



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



Using mangoes sourced from smallholders (mostly women), this is the first harvest exported from MSP partner AfriFruta's expanded fruit washing line in its factory based in Inhambane Province, Mozambique.

Photo Credit: AfriFruta

MARKET SYSTEMS AND PARTNERSHIPS (MSP) ACTIVITY SEMIANNUAL REPORT

Reporting Period October 1, 2022 – March 31, 2023



USAID
FROM THE AMERICAN PEOPLE

Submitted on: April 15, 2023

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TABLE OF CONTENTS

Executive Summary **04**

About MSP **06**

Technical Implementation:

Objective 1:
Private Sector Partnerships **08**

Objective 2:
Services for Design, Implementation, and M&E **19**

Objective 3:
Generating Knowledge on MSD and PSE **24**

Objective 4:
Capacity Strengthening **29**

Project Management:

Project Management & Operations **31**

Reflections on Challenges and Continual Improvement **32**

Indicator Performance Table **34**

Annex:

Spotlights on New Private Sector Partnerships Signed this Period **37**

Executive Summary

The Feed the Future Market Systems and Partnerships (MSP) Activity is advancing learning and good practice on market systems development (MSD) and private sector engagement (PSE) within USAID, USAID's implementing partners, and market actors. This period (October 1, 2022 – March 31, 2023), MSP:

- **Nearly doubled our portfolio of private sector partnerships with five new awards** (four in January and February 2023, and one in November 2022), including MSP's **first award in Solomon Islands**, where we are co-investing with Commodity Corporation (C-Corp) to strengthen the country's cocoa industry and opportunities for smallholder farmers to participate in and capture benefits from that growth. MSP now has **11 active awards valued at \$7.1 million and spanning eight countries**. See Page 13 for an overview of all 11, and Annex 1 for spotlights on the five new awards in Cambodia, Solomon Islands, and Mozambique. This period also marked an intensive period of co-development with 19 firms across six partnership facilities (Democratic Republic of Congo Access, Asia Care Economy, Food Loss and Waste, Mozambique, Southern Africa, and Solomon Islands)—of which two firms are now in the final stages of award negotiation. In October and November, MSP also engaged in its first rounds of in-person co-development sessions in Cambodia and Solomon Islands.
- MSP's first set of six private sector partners completed their first full year of implementation—the halfway mark for most—and the pace of results is accelerating. **Partners have invested \$5 million** to date towards the partnership goals, and reported **\$141,027** in sales, the biggest tranche yet, which includes mangoes exported by AfriFruta in Mozambique to South Africa, and sales of raw honey by beekeepers in Zambia to Nature's Nectar, which in turn, exported processed honey to South Africa. For both AfriFruta and Nature's Nectar, their MSP-supported investments in improved processing lines have not only enabled these sales, but distinguished them in the local market. AfriFruta fared better than competitors during a particularly heavy rainy season thanks to their fresh fruit treatment line that prevented mold, and Nature's Nectar is setting a new standard for honey processing in the region thanks to new, advanced machinery that other processors have taken an interest in.

KEY RESULTS TO DATE



34,941 Individuals
Accessing Resources on MSD and
PSE Good Practice and Learning



38 Learning Products
Developed



324 Collaborators from
USAID, Implementing Partners,
and the Private Sector Bringing
Diverse Perspectives



11 Partnerships Across 8
Countries,
Leveraging **\$5 million**



15 Countries with "On the Ground"
Implementation



\$16 million
Combined Funding Committed for
Private Sector Partnerships



22 Buy-ins (45% USAID/Washington,
55% Missions)

- **Harvested emerging learning in co-development** (see Page 16) through internal reflective exercises and partnership implementation through a **second round of technical touchpoint exercises**, including discussion around how partners pivoted to refine their business models based on learning over the past year (e.g., shifts in the frequency and timing of payment tranches to minimize side selling or tweaking the structures for community engagement and buyer-supplier communication). In March, MSP also published a [Partnership Lookbook](#) to tell the story of our Partnership Facility and produced a [brief documenting MSP's approach to gender lens investing](#)—the first in a series on “how MSP does PSE.” MSP also prepared to facilitate its **first partner peer exchange**, scheduled in April for partners across southern Africa, focused on shared challenges and peer tips in exporting to South Africa and the U.S.—a core objective of the southern Africa partnerships facility.
- Finalized **nine new learning products** that advance learning and good practice across MSP's Learning Agenda—more than doubling the number of resources available a year ago. This includes a [Women-Inclusive Return on Investment \(WI-ROI\) Framework](#), [Shifting the Locus of Learning: Catalyzing Learning in the Private Sector to Drive Systemic Change](#), and [Using an MSR Lens to Support Household Resilience](#), the fifth in our Market Systems and Resilience (MSR) series. (Spotlight 7, 6, and 9 respectively).
- Significantly expanded MSP resource-users over the past six months with the **number of individuals accessing MSP resources growing by 46% to 34,941**. This was advanced through interactive meetings (e.g., two MSR Community of Practice meetings, a WI-ROI webinar); in-person workshops in Washington (for the WI-ROI launch) as well as Lusaka and Abuja (validating pilots of guidance on PSE for large-scale food fortification); and growing online engagement (e.g., unique visitors to MSP resources on Agrilinks, Marketlinks, and BEAM Exchange). To enhance engagement with stakeholders, [MSP also rolled out a new platform on LinkedIn](#).
- Launched several new strategic engagements, including: 1) collaborating with USAID's PSE Hub to **refine and pilot its Mission Capacity Index** (Spotlight 1)—a core element of the Agency's [PSE Modernize](#) initiative, 2) supporting USAID's Bureau for Global Health to develop a **training on market development for health systems**, and 3) initiating **four evaluations** with primary research across eight countries; three of these evaluations have an explicit focus on assessing systems change (Spotlight 2).
- **Continued expanding stakeholder collaboration**, engaging with **96 new** stakeholders for a total of **324 unique collaborators to date**—more than double the consultations completed compared to this time last year—through consultative feedback sessions, technical advisory committees, peer review, and case study capture.
- Started **two new buy-ins**, the Mozambique Partnerships Facility and the Mali Finance Assessment, for a **total to date of 22 across 18 clients**.
- Based on MSP's semiannual client satisfaction survey, consistently maintained quality delivery despite the challenges of executing a rapid scale up in volume and diversity of engagements in addition to more than doubling the number of buy-ins over the course of the last year. MSP also expanded into several new geographies of implementation and onboarded five new subcontractors to support delivery. Our average client satisfaction score went up this period, and **95% agreed or strongly agreed** that MSP demonstrated flexibility and adaptiveness in response to changing needs, information, or learning during implementation. Recognizing the strong, continued demand for MSP's services, and addition of supplemental funding, **MSP's performance period was extended by one year to June 2026**, and its ceiling increased to almost \$80 million.

ACTIVITY OVERVIEW



A busy marketplace in Haiti illustrates the complexity of market systems.

Photo Credit: DAI Global

About MSP

The USAID-funded **Feed the Future Market Systems and Partnerships (MSP)** Activity is advancing learning and good practice on market systems development (MSD) and private sector engagement (PSE) within USAID, USAID's implementers, and market actors. MSP provides and improves upon the evidence, capacity, tools, technical assistance, and services required to design, implement, monitor, and evaluate activities that lead to inclusive and resilient agriculture-led economic growth, improved food security and nutrition, and increased incomes for the poor.

MSP supports USAID **to bring about a major cultural and operational transformation** by integrating PSE across all activities while deepening MSD and facilitative approaches across the program cycle. The prime implementer of MSP is **DAI**, with core consortium partners **ISF Advisors, MarketShare Associates (MSA), TechnoServe, and Vikāra Institute** (formerly EcoVentures International). MSP also benefits from valuable collaborations with local partners, strategic technical advisors, industry peers, private sector partners, and other donors supporting MSP in achieving our objectives. This includes MSP's subcontractors: Abt Associates, ACDI/VOCA, Business for Social Responsibility (BSR), Canopy Lab, Sofala, The Springfield Centre, Wellspring, William Davidson Institute at the University of Michigan (WDI), Just Results LLC, and Open Capital Group.

MSP is guided by a [Learning Agenda](#) (see adjoining image) with five key Learning Streams (priority areas). Established in Year 1 through a highly consultative process, the Learning Agenda is a living document. All MSP activities across its four objectives (see next page) are aligned with and contribute to the Learning Agenda.

MSP'S LEARNING AGENDA



MSP Core Objectives



Support effective private sector partnership development and management

Via a Partnership Facility, executed through multi-year, demand-driven engagements with USAID Missions, and focused on advancing transformational outcomes



Provide USAID Missions with analytical and other services for design, implementation, and M&E

Through demand-driven analyses, design support, evaluations, stocktakings, and more



Generate knowledge on MSD and PSE

Via implementation of a multi-stream Learning Agenda and iterative learning-by-doing from MSP's own implementation



Strengthen capacity to design, implement, and learn from MSD and PSE

Through participatory trainings, tool and resource development, experiential learning, communities of practice, peer learning exchanges, and more

COLLABORATION, LEARNING, ADAPTING



OBJECTIVE 1: PRIVATE SECTOR PARTNERSHIPS

FEATURES OF MSP'S PARTNERSHIP APPROACH

MSP's Partnership Facility selects concepts based on the strength of five core factors: business concept, development impact, sustainability, scale, and funding justification (additionality). Our overall approach to partnering throughout a partnership life cycle focuses on:

- **Prioritizing upfront strategic outreach** so that MSP can attract the most impactful partner or coalition of partners and on the most strategic activities that can drive systemic impact.
- **Deciding to engage only when MSP's additionality is projected**, where MSP's involvement is critical to unlocking market-based solutions.
- **Drawing on relationship management practices** to steward partnerships, foster relationship health, as well as prompt ongoing, partner-led learning that informs decision-making.
- **Creating connections between the partner firm and other USAID projects and resources in-country** to broker fair and productive relationships between market actors that will bring sustained benefit to target populations.
- **Using partnerships as live case studies to shine a light on barriers in the broader environment, constraining private sector involvement and investment in a sector**, so USAID and its ecosystem of actors can foster the conditions necessary for the focus investment or business practice—and others of its kind—to endure (and even scale) beyond the life of the MSP partnership.
- **Integrating gender** in partnership design and implementation to empower women as suppliers, business leaders, customers, and employees.



A snapshot of Leang Leng's factory in Cambodia where workers are producing tomato and chili sauce. Leang Leng is one of MSP's five private sector partners in Cambodia.

