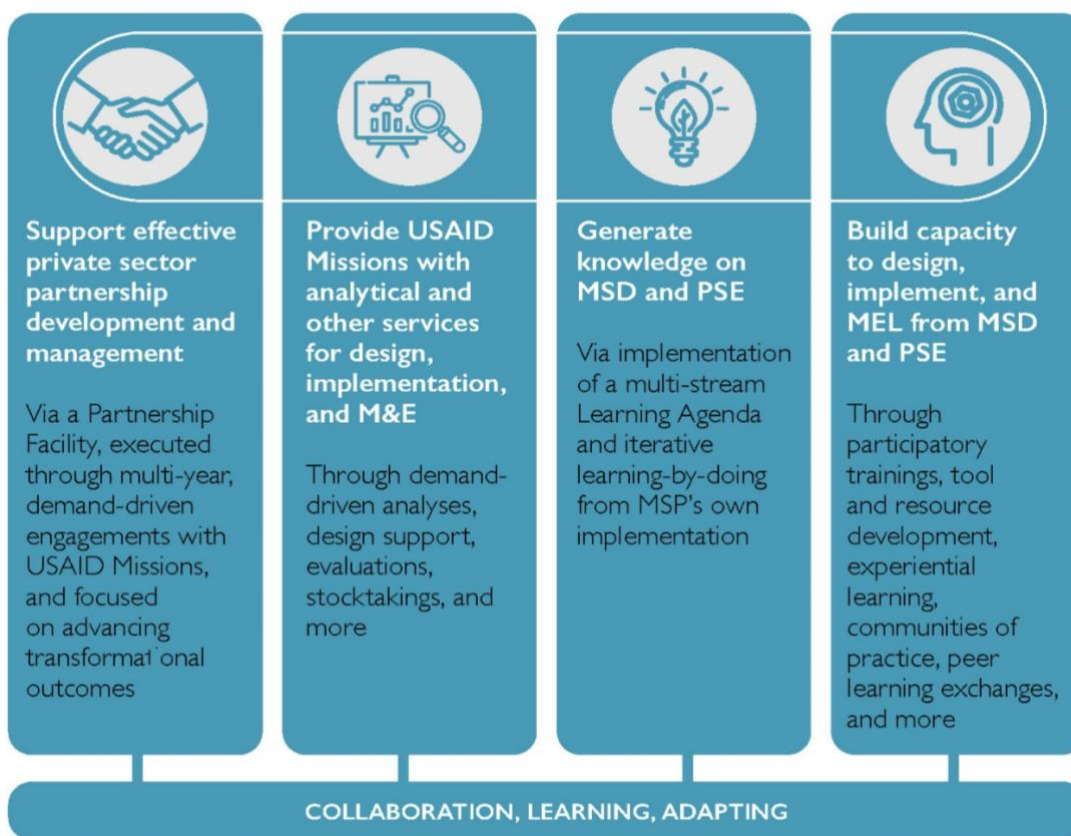
I. Introduction

The [Feed the Future Market Systems and Partnerships Activity (MSP)](#)[1] is a flexible mechanism advancing learning and good practice in market systems development (MSD) and private-sector engagement (PSE) within USAID, USAID's implementing partners, and market actors. Through synergistic implementation of MSP's four objectives (see image) and a highly collaborative, adaptive approach, MSP is supporting USAID to bring about a major cultural and operational transformation by integrating PSE across all activities, and deepening MSD and facilitative approaches across the program cycle.