MSP'S PARTNERSHIP FACILITY: BUY-IN SNAPSHOT

Southern Africa Partnerships

USAID/Southern Africa Regional

Technical Focus

Increase agricultural trade, investment, and exports



Details

Current Fund: \$5.1 million over 2 years; Awarded to Date: \$3 million

Status

5 partnerships in implementation across Rounds 1 and 2; 2 firms pending award

Cambodia Partnerships

USAID/Cambodia

Technical Focus

Cold chain, logistics, transport, and expanding agribusiness trade



Details

Current Fund: \$3.5 million over 2 years; Awarded to Date: \$3.5 million

Status

5 partnerships in implementation across Rounds 1 and 2

Solomon Islands-SCALE (SI-SCALE) Partnerships

USAID/Philippines

Technical Focus

Increase product quality, improved value addition of agricultural products



Details

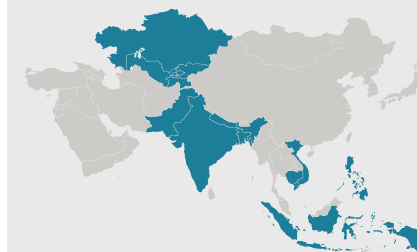
Current Fund: Up to \$2 million over 2 years; Awarded to Date: \$500,000

Status

1 partnership in implementation; 3 firms in co-development

Asia Care Economy (ACE) Partnerships

USAID/Bureau for Asia



Technical Focus

Support the care economy through technologies or services that reduce the burden of care

Details

Current Fund: \$400k over 2 years

Status

2 firms in co-development

DRC Access Partnerships

USAID/DRC

Technical Focus

Support agricultural-led economic growth within the agricultural, financial, or renewable energy sectors



Details

Current Fund: \$3 million over 2 years

Status

5 firms in co-development

Mozambique Partnerships

USAID/Mozambique

Technical Focus

Increase the uptake and scale of innovations to improve the resiliency of the Mozambican agriculture sector



Details

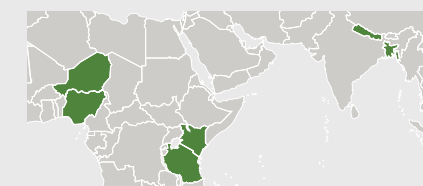
Current Fund: \$1.17 million over 2 years

Status

4 firms in co-development

Food Loss and Waste (FLW) Partnerships

USAID/RFS/Center for Nutrition



Technical Focus

Increase uptake and scale of FLW solutions; build food and nutrition security

Details

Current Fund: \$1 million

Status

3 firms in co-development

MSP has signed partnerships with 11 firms in the Southern Africa, Cambodia, and Solomon Islands Facilities. MSP is developing partnerships with partners in the other facilities.

PROGRESS THIS PERIOD

MSP facilitates private sector partnerships that create shared value from the alignment of core business objectives and development goals. This period, MSP saw significant progress during all partnership stages—from solicitation, evaluation, co-development, signature, and approval to implementation.

Over the past six months, MSP **signed five new partnership agreements** with a total value of approximately \$3.2 million (see Annex 1 for more on these partnerships). This **nearly doubles the number of partnerships in implementation, with 11 active awards valued at \$7.1 million and spanning 8 countries**. Page 13 provides a snapshot of all current MSP partnerships, and Page 15 includes notable highlights from partnerships underway, such as expanding smallholder engagement in inclusive supply chains in Zambia (260 Brands) and Cambodia (Amru Rice). In addition this period, MSP's first set of six partners completed a full year of implementation and most are now in the final year of their two-year partnerships.

This period, MSP launched one new solicitation (Mozambique), finalized the selection process under four partnership facilities (DRC Access, ACE, FLW, and Mozambique), and initiated co-development with 14 potential new partners across the four opportunities, spanning six countries—Bangladesh, Democratic Republic of Congo (DRC), Kenya, Mozambique, Pakistan, and Tanzania. As of March 31, 2023, MSP has **19 potential partnerships in stages of co-development and final award negotiation**. See Page 9 for more on the eight windows of MSP's global Partnership Facility and Page 16 for more on MSP's approaches to co-development and our key emerging lessons. As new awards are finalized over the next several months, MSP will more than double the value of its private sector partnerships to approximately \$17 million.

The bullets below **spotlight co-development**, and Page 16 summarizes some of the key insights MSP has gained in co-development, which will be applied as this intense period of co-development continues during the next six months.

- Under the Southern Africa Regional Facility, partnerships in **Mozambique** will facilitate increased exports to South Africa and the U.S. while strengthening smallholder farmers' capacity and improving their livelihoods, developing new commercially competitive product lines, implementing regenerative farming practices, and contributing to the care economy. This period, MSP launched implementation with Condor Anacardium (more on Page 42) for a total of five awards under this buy-in; MSP is moving towards finalizing awards with two other partners.



MSP's partner, BRM Agro, is an integrated rice farm and rice milling company that grows, dries, and mills premium, fragrant rice varieties for export and domestic sale.

Photo Credit: BRM Agro

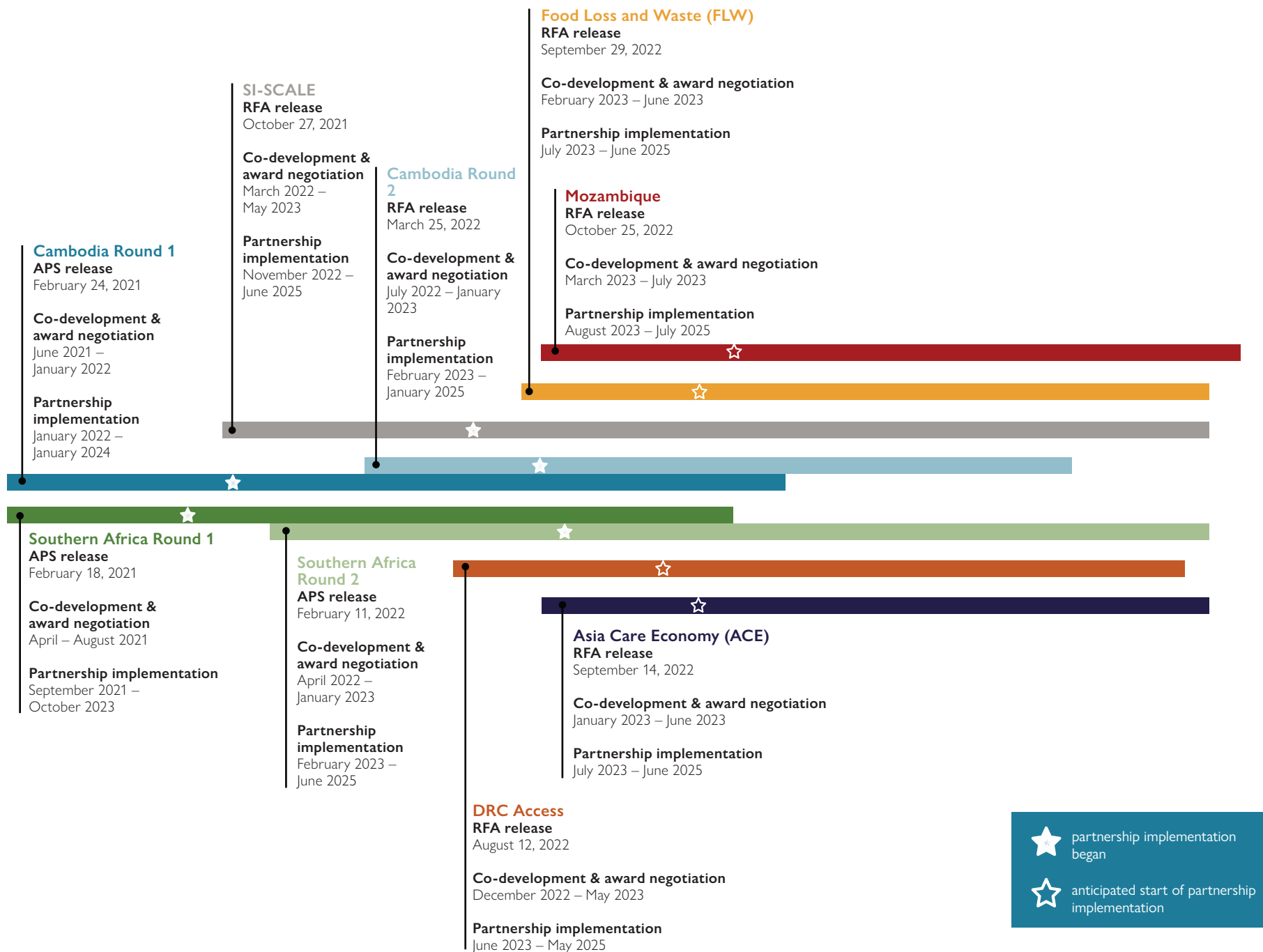


Cocoa seedlings from MSP's partner, Commodity Corporation (C-Corp), a cocoa exporter and chocolate manufacturer which sources high-quality cocoa beans from Solomon Islands.

Photo Credit: C-Corp

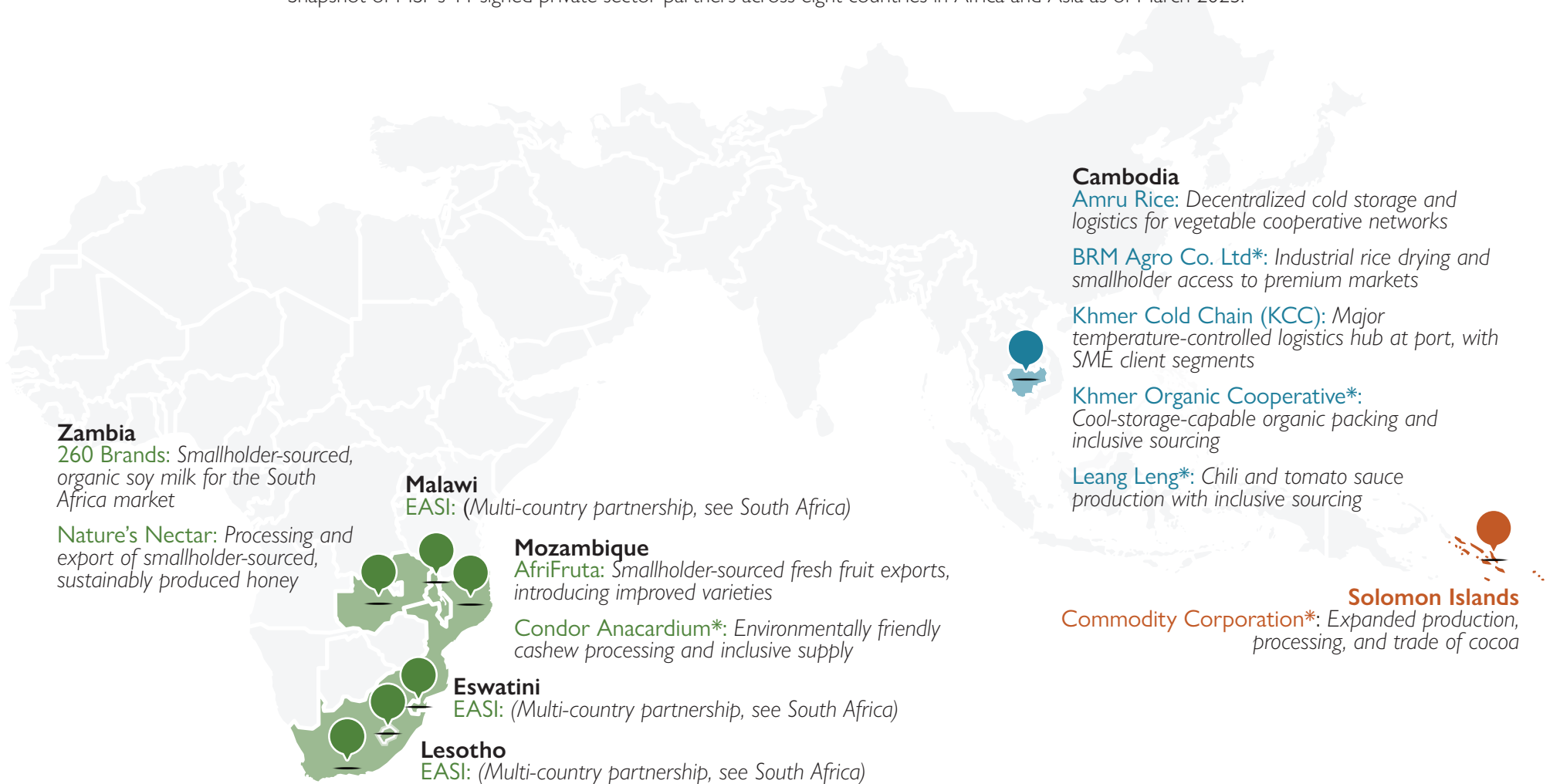
- In **Solomon Islands**, partnerships will bring innovation to the local kava, coconut, and cocoa sectors. In January, MSP signed a partnership with Commodity Corp Group (C-Corp; more on Page 41) and is finalizing co-development with three other companies.
- In **Cambodia**, partnerships will test and promote innovative solutions that spur agricultural investments, boost incomes for agricultural workers, foster improvements in cold chain and logistics, expand agribusiness trade, and increase high quality and safe Cambodian agricultural products in cold chain, logistics, and transport, for improved food safety. During the period, MSP completed co-development and signed awards with BRM Agro Co. Ltd., Khmer Organic Cooperative (KOC), and Leang Leng Enterprise (More on Pages 38, 39, and 40)—for a total of five partnerships underway in Cambodia.
- Under **ACE**, partnerships will support the care economy through technologies or services that reduce the burden of care in **Bangladesh and Pakistan**. MSP began co-development with two partners this period.
- In **DRC**, partnerships will support agricultural-led economic growth focused on the agricultural, financial, and renewable energy sectors. MSP is in the early stages of co-development with five partners.
- Under **FLW**, partnerships in **Kenya and Tanzania** will pilot innovations that increase the uptake and scale of FLW solutions, build food and nutrition security, foster the creation of circular economy systems, reduce methane and other greenhouse gas emissions, and build focus countries' overall agricultural competitiveness and resilience. MSP began co-development with three partners.
- In **Mozambique**, partnerships will increase the uptake and scale of solutions and innovations to improve the resiliency of the Mozambican agriculture sector through building systems capacity to manage future shocks and stressors, reducing FLW, and promoting investments in agricultural capacity from last-mile distribution to food safety standards. MSP is in co-development with four partners.

MSP'S PARTNERSHIP FACILITY: A TIMELINE



PARTNERS BY COUNTRY

Snapshot of MSP's 11 signed private sector partners across eight countries in Africa and Asia as of March 2023.



Zambia
260 Brands: Smallholder-sourced, organic soy milk for the South Africa market

Nature's Nectar: Processing and export of smallholder-sourced, sustainably produced honey

Malawi
EASI: (Multi-country partnership, see South Africa)

Mozambique
AfriFruta: Smallholder-sourced fresh fruit exports, introducing improved varieties

Condor Anacardium*: Environmentally friendly cashew processing and inclusive supply

Eswatini
EASI: (Multi-country partnership, see South Africa)

Lesotho
EASI: (Multi-country partnership, see South Africa)

South Africa
European African Seed Initiative (EASI): Last mile extension, smallholder seed production, and distribution of micro-packaged seeds

Cambodia
Amru Rice: Decentralized cold storage and logistics for vegetable cooperative networks
BRM Agro Co. Ltd*: Industrial rice drying and smallholder access to premium markets
Khmer Cold Chain (KCC): Major temperature-controlled logistics hub at port, with SME client segments
Khmer Organic Cooperative*: Cool-storage-capable organic packing and inclusive sourcing
Leang Leng*: Chili and tomato sauce production with inclusive sourcing

Solomon Islands
Commodity Corporation*: Expanded production, processing, and trade of cocoa

Partnership Facilities

- USAID/Southern Africa Regional: Southern Africa Partnerships
- USAID/Cambodia: Cambodia Partnerships
- USAID/Philippines: SI-SCALE Partnerships

* New partners signed this period

MSP'S PARTNERSHIP FACILITY: ANTICIPATED RESULTS

29



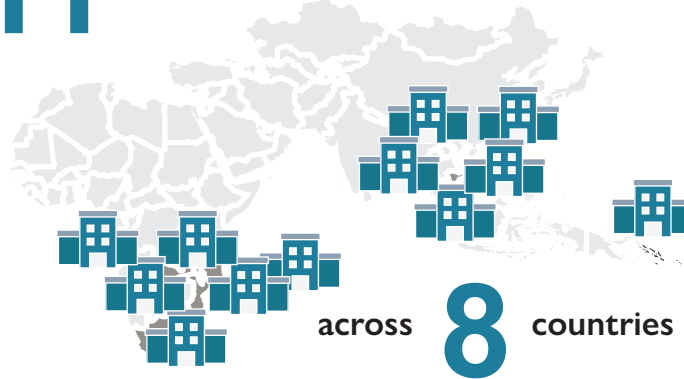
technologies, practices, and business models co-invested in



to drive innovation

11

private sector partners



across 8 countries

\$10

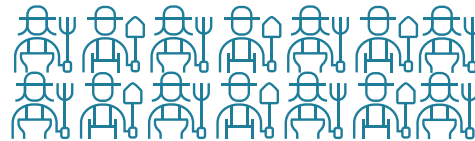


million USD leveraged from the private sector

towards partnership goals



136,280



smallholder farmers benefitting directly and indirectly from



increased access to:



markets



information



goods



and services

1.4:1



average ratio of private sector: USAID funding

\$19.2



million USD in sales by firms and smallholders,



advancing trade and inclusive growth

Many partners set sales value targets based on market research and business model refinement early in the partnership implementation. Thus, the numbers above reflect anticipated sales results only for those that have set targets thus far. Similarly, the number of technologies, practices, and approaches reflects a portion of the total anticipated number.

HIGHLIGHTS FROM THE LAST SIX MONTHS OF MSP PARTNERSHIPS

RFA Release and Partner Selection

- Released **Mozambique RFA** and held applicants conferences for **DRC Access, ACE, FLW**, and **Mozambique** Facilities.
- Evaluated applications and selected partners under **DRC Access, ACE, FLW**, and **Mozambique** Facilities.
- Piloted streamlined **TEC** approach.



- In Mozambique, **AfriFruta** exported its first harvest of fresh mangoes to South Africa from its expanded fruit washing line in its factory based in Inhambane Province. To date, AfriFruta has **exported 40 metric tons of mangoes** and trained farmers, indirectly benefitting roughly **3000 smallholders in Mozambique**.
- 2 partners finalized **insight surveys** with suppliers and customers.

Co-development

- Began new rounds of **co-development** with **14 potential partners** across **DRC Access (5), ACE (2), FLW (3), and Mozambique (4)** Facilities.
- Continued co-development with **10 partners** across **SI-SCALE, Cambodia, and SAR**.
- Signed **5 awards** with **Commodity Corporation (SI-SCALE); Condor Anacardium (SAR); and BRM Agro, Leang Leng Enterprises, and Khmer Organic Cooperative (Cambodia)**.



- In Solomon Islands, **C-Corp** launched a cocoa nursery that will **supply 5,000 seedlings to its smallholder supplier network**, addressing a critical constraint to the industry's growth.

- 5 partners participated in reflective **'technical touchpoint' discussions** with MSP to discuss emerging insights around pivots made, women's inclusion, and progress towards partnership business and development goals.



- Conducted **in-person co-development** in Cambodia (Nov) and Solomon Islands (Dec).

- Published **MSP's Gender Lens Investing Brief**, including how GLI applies in co-development.



Implementation

- In Cambodia, **Amru Rice** operationalized Cool-Bots, providing access to **decentralized cool storage to 10 cooperatives and producer groups**, and training **834 smallholder vegetable farmers** in good agricultural practice standards.

- 5 new partners began implementation, committing **\$3.18 million of private sector funds** towards partnership goals.

Learning from Co-Development

MSP continued to learn from and iterate on its approach to forging impactful and efficient private sector partnerships during this reporting period. On Page 32, MSP highlights several learning-driven improvements that affect co-development, such as more strategic and intensive outreach to potential applicants during the RFA stage, which enhances the quality of applicants, and the shift in how MSP addresses environmental compliance. Some key themes on co-development from this period include:

1) Increasing Development Impact during Co-Development: MSP encourages partners to focus more consciously on the social impact of their planned activities presented by the co-development process. **For example, in Cambodia MSP leveraged co-development to motivate Khmer Cold Chain (KCC) to accelerate its timetable for marketing its services to small and medium enterprises (SMEs) by three years.** MSP did this by having a series of collaborative design discussions, clearly articulating in the award the value add of MSP funds vis-à-vis other investments that were part of this multi-million-dollar third party logistics hub, and agreeing with the partner on several pay-for-performance-based milestones that would recognize progress and support accountability towards those goals. These milestones included the implementation of a gender policy focused on the prevention of gender discrimination and sexual harassment; a customer insights survey to better understand the service offering preferences, price points, and influence channels for the SME and agricultural cooperative (AC) segment; sales targets disaggregated for SMEs and ACs; and an SME/AC engagement strategy with accompanying sales targets. Two additional examples from this period are below.

Leang Leng Enterprises, a family-owned sauce maker, has historically sourced the chilies and tomatoes needed for its chili and tomato sauces from aggregators who purchase from smallholders and markets. The company's initial plan for the partnership would mostly have focused on expanding the same sourcing practice, but MSP was able to steer Leang Leng **towards establishing a contract farming pilot as part of the new partnership.**

BRM Agro Co. Ltd., a Cambodian rice miller, initially put forward a concept that focused almost entirely on the purchase and installation of new rice drying equipment. While it was clear that the company provided meaningful benefits for farmers in the area in general, it wasn't evident how scaling supplier relationships with smallholder farmers would be integrated into the concept. Through co-development, MSP and BRM Agro were able to clearly define targets for 350 new smallholder farmers who will be integrated in BRM Agro's supply chain as well as the support package that it will provide to them. Discussing the co-development process, BRM's Agro's Managing Director noted that **the co-development process had led them to identify more as a social business rather than a business focused only on the bottom line.**



Co-development is the critical point within the partnership life cycle where MSP can push a potential partner to maximize development impact to ensure that the partnership will generate shared value. This phase also presents the opportunity to refine partnership activities that were originally proposed in the firm's application, to define results-based milestones and their means of verification, and to clarify the partnership budget (including each partner's contribution of resources). Co-development is a critical ingredient that allows MSP and the partner to arrive at a signed award.

Co-development is an intensive, highly engaged process for both MSP and the partner and takes place over the course of five months, on average, through phone or video calls, and often culminating in a trip to the partner's business to address final information gaps. The final co-development in-person exchanges also serve to deepen MSP's relationship with the partner to set the stage for meaningful and productive collaboration during implementation.

Consistent with its [commitment to gender lens investing](#), MSP also works through co-development to deepen impact by working with partners to identify actionable goals and targets to improve women’s empowerment and inclusion in their supply chains, customer bases, and workforce. For example, prior to entering co-development, MSP conducts a brief survey on a firm’s current women inclusion and empowerment (WIE) practices (see text box on right). The results are analyzed and provide the co-development team with a qualitative ‘baseline’ understanding on a firm’s starting point for engaging women. There is at least one women’s inclusion-specific, co-development session in MSP’s process, where MSP works with the partner to align on commitments (such as pay-for-performance milestones and partnership descriptions) that align with the partner’s business interests and are realistic in terms of timeframe and context. MSP aims to meet the partner ‘where they are at’ while also nudging growth in areas that have merit from both a business and development perspective and advance them along a women’s inclusion and empowerment continuum.