CORE OBJECTIVES

Support effective private sector partnership development and management	Provide USAID Missions with analytical and other services for design, implementation, and M&E	Generate knowledge on MSD and PSE	Build capacity to design, implement, and MEL from MSD and PSE
Via a Partnership Facility, executed through multi-year, demand-driven engagements with USAID Missions, and focused on advancing transformational outcomes	Through demand-driven analyses, design support, evaluations, stocktakings, and more	Via implementation of a multi-stream Learning Agenda and iterative learning-by-doing from MSP's own implementation	Through participatory trainings, tool and resource development, experiential learning, communities of practice, peer learning exchanges, and more

COLLABORATION, LEARNING, ADAPTING

The **MSP Learning Agenda** provides an overview of MSP's learning priorities and a sample of activities that contribute to MSP's overall goal of advancing learning and good practice in PSE and MSD. It is a living document that establishes the learning priorities for MSP over the course of the Activity, advanced through both targeted learning actions and learning-by-doing in MSP's private sector Partnership Facility and other activities. This Learning Agenda was developed through a series of stakeholder consultations with the MSP consortium of experts and key USAID and implementer PSE and MSD constituents - to get input and buy-in. It will continue to be refined with stakeholder feedback and insights gained during implementation.

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[1] For more information on MSP and to access learning products and other resources, visit www.agrilinks.org/msp.

2. Learning Agenda

The MSP Learning Agenda comprises *Learning Streams*: high level knowledge categories that are likely to remain constant for the life of the Activity; and *Learning Activities*: illustrative actions and products that advance Stream goals. Described more below, there are five Learning Streams: Transformational PSE and Practical Application of MSD are at the core of MSP's mandate; Market Systems Resilience, Social Inclusion, and Monitoring, Evaluation, and Learning are critical priorities that form discrete but complementary streams across PSE and MSD.

In addition to the five Learning Streams, MSP has an intentional focus on learning around promoting the adoption of knowledge and behavior change. To achieve MSP's main objective of facilitating a cultural and operational transformation in mainstreaming PSE and MSD approaches, MSP must go beyond developing learning products that advance the field to facilitating the uptake and application of that knowledge. This requires behavior change of individuals at USAID, implementers, and within the private sector as well as the organizational change needed to incentivize cultural change. MSP is developing a structured, human-centered and systems-informed strategy to drive needed behavior change informed by a segmented learning systems study to better understand the learning incentives and learning systems of our stakeholders (diverse private sector actors from multinational companies to small and medium enterprises, implementing partners, and USAID). This study will inform MSP's approach to adoption and influence across Learning Streams.

2.1 Transformational PSE

The Global Food Security Strategy (GFSS) Technical Guidance for PSE states that "the private sector is at the heart of the market system, and GFSS must focus efforts— through partnership—to align incentives in a way that will sustain growth and benefit-sharing between investors and value chain actors in the system.[2]" Under this stream, MSP will apply USAID's principles of corporate relationship management and systems change to a multi-stakeholder context to encourage the adoption of a more sustainable and inclusive operating model. MSP's strategic goals for this stream are to make PSE more accessible and integrated throughout USAID's portfolio by expanding the diversity of PSE use cases and engagement models; drive strengths-based synergies between PSE and MSD to advance transformational aims; and facilitate a more robust understanding of private sector learning systems. *DAI and TechnoServe provide technical co-leadership for this stream; ISF provides technical leadership of the catalytic finance elements.* Illustrative activities include:

Enhance PSE Opportunity Identification Tool to strengthen transformational impact: To better ground the identification of PSE opportunities in a strategic approach, MSP will develop new analytical tools to be used to inform design of USAID PSE initiatives, and that strengthen connections to leverage points that drive systemic change. This will build the foundation for transformative partnership design across the Agency. MSP is currently developing and piloting a tool for wider application through our Partnership Facility engagements as well as targeted strategic engagement tools with the Center for Nutrition and the Private Sector Engagement Secretariat within USAID's Office of Policy, Analysis and Engagement.

PSE for transformational nutrition outcomes: The private sector can play a transformational role in addressing and sustaining development outcomes in food systems and nutrition. With the Center for

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[2] September 2017, Feed the Future, Global Food Security Technical Guidance for Private Sector Engagement

Nutrition, MSP is developing a guidance document to support Missions in this effort, centered around three pathways: the enabling environment, producer-facing initiatives, and consumer-facing initiatives. This guidance includes a strategic opportunity identification tool to assess the private sector landscape in food systems; partnership archetypes to serve as models for engaging different types of private sector actors within each identified pathway; and case studies that illustrate real life examples. Building on this model of leveraging PSE in newer technical areas, MSP is also developing guidance on tailoring **PSE in fragile contexts,** guidance on using **PSE to adapt to climate change** and others.