MSP Initial Partner Survey Gender Questions

- What percentage of your employees are women?
- Do you have any gender equality policies, e.g., a workplace protection or anti-harassment policy?
- What percentage of senior managers in your firm are women?
- Do you disaggregate data of your customers or suppliers by sex?
- Do your firm’s products/services benefit women as customers or suppliers? If so, how?
- What percentage do you source from or sell to women?
- Have you customized your firm’s products or services to specifically target or benefit women as customers?
- Have you customized your firm’s activities to specifically target or benefit women as suppliers? If so, how?

In Mozambique, MSP partner [Condor Anacardium](#), a raw cashew nut processor, recognized the importance of WIE, as 67% of its processing plant employees are women, and its data shows that women are more productive. During co-development, MSP worked with the firm to identify the aim of its WIE strategy, which includes a defined gender objective and two to three WIE activities that directly benefit the firm to nudge the firm along the WIE continuum. For Condor Anacardium, its strategy centered around strengthening the role of women in its supply chain and labor force. For example, the firm will do this by [increasing the number of women machinery operators to over 50%, improving on-site childcare services for its employees, and mitigating potential harm by establishing and enforcing a workplace protection and anti-harassment policy.](#)

In Cambodia, Round 2 partner [Khmer Organic Cooperative \(KOC\)](#), a leading producer and retailer of organic products, is woman-owned and led, employs a high percentage of women, and sources largely from women farmers, but they had never established formal WIE policies. Noting this, MSP encouraged KOC to [formalize, adopt, and implement WIE policies as part of its partnership—adding it as a milestone.](#)

2) In Person Co-Development: After previously carrying out all co-development remotely due to the ongoing impacts of the COVID-19 pandemic, MSP Engagement Managers carried out the [first in-person co-development sessions in Cambodia in November and in the Solomon Islands in December](#). MSP carefully considered when in co-development was the best time to meet in-person. While both cases were quite different, MSP found that it was important to have a well-defined outline of a partnership before traveling to ensure that the partnership was already largely viable and to focus on fine-tuning and filling in the final, remaining information gaps. In both cases, face-to-face meetings strengthened working relationships between MSP and partners. Additionally, the visits allowed for MSP to strengthen partnership agreements through the benefits of additional focused time and local context and to resolve technical and budget sticking points.

In some cases, being in-person allowed MSP and partners to **tailor more realistic commitments given the local context, timeline, and resources available.**

In the Solomon Islands, for example, co-development sessions with one partner resulted in a productive exchange between the partner and MSP to right-size the partnership pilot. During the in-person trip, the originally proposed scale of the partnership activity was determined to be too ambitious given the short, two-year timeline and the level of production in Malaita Province. The series of exchanges led to agreement to **reduce the overall size of the pilot to allow the relatively new company to test and pilot their approach before expanding their model to larger numbers of farmers.** While the partner and MSP may have arrived at the same conclusion regarding scale via virtual means, the added benefits of local context and occupying the same space at the same time led the parties to that conclusion more quickly.

In other cases, face-to-face co-development yielded **unexpected shifts in partnership scope** that may not have been considered otherwise.

In Cambodia, for example, it was through in-person co-development that MSP and Leang Leng Enterprises were able to define what the company's contract farming pilot would look like under the partnership. Additionally, the Engagement Manager was able to visit BRM Agro's mill and some surrounding farmers, during which, local farmers and the BRM Agro team noted the sharp increase in costs for fertilizer and other crucial inputs as a result of Putin's War in Ukraine. BRM Agro noted that it was considering taking on a significant and unexpected cost of purchasing fertilizer for its current and potential smallholder farmers so that they would have the means to plant rice in the upcoming season. As a result, MSP and BRM Agro were able to **include a fertilizer financing model into the partnership agreement, which would not have been considered if not for the in-person visit.**



Photo Credit: Mark Pigott, DAI

Co-development with Leang Leng in Cambodia.

3) Streamlined Milestone Creation: MSP continues to improve its milestone development process in co-development by drawing on lessons learned and integrating all required targets, activities, and mitigation measures into milestones with clear means of verification. This allows MSP more oversight while also requiring less separate reporting. As noted on Page 31, MSP has streamlined its environmental compliance process, which is reflected in milestone development through the inclusion of mitigation measures like safe use action plans in milestones tied to farmer training and outreach. Similarly, we have made a concerted effort to align milestone schedules with partner needs, including planting and harvesting seasons, sales periods, local holidays, and rainy and dry seasons, etc. Finally, we have also revisited the structure of standard milestones to make them more readily understandable to partners and easier to implement in practice.



OBJECTIVE 2: SERVICES FOR DESIGN, IMPLEMENTATION, AND M&E

MSP offers rapidly mobilized technical assistance services in response to USAID’s demand for supplemental support to design, implement, and monitor MSD and PSE activities. This period, MSP implemented 15 engagements across 13 buy-ins, representing 11 clients at USAID/Washington and Missions. Many of these buy-ins were awarded during the surge of interest MSP responded to at the end of the last reporting period. Engagements with significant implementation this period are spotlighted across the following pages.

Spotlight 1: Mission Capacity Index

This period, USAID’s PSE Hub engaged MSP to review, refine, and pilot its Mission Capacity Index (MCI)—a tool for Missions to periodically self-assess and track their institutional capacity to effectively engage the private sector. The MCI is one of nine key elements of USAID’s PSE Modernize (see image). It is a maturity model indicating progress along a continuum of capacity to engage with the private sector.

MSP is building off prior investments by the PSE Hub, which in 2022, after a consultative process with five Missions (Honduras, Southern Africa Regional, Vietnam, Uganda, and Senegal), created the MCI. Based on the Mission’s assessment outcomes and country context, the MCI recommends actions for individuals to strengthen their own capacity (via Self-Assessment Results Statements) and recommendations for Missions to strengthen PSE capacity as an operating unit (via Recommended Actions).

This period, MSP revised the MCI survey by eliminating questions, developing new questions, adding new categories of questions, and transforming the survey into a Likert format. The revised tool has now been tested by 10 people across the PSE Hub and is currently being finalized. Next period, MSP will refine the set of Recommended Actions that will be generated based on the Mission’s response to the MCI survey and the Mission’s country context, update the scoring and weighting system, and update and refine a Tableau-based MCI Results Dashboard. MSP’s scope also includes developing a template and designing a process for drafting and implementing the Mission PSE Capacity-building Action Plan, piloting the refined MCI Survey and Action Planning with up to three Missions, and adjustments as needed. *MSP prime DAI leads this work with support from partner TechnoServe.*

A NEW MODEL FOR ENGAGEMENT

PSE Modernize is made up of nine initiatives that will enhance the internal capacity, relationship management, and improve the effectiveness of our engagement:



USAID released PSE Modernize in 2023, which highlights nine initiatives USAID has identified to enhance the internal capacity, relationship management, and improve the effectiveness of USAID’s engagement. The Mission Capacity Index is one of initiative under the category “A Workforce with the Skills and Incentives to Partner.”

Spotlight 2: MSP's Growing Portfolio of Evaluations

This period kicked off a busy season of evaluations on MSP, with research conducted in **eight countries across four evaluations**, three of which have assessing systemic change as a core objective. MSP is looking forward to building synergies across its growing portfolio of evaluations to collectively advance larger themes in MSP's Learning Agenda.

Ex-Posts of Market Development Programs in Senegal and Ghana: In January and March, MSP launched the first two studies in its global series of ex-post evaluations designed to expand the evidence base for MSD as an approach that creates lasting impact. MSP is going back three years after the close of USAID-funded programs that embraced key aspects of an MSD approach and following the trail of influence—specifically, evaluating the sustainability and scale of outcomes from system change catalyzed through the program. These studies use a common research framework underpinned by USAID's [Disrupting System Dynamics: A Framework for Understanding Systemic Changes](#). *MSP partner MSA leads this activity.*

- **In Senegal**, MSP is investigating an integrated financing mechanism widely adopted by banks in the rice sector that fundamentally changed that system by the time the Feed the Future Nataal Mbay Activity closed. Returning nearly four years later, MSP has now **completed field research that involved key informant interviews and focus group discussions with over 100 stakeholders**, including banks, rice and cashew processors, and smallholders. At the end of March, the team hosted a validation workshop (in French) with USAID/Senegal and implementing partners; the findings report will be available by July.
- **In Ghana**, MSP is exploring how a new role embedded in the cereals market during the Feed the Future ADVANCE II Activity shifted terms of trade, resource flows, and buyer perceptions of business opportunities in the North. MSP **conducted fieldwork in northern Ghana in March** and will conduct a validation workshop, analysis, and draft key findings in the next quarter.



(Left) Research team interviewing Adja Ndeye Gaye, president of the largest women-only producer networks in the Senegal River Valley, to better understand how female producers have benefited from participating in the integrated finance model.

(Right) In Ghana, outgrower Ibrahim Abdullatif shares with the research team more about his business.



Final Evaluation of Feed the Future Cambodia Harvest II Activity: MSP's evaluation of Harvest II is the third systems change focused evaluation underway this period, alongside the ex-posts in Ghana and Senegal. Harvest II aimed to accelerate the growth of the commercial horticulture sector in Cambodia, shifting to a market-system facilitation approach in Year 2 and layering in a COVID-19 response in its final years. This evaluation has a heavy focus on generating evidence-based findings that can be practically used in programming and leverages [A Pragmatic Approach to Assessing Systems Change](#) framework alongside a robust quantitative data collection effort. MSP is evaluating: 1) progress towards catalyzing systemic change that is sustained and scaled, 2) how these changes have benefited market actors (specifically male and female farmers), 3) how the Activity has contributed to climate change objectives, and 4) elements of the Activity's grant-making approach to firms designed to prevent negative impact on the environment. **In February and March, the research team gathered information from approximately 475 individuals engaged in the horticulture sector** through a mix of interviews, focus group discussions, and surveys. The final findings report will be available by August. *MSP subcontractor Just Results leads this activity.*



Photo Credit: Just Results

Dok Phearum, owner of a cashew processing business, tells the MSP research team about the changes to his processing practices and business trajectory as a result of Harvest II.



Photo Credit: Abt Associates

A spice farmer in Sri Lanka shows his clove harvest. He leads of one of the farmer societies participating in Frontier's programming.

Cooperative Development Program (CDP) Whole-of-Project Performance Evaluation:

CDP is a global, \$50 million initiative that strengthens cooperative businesses and credit unions across multiple sectors throughout Africa, Asia, and Latin America. It operates in 17 countries through nine implementing partners that together are working to foster sustainable cooperative systems that deliver value to cooperative members and their communities. MSP is evaluating progress towards this objective, identifying the assumptions or gaps in the project's design or management approach that can inform future initiatives, and contributing to the evidence base on effective cooperative development approaches—including pulling out learning that can enhance work with cooperatives on MSD and PSE programs. Between December and March, **fieldwork was conducted in five countries: Kenya, Rwanda, Sri Lanka, Uganda,** and (to a lesser extent given security constraints) **Peru**, engaging cooperative leaders, members, program and USAID staff, industry, and government officials. *MSP subcontractor Abt Associates leads this activity.*

Spotlight 3: Value Chain Analyses in the DRC

Through a buy-in with USAID/DRC, MSP is conducting an upfront strategic opportunity analysis to identify priority areas for investment in the agricultural sector. To organize and begin a systematic review of existing value chains in the region, MSP utilized a competitive appraisal matrix (CAM) to analyze 10 priority value chains, focusing on three main criteria: competitiveness, systemic impact, and feasibility for impact. From this initial review, MSP, in coordination with USAID/DRC, **selected three priority value chains for deeper analysis: rice, soy, and poultry.** Beginning in January, MSP conducted fieldwork and is developing a detailed review of the market system around each of these value chains. This analysis is also identifying the most impactful set of private sector firms that USAID/DRC (and its portfolio) can engage with to catalyze systemic change. The final output of this research will identify opportunities for growth and root causes of under performance within the rice, soy, and poultry value chains and opportunities to alleviate those constraints. MSP will host a workshop with USAID/DRC to share key findings during the next period. *This work is led by MSP subcontractor Wellspring Development Capital Ltd (“Wellspring”) with support from DAI.*



Photo Credit: Richard Primus, Africa Lead

An agropreneur on his poultry farm.

Spotlight 4: Investment Landscape Assessment and Opportunity Identification in Mali



Photo Credit: homocosmos, Adobe Stock

A snapshot of the sahel geography near Mali.

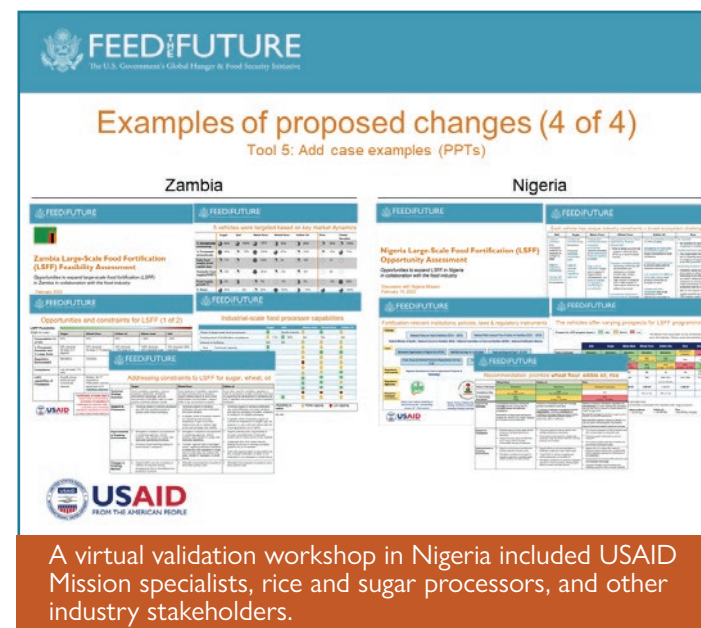
Through a buy-in with USAID/Mali, MSP is gearing up to identify opportunities for PSE in the agriculture sector and supporting cross functional areas of the market system, including energy, in coordination with the Malian banking sector. The activity will examine growing industries in the Malian economy, focusing on areas of convergence and investment diversification from the agricultural sector and examining which other sectors can play a key role in advancing enterprise-driven economic growth. While the agriculture sector is the leading industry in the Malian economy, nascent industries offer an opportunity to diversify and expand the Malian economy. MSP will develop: **a banking and investment assessment and a strategic opportunity identification analysis of the agriculture sector and adjacent supporting sectors**, including energy. This activity is also layering in a light-touch, but **strategic lens around MSR**, integrating elements of risk, coping strategies, and vulnerability into both the supply and demand side of the finance assessment. This period, MSP identified a subcontractor to lead this work, which will begin implementation in April.

Spotlight 5: MSP's PSE Guide Series

Through a variety of buy-ins, MSP is developing a series of practical guides and tools designed to support a diverse set of audience groups to engage with the private sector to achieve specific objectives. Three of these are spotlighted below.

Guidance on PSE for Large Scale Food Fortification (LSFF). Through a buy-in with USAID's Center for Nutrition, MSP has developed draft guidance on engaging the private sector in LSFF, which was piloted in Zambia and Nigeria last period and included engagements with over 35 food processors, industry associations, premix suppliers, importers, and financial institutions. In January and March, **MSP capped off the pilot phase by facilitating validation workshops with key LSFF stakeholders in each country.**

The objectives of the validation workshops were to: 1) share with stakeholders (particularly those who participated in the study) what we learned through the LSFF feasibility studies with regard to the greatest opportunities for expanding LSFF in collaboration with the industrial food sector and 2) gather and discuss feedback from stakeholders in response to the learning shared, with a goal of confirming the accuracy of the findings. The hybrid validation workshop in Zambia included USAID Mission specialists, several processors, the Millers Association of Zambia, the National Food and Nutrition Commission, and Zambia Bureau of Standards. MSP incorporated feedback into the pilot deliverables and reconvened with USAID/Zambia to discuss key themes from the workshop and close out the pilot process. A virtual validation workshop in Nigeria included USAID Mission specialists as well as rice and sugar processors, Flour Mills of Nigeria and BNSL Limited. MSP anticipates the public guide will be available in Fall 2023. *MSP partner TechnoServe leads this activity.*

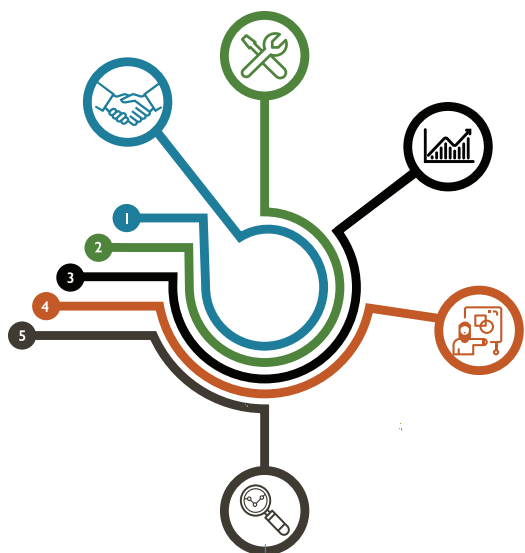


Nutrition Investment Screening Criteria. This period, MSP refined the definition in its screening criteria on what can be considered “nutrition lens investing.” To inform this, MSP drew from a review of nutrition investment screening criteria and from DAA analysis on USAID and external stakeholder nutrition impact definitions to define nutrition impact and describe the factors that drive nutrition impact. Flowing from this, in December MSP **finalized an initial investment screening criteria** for use by USAID, Development Finance Corporation (DFC), and Eleanor Crook Foundation (ECF) collaboration and beyond. Next period, MSP will validate these criteria with a core group of stakeholders before disseminating the criteria more widely for piloting. *MSP subcontractor Wellspring leads this activity.*

Guidance on PSE for Climate Adaptation to Advance Resilience. Collaboratively with USAID's RFS PSE Secretariat in December, MSP **finalized six partnership design models** (or ‘blueprints’) to engage the private sector to address climate adaptation and to promote resilience. Practitioners can use these blueprints to determine how best to channel a selected partner's assets and commercial incentives towards solving the shared development and business challenge caused by climate change. Each blueprint covers the justification for using a market-based approach to the development challenge, the private sector's role and interest in addressing the challenge, the types of potential private sector partners, constraints for involvement or investment, USAID's potential role, and the expected results. Next period, MSP will draft vignettes (short case studies) to bring each blueprint to life and finalize the Guide. *MSP subcontractor BSR leads this activity with support from MSP prime DAI.*



OBJECTIVE 3: GENERATE KNOWLEDGE ON MSD AND PSE



To deepen knowledge on PSE and MSD and further stakeholder uptake of good practice, MSP deepened implementation of learning initiatives this period across each of the five learning streams highlighted below. MSP published nine new products and is finalizing several others. Across MSP's objectives, a total of **33,247 individuals around the globe have accessed MSP learning products to date—a 46% increase from last period.** Engagement is sparked by targeted promotional efforts by influencers and champions across social media (especially LinkedIn), and through newsletters (e.g., internal USAID newsletters reaching targeted groups in the PSE, MSD, and RFS communities, and MSP's own newsletter). Collaboration remains core to our process of designing, developing, and championing learning products. This period, MSP engaged **96 new stakeholders**, totaling **324 unique collaborators to date**—more than double what we did during the same period last year. MSP's buy-in Activity Managers appreciate the value of his approach. According to our client feedback survey, **89%** said they agree or strongly agree that MSP collaborated with the right people or projects to enhance the relevance of the engagement to key stakeholders, reduce duplication, and enhance impactful outcomes.

The table below presents significant learning activities organized by MSP's Learning Streams. Learning activities spotlighted in this section are supported with core funding from USAID/RFS's Center for Agriculture-Led Growth and contributions to learning from MSP's buy-in clients. MSP also leverages direct buy-ins from other Mission, Bureau, or Independent Office (MBOs) to advance learning objectives—see Objective 2 for details.

Current Learning Activities

For a complete summary, see the Resources tab at www.agrilinks.org/msp

LEARNING AGENDA STREAMS



Transformational PSE: MSP aims to apply USAID's principles of shared value, corporate relationship management, and systems change to a multi-stakeholder context to encourage the adoption of a more sustainable and inclusive operating model.

APPROVED ACTIVITIES

PSE in Fragile and Conflict Affected States: a primer offering concrete guidance and 13 real-world vignettes. (DAI, Global Knowledge Initiative)

PSE Guides for LSFF, [Advancing Nutrition](#), and Climate Adaptation for Resilience: see Objective 2

PSE Mission Capacity Index: see Objective 2

Commercializing Ag Technologies from USAID Innovation Labs: identifying promising innovations with a strategy to scale through partnerships and brokering. (DAI)



Practical Application of MSD:

MSP aims to build on MSD's broad theoretical base, emerging lessons from application, and existing tools to develop and disseminate practical guidance for operationalizing MSD.

MSD Tools Library: a centralized repository of [MSD tools on the BEAM Exchange](#), sourced through industry engagement, to support uptake of good practice in applied MSD. (DAI)

Synergies in PSE and MSD: a consultative [brief](#), with forthcoming vignettes, spotlighting strengths-based opportunities across PSE and MSD that advance transformation. (DAI, MSA)

Foundations of MSD Training: mixed-media course for USAID (complete) and tailored for public use (forthcoming). (DAI, Vikāra, MSA) Concepts adapted for health sector. (DAI)



Market Systems Resilience:

MSP aims to support strengthened resilience, a core objective of the GFSS, through a focus on MSR (the ability of a market system to respond to a shock or stress in a way that allows consistency and sustainability in the market system's functioning).

MSR Learning Series: a [series of resources](#) capturing practical guidance, including an [MSR State of the Field Map](#) and an [introductory brief on Demystifying MSR](#). (Vikāra)

MSR Community of Practice: established to facilitate ongoing peer-to-peer learning and capture innovation in this relatively new technical area. (Vikāra)

Nepal MSR Assessment: qualitative [study of MSR](#) across a zone of influence and a portfolio of USAID Activities. (Vikāra)



Social Inclusion: MSP aims to strengthen inclusion within the context of MSD and PSE programming by strengthening the evidence base for and ability to assess benefits from social inclusion, with a focus on sustainability and return on investment (ROI).

Women-Inclusive ROI Framework: [addresses an evidence gap](#) identified from MSP's [earlier research](#) to support firms to calculate the financial ROI in integrating and empowering women across 4 business strategies. (MSA, WDI)

Shaping our New Normal—Reimagining the Workplace for International

Development: [explored COVID-19 driven revelations](#) through research (including input from 1,200 professionals) and actionable implications for MSD and beyond. Follow-up survey on uptake planned. (Canopy Lab)



M&E and CLA: MSP aims to advance best practice in M&E and CLA within MSD and PSE, build the evidence base for the assumed benefits of sustainability and scale, and contribute learning in key concerns such as monitoring market systems change and metrics 'beyond leverage' for PSE.