Strengthen Practical PSE Tools to Expand Use of and Deepen Existing PSE Strengths: While there have been a wide variety of PSE tools created through the years by USAID, other donors and implementers, the toolkit for 'doing' PSE is not widely known and utilized. This challenges the capacity of expanding good practice in PSE to new areas including MSD. MSP, in collaboration with the PSE Hub and the RFS PSE Secretariat, will facilitate a participatory effort to collect, curate, and pilot tools around several critical areas: (1) supporting USAID and implementers to play a wider range of PSE roles beyond co-funding including convener, facilitator, advocate, and thought leader (e.g. a simple PSE roles decision-matrix and facilitation guide for practitioners); (2) effective co-creation, alliance building, and relationship management (e.g. guidance on best practices, resources, and capacity building tools); and (3) enhancing best practice for PSE across the spectrum of corporate partners from small and growing businesses to multinationals.

2.2 Practical Application of MSD

There is increasing recognition that market-based approaches, particularly the facilitative tactics and systems-change based strategies of MSD, lead to greater sustainable impact at scale. The MSD community has transitioned from the value chain approach to an MSD approach and has developed a robust body of theory on applying systems thinking to the market system. Yet the tools to translate theory into practice have not all kept pace. MSP will build on the broad theoretical base, emerging lessons from application, and existing tools to develop and disseminate practical guidance for operationalizing MSD across a diverse set of users and contexts. This will be closely tied to MSP's capacity building work. MSP's strategic goals for this stream are to demystify MSD; drive uptake of curated MSD frameworks and tools; and expand the MSD 'orbit' beyond its current network of champions. *DAI provides technical leadership of this stream.* Illustrative activities include:

Capturing synergies between PSE and MSD: PSE and MSD are complementary approaches that are key to advancing USAID's interest in market-based practices that deliver sustainable impact at scale. Enhanced learning between the two is critical to advancing their shared transformational aim, but is often challenged by different stakeholder networks, terminology, and incentive structures. To strengthen mutual learning across the two approaches, MSP will use a strengths-based approach, beginning with a foundational brief that explores alignments and differences and offers insights into beneficial synergies between MSD and PSE for improved outcomes. MSP is integrating the mutual learning from PSE and MSD across our portfolio including in such activities as a **peer learning series** of blogs, webinars and briefs that intentionally mix PSE and MSD audiences and a **rapid landscape on the state of PSE in MSD**.

MSD Implementation Tools: While many MSD practitioners are thinking systemically, the community is often still using adapted value chain analysis tools because they are practical, familiar, and easily operationalized. MSP is engaging stakeholders to develop a central repository of curated MSD tools for best practices in the application of MSD. This tool stocktaking will seek peer input from the MSD community to curate tools, incorporating a broad set of tools integrating other learning streams (e.g. Social Inclusion, MEL,

CLA and PSE for MSD). The tool library will be housed on a sustainable web-based platform that will support ongoing community engagement, and adaptation and growth of the tool library. This stocktaking will also identify crucial gaps in the MSD toolkit MSP that MSP will then fill by developing new tools to fill those gaps in collaboration with the implementer community. This will likely include an inclusive market systems analysis toolkit and guidance on how to use these tools to inform strategy and intervention design.

Updated Brief on USAID's Inclusive MSD Framework: As a complementary resource to USAID's influential 2013 framework, MSP will consultatively develop an accompanying brief with a simplified overview of MSD and its core implementation principles. The brief will incorporate the evolution in systems thinking and practical application, with links to current priorities (e.g. resilience, PSE), while using simple English to draw in new, diverse implementers to MSD. This brief will incorporate new visual aids including an infographic of the market systems framework. MSP will conduct a series of webinars to highlight the evolution of the approach and advance the goal to 'de-mystify' MSD and expand the orbit of champions.