MEL in MSD Exchange Clinics: a series of virtual peer learning conversations between senior, innovative MEL managers on MSD programs in 9+ countries, building field-to-field, cross-donor networks. (MSA, DAI, ACDI/VOCA)

Catalyzing Learning in the Private Sector to Drive Systems Change: [practical insights](#) on how MEL can shape core intervention strategies with private sector (e.g., enterprises, industry groups) to support more collaborative, competitive, customer-oriented systems. (MSA)

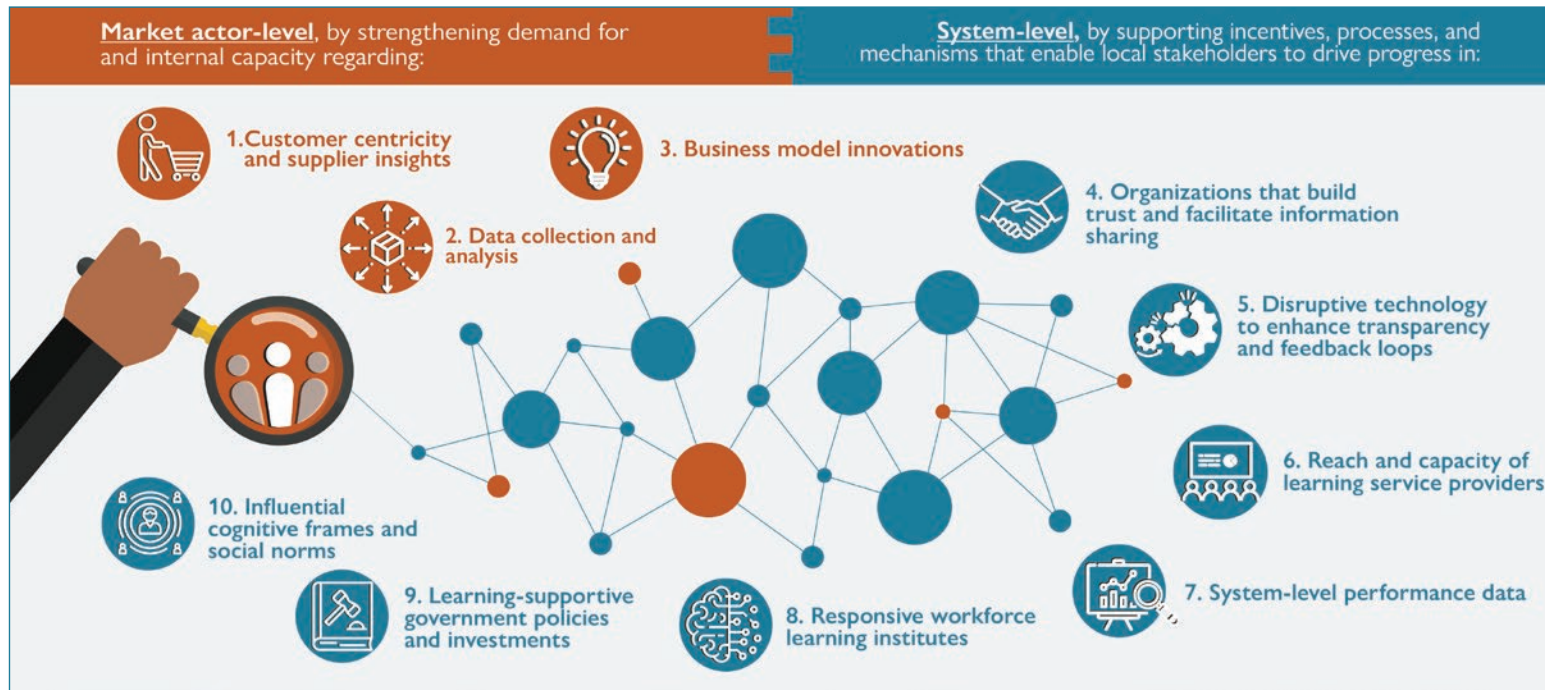
MSD Ex-post Study Series: [evaluate](#) the sustainability and scale of outcomes from system change catalyzed by USAID-funded MSD Activities in Ghana, Senegal, and Bangladesh. (MSA)

Spotlight 6: Shifting the Locus of Learning: Catalyzing Learning in the Private Sector

Learning is at the heart of the process of economic development—it drives more competitive, resilient, and inclusive firms and systems. Yet learning is less frequently seen as a critical function within systems that can catalyze and quicken systems change and enable adaptation. In January, MSP published a new resource that **makes the case for why programs can and should shift the locus of learning from being only program-focused to system-focused**. This implies a shift in agency away from a program directing the learning process to strengthening the capacity of market actors (e.g., firms, other organizations) and the system itself to better learn and adapt on their own.

Building on a literature review and consultations with over a dozen practitioners, [Shifting the Locus of Learning: Catalyzing Learning in the Private Sector](#) advocates for an evolution in the focus and purpose of learning from being oriented primarily towards funder reporting (i.e., “**prove**”) and program improvement (i.e., “**improve**”) to also focusing on system transformation (i.e., “**transform**”). The brief also **spotlights 10 proven strategies for action** across two pathways, as the adjoining image illustrates, anchored by **specific examples from 13 programs doing this work now across 11 countries**, including programming in Uganda, Honduras, Mozambique, Vietnam, Nigeria, and Serbia.

To support uptake across PSE, MSD, and CLA communities, MSP has been socializing the messages through targeted engagements, including through a LinkedIn campaign and a panel discussion at a week-long, in-person training workshop for Mission and Washington MEL and CLA specialists in March. MSP will ramp up dissemination activities next period with a webinar series. *MSP partner MSA leads this activity.*



Spotlight 7: Women-Inclusive Return on Investment Framework

In November 2022, MSP published the [Women-Inclusive Return on Investment \(WI-ROI\) Framework](#), which builds on an existing body of evidence and research around the business case for investing in women's inclusion. The framework is built on four **business strategies (talent and leadership, workplace culture, inclusive supply chains, and women as consumers)** that improve social inclusion factors within a company and build on evidence for how SMEs can identify their financial returns. Under each of these areas, the framework delves into more specific practices that businesses can employ, brought to life through short case studies. On November 9, MSP hosted an in-person workshop with dozens of PSE, MSD, and gender specialists from implementers and USAID in Washington D.C., to give an advance preview of the Framework and hear reflections from USAID/GenDev's Team Lead and Senior Advisor for Women's Economic Empowerment Jennifer Hansel. On January 24, the BEAM Exchange hosted a [webinar](#) featuring MSP's Ryan Bourque (DAI) and Erin Markel (MSA) to share the Framework with a global audience.



Photo Credit: Anna Garloch, MSP

A workshop in D.C. in November 2022 provided an advance preview of the WI- ROI Framework.

In March, MSP kicked off the next phase of this work, which will develop case studies that dig deeper into the business strategies and tactics employed by SMEs that were identified in the Framework. Case studies will collect cost and revenue data and provide evidence for the financial returns on gender inclusive investments. MSP has begun case study design and outreach and will select and develop cases next period. *MSP partner MSA leads this activity in collaboration with MSP prime DAI and with support from William Davidson Institute (WDI).*

Spotlight 8: MSD Tool Library

Since its launch in September 2022, the [MSD Tool Library](#) has been used widely by practitioners in the industry. The library (www.beamexchange.org/tools) has been visited 4,330 times by close to 1,300 users. The quote boxes show feedback from two practitioners as part of follow-up outreach MSP conducted this period to surface use cases.

In February, MSP [published a blog](#) on the BEAM Exchange outlining gaps identified in the existing library, drawing on insights from practitioners captured during workshops held in June 2022. The blog identifies areas where tools would be useful but do not currently exist in the areas of monitoring and results measurement, working in fragile and conflict affected settings, gender and social inclusion, as well as in tools for a range of contexts. One gap—the lack of a public, widely-endorsed market systems analysis toolkit—will be tackled by MSP over the coming year. *MSP prime DAI leads this activity.*

"I have been harnessing the tool library in my role as trainer and mentor of MSD project practitioners. For example, I implement induction training for new teams where we review and experiment with different tools in order to analyze systems and design interventions."



User Feedback

"I have so far used this tool library extensively in my work. A great resource!"

Spotlight 9: MSR Learning Series and Community of Practice

Through the Market Systems Resilience (MSR) Community of Practice (CP) and the MSR Learning Series, MSP is advancing thought leadership and innovation in the MSR space while developing learning products to be used by practitioners across different technical areas. This period, **MSP hosted two CP meetings**. In November, members exchanged insights on two case studies highlighting the intersections between household and MSR in Peru and Kenya and discussed fast- and slow-moving variables. In March—the eighth CP meeting since its start in 2021—RTI served as co-host and facilitated a discussion on MSR in food scarce environments in Somalia and Ethiopia. The meeting also featured a presentation from USAID’s Center for Resilience on USAID’s new draft Resilience Policy and how MSR is incorporated. The CP also maintains an online platform for communication.

As a complementary activity under its MSR learning stream, MSP is developing [a series of interconnected, layered learning products](#) that provide a practice focused foundation for demystifying MSR, expanding the orbit of stakeholders, and understanding and applying an MSR lens. In December, **MSP published the second brief and case study combination in the series, [Using a Market Systems Resilience Lens to Support Household Resilience](#)**, which explores how practitioners can use an MSR lens to identify key linkages that households need before, during and after a shock or stress—strengthening resilience and household level outcomes through three main linkages: protection and recovery, generating cash, and improving a household’s long-term risk management capacity. *MSP partner Vikāra Institute leads this activity.*



Spotlight 10: Upcoming MSD Initiatives



Market Systems Analysis Toolkit: As referenced on Page 27, MSP identified the need for such a toolkit, and in March, finalized design of a set of activities to develop, field test, and disseminate a Toolkit. MSP will draw on a foundation of existing learning, bring in perspectives from other stakeholders and implementors and align with the “USAID approach” to market systems analysis. MSP aims to facilitate the development of this critical resource in such a way that allows the MSD stakeholder community to align on a shared understanding of good practice and broaden the uptake and application of MSD principles among practitioners. MSP expects to publish the Toolkit in the first half of 2024. *MSP prime DAI leads this activity with planned support from consortium partners.*



Vignettes on PSE/MSD: PSE and MSD objectives can intersect in the ambition to drive transformation— systemic change that produces scaled, sustained results—and a shared embrace of the private sector as pivotal actors in catalyzing and investing in this process. Yet there are important nuances in how PSE and MSD is interpreted and implemented for transformation and room for greater cross-pollination and learning. In 2021, MSP [published a brief](#) that highlighted opportunities for a more intentional exchange of tactics, modalities, and learning between PSE and MSD, leveraging the strengths of each approach. The brief was designed for both USAID staff and implementers working in USAID-funded MSD and PSE programs. Building on this foundational brief, the next stage of this work stream involves MSP developing a series of five vignettes (short case studies), that provide rich examples of specific programs that have leveraged the strengths of each approach to drive systemic change. These will be published by the end of this year. *MSP prime DAI leads this activity.*



OBJECTIVE 4: CAPACITY STRENGTHENING

To contribute to cultural transformation in integrating MSD and PSE throughout the program cycle, MSP is facilitating the development of dispersed local leaders in these technical areas through a variety of initiatives that strengthen capacity. This includes:

- *Stand-alone trainings*, such as the Fundamentals of MSD Course and the market development training curriculum for USAID/Global Health described below.
- *Peer-to-peer learning platforms*, such as the MSR Community of Practice and the MEL Clinics described under Objective 3.
- *Increasingly, embedded capacity strengthening components* within a multi-faceted engagement, such as the snapshots below on MSP's work with the Center with Nutrition around the PSE for Nutrition Guide and the advisory support to the Busia Trade and Logistics Cluster.



Snapshot of training slides from the internal USAID training course on MSD.

Fundamentals of MSD: Adapting a USAID Training for the General Public:

In 2021, MSP finalized a five-day, internal USAID training course on MSD delivered by USAID staff. The training integrated case studies based on real world scenarios, used role playing to highlight best practices in MSD, included brief video testimonials from global USAID and implementing staff, and incorporated practical learning assignments for participants to apply MSD in their daily tasks.

These training materials would be of great benefit to the broader MSD stakeholder community but require some amendments. MSP will adapt the training for an audience of general practitioners (implementers and donors). Drawing on feedback from initial participants, the adapted training will also focus more on economic growth and competitiveness fundamentals. The updated training package is expected to be released in the latter half of 2023. *MSP prime DAI leads this activity.*

Busia Trade and Logistics Cluster Project Support: In Uganda, MSP is providing long-term capacity strengthening to the Government of Uganda's Ministry of Trade, Industry, and Cooperatives (MTIC) as it works to establish the Busia Trade and Logistics Cluster (TLC). The capacity support is provided to the MTIC directly by a Ugandan, Kampala-based advisor, who is supported remotely through a global U.S. and European-based team. MSP is supporting the Government of Uganda-wide Steering Committee to negotiate an memorandum of understanding among the national government, the local Busia government, and any additional parties that details the following: 1) the management structure of the park, 2) the terms and ownership structure of the land, and 3) any financial and/or non-financial incentives for investors. Next period, MSP will also advise and support Government of Uganda stakeholders in structuring a management and investment structure for the Busia TLC. *MSP partner ISF leads this activity.*



Market Development for Global Health Training: Building off the Fundamentals of MSD course, MSP has also been working with USAID's Global Health, Office of Population and Reproductive Health (GH/PRH) to adapt and design a specialized market systems training focusing on the health sector. Many missions previously relied on PSE approaches focused on social marketing and social franchising in health. While these can be effective, they are limited. GH/PRH is working to support Mission staff with tools and guidance to facilitate greater PSE in their health programming and advance utilization of market development approaches. MSP's training will focus on expanding access to health products and services while developing the market functions that facilitate a functioning and sustainable market for these same products and services. To develop these materials, MSP will collaborate with the Frontier Health Markets (FHM) Engage project. Once the materials are finalized, MSP expects to lead two in-person trainings before the end of fiscal year 2023 in Kampala, Uganda and Accra, Ghana. *MSP prime DAI leads this activity.*

Center for Nutrition PSE Training: In October and November, MSP led an interactive five-session training series for the Center of Nutrition on its Guidance on Effectively Engaging the Private Sector to Advance Nutrition. The training aimed to empower Center for Nutrition staff to identify and leverage PSE opportunities for nutrition more strategically and cohesively. By familiarizing these staff with the tool and guidance, MSP is helping to create a cadre of PSE for Nutrition champions across USAID/Washington who will be able to support Missions in using the tool for strategic decision-making and design purposes. The secondary intended outcome of this training was for the concepts in the guidance to be incorporated, and ultimately mainstreamed, into USAID agriculture and nutrition solicitations and strategic documents (e.g., RFP, RFA, CDCS). Next period, MSP will transform the guidance into a digital report published by the end of 2023. *MSP prime DAI and partner TechnoServe jointly lead this activity.*

A presentation slide from the 'FEED THE FUTURE' initiative. The slide features a blue header with the 'FEED THE FUTURE' logo and the text 'The U.S. Government's Global Hunger & Food Security Initiative'. The main content is white with a blue border. It includes a text block about Project Peanut Butter, a quote from Beatrice Moulianitaki, and the USAID logo. On the right side, there are three packets of ViVi peanut butter. At the bottom, there is a black bar with white text.

FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

By 2020, Project Peanut Butter sourced 100 percent of its peanuts from Ghanaian farms. With USAID's support, the factory produced over 57.6 million packets of ViVi for more than 265,000 Ghanaian school children. School enrollment and attendance increased, as a result.

Hershey's future depends on supporting its cocoa-growing communities in Ghana and Cote d'Ivoire, where farmers' family face challenges that contribute to malnutrition

"USAID brings a lot of expertise to the table in the form of experts, thought leadership at the policy and implementation level, and a wide network, to strengthen national systems and local capability" - Beatrice Moulianitaki, Head of Cocoa Sustainability at Hershey

USAID
FROM THE AMERICAN PEOPLE

Presentation from the PSE for Nutrition training for USAID's Center for Nutrition.

Project Management and Operations

This period, MSP continued to optimize operations and expand its team. Highlights include:

Streamlining Grant Application Evaluations for Private Sector Partnerships: MSP developed and utilized a new method for approaching, leading, and managing a technical evaluation committee (TEC) for partnerships. The new approach prioritized: 1) making the process more efficient, especially given a trend towards higher volumes of applications, 2) maximizing the TEC’s use of time to focus sharing feedback on the highest scoring applications, and 3) offering a ranking system that would allow “apparently successful applicants” to be selected while creating a wait list that could be selected should additional funding become available or if a top applicant were to discontinue the process at any given point during co-development and prior to award.

Environmental Compliance for Private Sector Partnerships: This period, MSP submitted its first annual Environmental Management and Mitigation Reports (EMMR) for the Cambodia and Southern Africa Regional partnership windows and began developing Safe Use Action Plans where required in Cambodia. USAID also approved MSP’s Supplemental Initial Environmental Examinations and Environmental Management and Mitigation Plans (EMMPs) for nine new partnerships across the Solomon Islands, Cambodia, and Southern Africa. Lastly, MSP expanded its approach for overseeing compliance by shifting to add key climate risk and environmental management mitigation measures into its partnership milestones (in addition to including the full EMMP as an annex to all grant agreements). This helps ensure that all measures are at the forefront of implementation and that payment for results also hinges on safe and compliant practices in adherence with the EMMPs.

Staffing: This period, MSP filled key leadership roles—onboarding a Grants Manager and identifying a new Chief of Party. It also filled two important new positions, a Grants and Subcontracts Specialist and an Associate Engagement Manager, to support MSP to maintain quality despite the rapid growth in buy-ins awarded. To support the growth of MSP’s buy-ins, the team continued to prioritize streamlining operations and improvements, which has paid great dividends in efficiencies. After a brief hiatus, the Washington-based contingent of MSP’s team returned to a hybrid work schedule in January, meeting in-person one day a week. Among other initiatives, MSP continues to host monthly “social hours” for the full team to create spaces where remote and Washington-based team members can build strong team dynamics.

Communications: In December, MSP adjusted its LinkedIn strategy from one that relied on individual staff to share news on the platform and created an [MSP LinkedIn page](#) (see image on the right), which quickly gained over 1,000 followers and counting. To accompany this, MSP finalized a Social Media Strategy in accordance with APS ADS 558.3.2.1 and MSP’s contract modification 11, clause D.5. MSP also created several strategic communication materials to help capture progress around the Partnership Facility, including a [“Lookbook”](#) that offers a user-friendly snapshot of all active partnerships and a [Partnership Week](#) on LinkedIn, which had 31,509 impressions and 31 reshares, including through USAID’s Feed the Future account.



REFLECTIONS ON CHALLENGES AND CONTINUAL IMPROVEMENT

MSP regularly takes time to pause and reflect to identify areas of growth, discuss challenges, and prioritize adaptive actions. Several overarching highlights are synthesized here.

Partnerships: As MSP scales up its partnerships (see Objective 1) and simultaneously strives to embrace adaptive management, it is a ripe area for both challenges and lessons learned. In addition to the learning around co-development featured on Page 16 and the revamped TEC process outlined on the preceding page, several additional themes stood out:

- **Shifting how MSP approaches the outreach process to identify more impactful businesses is paying off. Opportunity outreach to attract the most relevant, impactful potential partners is an essential step for a remote, global mechanism like MSP:** As introduced in the last semiannual report, MSP placed an increased emphasis on improving and diversifying its outreach to potential applicants and to relevant systems actors, before RFA launch and after the RFAs went live. With four live RFAs this period, MSP saw significant returns from this in terms of the relevance, quality, and volume of applications. For example, MSP received 75 applications for the DRC Access solicitation, 23 in an emerging technical area for ACE, 93 for FLW, and 47 for Mozambique. This also triggered the shift in TEC processes described on the preceding page. MSP refined and adopted a few new outreach practices to drive interest and competition, including:
 - **Practice targeted yet broad outreach**—researched relevant in-country companies and other systems actors such as accelerators, industry associations, and social impact and venture funds. MSP also tapped into its own and other implementer networks for targeted outreach and leveraged social media outlets, such as LinkedIn, to cast a wide net.
 - **Person-to-person connections**—took the time to have individual conversations with potentially interested partners (but never current applicants) and with networks of relevant market actors in addition to the standard applicants conferences. These targeted conversations also helped to attract relevant partners outside the donor network.
 - **Contact banking**—established ever-growing contact lists of potential applicants, relevant donors and implementers, business associations, and other actors. MSP was also able to share contacts across facilities, where relevant, and included them in our newsletter mailing list.
 - **Continuous Communication**—sent out regular blast communications on MailChimp, social media, and via email to remind potential applications of key dates and continued targeted email and phone outreach while RFAs were live.
 - **Listening and adapting to feedback**—on both Mozambique and FLW, potentially interested parties expressed concern about the application deadlines during outreach, and MSP worked with USAID to extend each.
- **Finding flexibility with milestone schedules:** Fixed amount awards have great value from a pay-for-performance perspective, which are based on a set of assumptions at start up, which can shift from time to time. Now with a portfolio of partnerships heading into Year 2 and in the midst of persistent global supply chain disruptions and unpredictable weather patterns, MSP has remained flexible while also compliant. Key to this was closely monitoring progress and working to identify any needed shifts in how outcomes are distributed throughout the period of performance while also meeting partners' cash flow.

For example, one partner expressed concerns that the milestone schedule (to which payment is tied) would no longer meet their cash flow needs for

the partnership. MSP was able to carry part of one milestone over to another to help them resolve cash flow issues while still being true to pay-for-performance. Another partner did not meet the targets originally set for a milestone linked to smallholder-driven sales of commodities to the firm. Of the original purchase targets from smallholder farmers, the partner was only able to recover approximately 30 percent of the original target due to significant side selling. MSP supported the partner to reflect on the reasons for this rough season—some within the firm’s control, some not—and to make adjustments in their approach, such as increasing the frequency and level of communication between the firm and its smallholder supplier base and adjusting the payment schedule to offer earlier payment tranches. Through this, MSP and the partner were able to keep the life-of-partnership performance expectations but confidently shift the balance of targets into later milestones.

- **Creating a ‘deferral’ option:** This was done for one partner that was not ready to engage in co-development or meet the leverage requirements yet due to global price increases and extreme weather events (e.g., flooding) and that needed another equity partner to re-finance. MSP provided a letter of intent which may help them get an equity partner, helped point them to other impact investors in the region, and hopes to initiate collaboration with them in the next reporting period. This partner has made good progress with its investor outreach this period.
- **Streamlined Environmental Compliance:** During more recent co-development, MSP sought to better integrate environmental monitoring and mitigation into co-development and the resultant partnership agreements. MSP produced an EMMP for each partnership and monitors them closely with partners and began capturing key EMMP actions into milestones to ensure and facilitate compliance and oversight in implementation. MSP also submitted its first round of annual EMMRs this period using a streamlined format that is easy to track progress. MSP will continue to take this approach with its new partners in co-development.