Training for USAID on Foundations of MSD: While high quality resources exist for implementers to learn the basics of MSD, USAID Mission-based officers have a specific set of learning needs and are influential agents in MSP's efforts to support USAID to bring about a major cultural and operational transformation. MSP is developing a five-day internal training course to be delivered by USAID staff, primarily to Mission staff. The foundational course will strengthen capacity to operationalize MSD in their daily activities and be strong champions and communicators on the approach and its differentiators.

2.3 Market Systems Resilience

MSP will support strengthened resilience, a core objective of the GFSS, through a focus on MSR, which is the ability of a market system to respond to shocks and stresses in a way that allows consistency and sustainability in the market system's functioning. MSR integrates risk analysis to better understand the economic, political, health, or social risks affecting a market and how a system's structural and behavioral characteristics shape vulnerability and/or response to risk by firms and households in it - in order to design strategies to mitigate the potential future impact. MSP's strategic goals for this stream are to embed MSR as a commonly understood, widely integrated lens into MSD; expand and deepen interest in and practice of MSR; strengthen learning for prove and improve elements of applying MSR; and increase capacity to apply MSR in a variety of expertise and functional levels. *MSP partner EcoVentures International provides technical leadership for this stream*. Illustrative activities include:

Enhanced peer learning networks through MSR Community of Practice (CP): MSP has established an MSR CP to convene implementers, USAID experts and other key stakeholders to facilitate peer learning, engage in future research or tool development, capture learning for broader dissemination, and serve as an ongoing launch point for demand-driven learning efforts within this relatively new area.

Practical Tools for Integrating MSR into MSD and PSE: While some contexts may support more complex, stand-alone MSR analyses, emerging experience suggests that with strategic adjustments layered into existing analyses, design, and M&E and CLA processes, many more MSD programs could embrace MSR frameworks and its influence on sustaining outcomes than currently are. To support broader adoption, MSP will build on practitioner experience to develop and collaboratively field-test a **suite of practical resources** for applying and layering MSR. COVID-19 has also highlighted the importance of adaptive capacities and supply chain resilience for the private sector. MSP will include practical guidance on layering tactics that build firm-level resilience into partnership and other PSE efforts within MSD. Complementary

activities may include an **introductory-level MSR training** with highly stylized (e.g. cartoon-based) practical story narratives, and **video vignettes** to clearly define the "so what?" from different development perspectives, to capture the practice of early MSR adopters and support application and ongoing refinement.

Building evidence on MSR determinants: We need to understand resilience drivers and let that guide interventions. Several MSR frameworks have been developed, with relative convergence on the assumed determinants of MSR (e.g. connectivity, diversity, governance, learning). However, there is not yet consensus on measuring these drivers nor strong evidence on their role in resilience from real-world, context specific, data-driven findings. MSP will draw on MSR CP insights to design research (and assemble it, via for example an *Evidence Summit*) to strengthen the evidence, including distinctions on what is contextual versus common.

2.4 Social Inclusion

Social inclusion is central to USAID's broader goals of pro-poor growth. With market-led approaches like PSE and MSD, even when there is a clear positive impact on economic growth, the link to pro-poor growth may not be as evident. Furthermore, marginalized or disenfranchised populations require explicit inclusion to avoid implicit exclusion from the benefits of MSD and PSE programming. MSP defines inclusion broadly to include all marginalized groups, not just women and youth, where the focus usually resides. MSP's strategic goals for this stream are to increase the evidence base that inclusion leads to increased firm-level competitiveness and that PSE can empower and benefit marginalized populations and drive pro-poor growth; enhance transformational benefits of social inclusion initiatives by addressing biases/norms and how they enable/constrain systemic change; and drive uptake of social inclusion in PSE and MSD. *MSP partner MarketShare Associates provides technical leadership for this stream.* Illustrative activities include:

Build the evidence base for ROI of social inclusion: MSP is analyzing the evidence on the [contribution of social inclusion strategies to ROI](#) for companies and investors in emerging markets. MSP will develop recommendations to fill identified evidence gaps, including engagement with key PSE co-funding mechanisms (e.g. challenge / innovation / partnership Funds). Evidence will support efforts within MSD and PSE to 'build the business case' for inclusion and find shared value. Additional activities may also include piloting (e.g. via field research) the 'flow down' access and agency benefits for women and/or marginalized groups after an ROI has been achieved by companies.

Scaling and sustaining social inclusion: Sustainable initiatives at scale are shared priorities for PSE and MSD but are often seen as trade-offs when promoting social inclusion efforts. MSP will develop case studies and compile guidance on good practices on social inclusion initiatives that are more likely to sustain and scale with the private sector. This may include a diverse sample of cases, ex-post or impact assessments on sustainability, and documenting scaling pathways in order to document the importance of context in designing interventions and achieving socially inclusive outcomes.

PSE Social Inclusion Assessment Tool: Addressing gaps in current tools (e.g. focus on output-level indicators, lack of real-time measurement to adapt partnerships, and limited implementer guidance), MSP will develop, field-test and promote uptake of new tools that aligns business and development best practice on assessing and measuring the effectiveness of social inclusion at the firm and systems level.

2.5 M&E and CLA

There is still skepticism on the efficacy and additionality of PSE and MSD, and a thin body of evidence to prove their assumed benefits of sustainability and scale. In addition, practitioners are still learning on measuring systemic change, adaptive program design and management, and appropriate metrics. MSP's strategic goals for this stream are to validate MSD's influence on scaled, sustainable outcomes; enhance resources for evaluating systemic change and MSD Activity performance; facilitate more consistent application of core MEL for MSD practices and inform and support uptake of enhanced PSE impact metrics. MSP groups M&E and CLA in one Learning Stream to capitalize on synergies between them. *MSP partner MarketShare Associates provides technical leadership for this stream.* Illustrative activities include:

Ex-Post Studies for MSD and PSE: MSP is designing a series of ex-post studies that apply a consistent evaluation framework to build the evidence base across a portfolio of MSD Activities, assessing the scale and durability of outcome trajectories as a result of targeted systemic changes. MSP will also explore ex-post studies of PSE Activities, and draw out synergistic themes between MSD and PSE in any ex-posts, as well as layering in social inclusion considerations.

MSD Metrics Clinics & Networks for MEL Specialists: Tailored, intensive MEL is core to effective MSD. Yet while there are pockets of disparate innovation taking place, cross-project networks for ongoing peer learning and innovation spread are weak, especially moving beyond independent evaluators to project-level MEL specialists – an oft-overlooked audience group. MSP will develop a series of user-friendly, practice-oriented briefs around key MEL themes, through convening a series of participatory MEL in MSD 'clinics' to collaboratively harvest and document insights, tactics, and persistent challenges from MEL specialists. Themes may include systems-based theories of change, approaches to monitoring systems change, finding shared value in data with private sector partners, and standard and custom performance, sentinel, and context indicators. This effort will involve significant harvesting of real-world examples with sample survey questions, analysis frameworks, and perceptions of what ultimately proved useful for adaptive management and sensing progress towards systems change and other objectives (e.g. social inclusion). This initiative may evolve to dive more deeply into identified gaps (e.g. monitoring systemic change).

Beyond Leverage, Evolving Metrics for PSE: MSP will support USAID's PSE Hub in piloting monitoring tools that measure PSE's impact more meaningfully than "dollar value leveraged," including piloting with MSP's own Partnership Facility. This could include USAID's upcoming PSE Indicator Handbook, the Relationship Health Scorecard, and using business indicators as proxies for development results.