Adaptive Buy-In Management: This period, MSP critically assessed whether its Partnership Facility was the right mechanism for one buy-in and made a programmatic shift as a result. The objective of the USAID/DRC Social Safety Net Transfers Buy-in is to engage local telecommunications companies to administer cash remittances via mobile money transfers to peri-urban beneficiaries. It was originally envisioned as a partnership buy-in but, based on the local market and DRC’s current network infrastructure, MSP discovered that a grant-making facility would have little-to-no success in enticing or engaging these specific market actors. Thus, MSP pivoted away from grants under contract and designed a subcontract model that would allow for more feasibility in terms of being able to work with experts in cash programming, with experience in targeting, monitoring, auditing, and to have networks with local mobile operators to deliver efficient transfers.

Communications: Social media—and in particular, LinkedIn—is one key communications platform for MSP. As such, this period MSP invested in more deeply analyzing the engagement analytics from our posts over the past 12 months in order to: better understand what elements tend to create higher visibility and engagement through comments and reposts, drive traffic to externally-linked publications, and identify what audience profiles we are reaching (and possible holes we can actively work to address). MSP has adjusted aspects of its approach, such as by emphasizing tagging, layering in visuals and icons, amplifying posts from other accounts, thoughtfully building the followers on MSP’s LinkedIn account to both diversify and target audiences, and piloting different post styles (e.g., publication and event announcements, polls for input, success story series, short and long length posts).

MSP has also been strengthening feedback loops to the rest of the team as part of their efforts to monitor uptake. An additional area of learning is discovering the value that several of MSP’s private sector partners have expressed in MSP sharing about the partnership and its successes on LinkedIn ([such as the Partnership Week conducted in December](#)). This can amplify their ability to leverage USAID’s investment to gain credibility with new investors.

SUMMARY OF RESULTS PROGRESS FOR MSP INDICATORS

INDICATOR	RATIONALE	DISAGGREGATES	CURRENT REPORTING PERIOD (10/1/2022 – 3/31/2023)		TOTAL ACCUMULATED TO DATE	
			Disaggregated values	Total Values	Disaggregated values	Total Values
1. Number of buy-ins	Each buy-in contributes towards the advancement of learning and good practice on PSE and MSD; this is a top-line metric of MSP's reach and responsiveness to USAID demand.	Partnership Facility buy-ins	1	2	7	22
		Other (e.g., services, knowledge generation, capacity strengthening)	1		15	
2. Number of MSP collaborators	Successful implementation requires the integration of a diverse set of expertise and viewpoints that support PSE and MSD learning and good practice as well as collaboration with dispersed leaders to drive cultural and operational transformation MSP seeks to catalyze.	Formal (paid)	24	96	54	324
		Informal (unpaid)	72		270	
3. Number of learning products	Learning products serve to advance learning and good practice and support cultural and operational transformation on PSE and MSD within USAID and its implementers.	N/A	N/A	9	N/A	38
4. Number of individuals accessing MSP learning products	Provides a measure of the volume of exposure of MSP stakeholders to Activity learning products.	In-person or virtual event attendance	181	11,085	709	34,941
		Unique website page views	10,904		34,232	
		Downloads *non-unique subset of page views. Only event attendance and page views are counted in Total.	1,124		4,508	
5. Average client satisfaction score	A validation that MSP produces effective knowledge products and services which aim to drive organizational or cultural change and to ensure learning is self-sustained.	Partnership buy-ins	4.20	4.21	4.18	4.22/5
		Other (e.g., services, knowledge generation, capacity strengthening)	4.22		4.25	

SUMMARY OF RESULTS PROGRESS FOR MSP INDICATORS (CONT'D)

INDICATOR	RATIONALE	DISAGGREGATES	CURRENT REPORTING PERIOD (10/1/2022 – 3/31/2023)		TOTAL ACCUMULATED TO DATE	
			Disaggregated values	Total Values	Disaggregated values	Total Values
6. Value of new private-sector investment leveraged by the USG to support food security and nutrition¹	<i>Applied to the Partnership Facility only.</i> Measuring “dollars leveraged” is one normalized metric for understanding scale of additionality across diverse contexts. MSP has also introduced other indicators and learning processes to add nuance and depth.	N/A	N/A	\$89,036	N/A	\$5,021,432
7. Number of public-private partnerships formed as a result of MSP funding	<i>Applied to the Partnership Facility only.</i> More partnerships are desirable and contribute to inclusive and resilient agricultural-led economic growth, improved food security and nutrition, and/or increased incomes for the poor.	N/A	N/A	5	N/A	11
8. Number of technologies, practices, and approaches under various phases of research, development, and uptake as a result of USG assistance	<i>Applied to the Partnership Facility only.</i> This indicator helps track all partner-driven innovation catalyzed by USAID assistance. It helps to measure innovation at its source and will feed into broader insights around market trends and competitive dynamics.	Phase 1: Under R&D	1	4	1	17
		Phase 2: Field testing	2		10	
		Phase 3: Available for uptake	1		4	
		Phase 4: Demonstrate uptake	0		2	
9. Value of annual sales of producers and firms receiving USG assistance	<i>Applied to the Partnership Facility only.</i> Measuring changes in the value of annual sales ² is an important indicator for business growth, productivity, and overall market health. This indicator also supports insights around several dynamics of inclusivity and diversity by disaggregating data across three levels.	<i>See next page.</i>	<i>See next page.</i>	\$141,027	<i>See next page.</i>	\$188,058

¹ This indicator was modified by USAID in September 2022 to remove the amount of USG commitments from dollars leveraged, removing the disaggregation between private investment and USG contributions, and requiring an adjustment to the previously reported total accumulated to date.

² These figures include sales from firms onward and purchases by firms from suppliers engaged through the partnership.

SUMMARY OF RESULTS PROGRESS FOR MSP INDICATORS (CONT'D)

INDICATOR	RATIONALE	DISAGGREGATES		CURRENT REPORTING PERIOD (10/1/2022 – 3/31/2023)		TOTAL ACCUMULATED TO DATE	
				Disaggregated values	Total Values	Disaggregated values	Total Values
9. Value of annual sales of producers and firms receiving USG assistance	<p><i>Applied to the Partnership Facility only.</i></p> <p>Measuring changes in the value of annual sales³ is an important indicator for business growth, productivity, and overall market health. This indicator also supports insights around several dynamics of inclusivity and diversity by disaggregating data across three levels.</p>	1st level: Type of product/service	Agricultural commodities	\$97,242	\$141,027	\$144,273	\$188,058
			Inputs	0		0	
			Value added products (post-harvest)	\$43,785		\$43,785	
			Post-harvest equipment	0		0	
			Business services	0		0	
			Information services	0		0	
			Product support services	0		0	
		2nd level: Type of producer/firm	Smallholder producers (<5 Ha)	\$82,666		\$129,697	
			Non-smallholder producers (>5 Ha)	0		0	
			Micro-enterprises	0		0	
			SMEs	\$44,720		\$44,720	
			Large enterprises	\$13,641		\$13,641	
		3rd level (a): Sex	Male	\$46,906		\$68,041	
			Female	\$35,760		\$53,861	
			Mixed ⁴	\$58,361		\$58,361	
			Disaggregate N/A	0		\$7,794	
		3rd level (b): Age	Youth (15-29)	\$10,281		\$16,687	
			Non-youth (30+)	\$72,385		\$114,109	
			Mixed age ⁵	\$58,361		\$166,258	
			Disaggregate N/A	0		\$7,794	

³ These figures include sales from firms onward and purchases by firms from suppliers engaged through the partnership.

⁴ Neither 100% male ownership, nor 100% female ownership. These figures include sales from firms onward and purchases by firms from suppliers engaged through the partnership.

⁵ Neither 100% youth, nor 100% non-youth.

ANNEX

Spotlights on New Private Sector Partnerships Signed This Period

Spotlights below are included for the five new partners signed this period. For further information on MSP's other partners, please see our [Private Sector Partnerships Lookbook](#).



Cambodia Partnerships: BRM Agro

Overview:

BRM Agro is an integrated rice farm and rice milling company located in Kampong Thom, Cambodia. Though Cambodia produces both a high quantity and quality of rice, systemic issues in the country's rice sector, such as a lack of post-harvest infrastructure, have led to economic, food, and climate security challenges for rice farmers. Because Cambodia lacks the infrastructure to process much of the rice it produces, rice farmers are vulnerable to price fluctuations and are often forced to sell their unprocessed rice paddy to traders for sale in neighboring Thailand or Vietnam, which further disadvantages Cambodian farmers.

MSP's partnership with BRM Agro will enable it to increase its rice processing capacity to meet demand by expanding the drying capacity of its existing rice mill, hiring new staff, and recruiting and contracting new smallholder suppliers who will gain consistent access to a premium market. Improved rice processing infrastructure in Cambodia will allow rice farmers to reap the benefits associated with the high level of international demand for Cambodian-grown fragrant rice, including increased farmer incomes, improved farming practices, and a reduction in Cambodia's reliance on imported rice. The total value of the partnership is \$1,558,340 with a 1:1 partner to MSP commitment ratio.

Updates:

After signing its agreement on February 1, 2023, BRM Agro began implementation. At the end of February, BRM Agro submitted its work plan, the first of 14 milestones, which included a women's empowerment plan, a rice mill and drying facility improvement plan, and a description of the supplier insight survey approach. The work plan is currently under final review and will be approved in April 2023.

BRM Agro is already working on its second milestone, the first supplier insight survey; it submitted and received approval for the survey methodology in March 2023. BRM Agro will conduct in-person interviews with at least 125 of the 250 new smallholder rice farmers, which it intends to integrate into its supplier base during Year 1 of the partnership.



Photo Credit: BRM Agro

Objectives:

Operationalize an expanded rice mill to increase rice drying capacity from 18,000 MT of wet paddy to 60,000 MT annually and facilitate the production of more export quality rice.

Increase BRM Agro's rice supplier network and expand its organic rice sourcing, growing the network from 100 to 450 (at least 80% smallholders) and expand organic rice sourcing to provide an additional 14,950 MT of wet paddy (6,650 MT standard and 8,300 MT organic) annually by the end of 2024 while maintaining quality.

Expand international marketing relationships in the EU, increasing annual exports from 6,000 MT with revenue of \$4.62 million to 15,150 MT with revenue of \$11.67 million and establish a commercial relationship with at least one new buyer.




Projected partner leverage:
\$892,320



Geography:
Cambodia



Projected sales:
\$11.65 million



Projected increase in drying capacity:
52,000 MT of wet paddy



Projected number of smallholder farmers benefiting:
580

Cambodia Partnerships: Khmer Organic Cooperative



Projected partner leverage:
\$584,044



Geography:
Cambodia



Projected sales:
\$1.81 million



Projected increase in cold storage:
255 m³



Projected number of smallholder farmers benefiting:
600

Overview:

Khmer Organic Cooperative (KOC) is a social agribusiness enterprise that produces and sells organic and good agricultural practice (GAP)-certified vegetables, fruit, rice, cashew nuts, pepper, palm sugar, cereals, chicken meat, chicken and duck eggs, fish, and other products. Despite a rich agricultural capacity, Cambodia relies on imported produce due to several factors, including poor farm management and post-harvest practices; lack of access to logistics, especially temperature controlled; and inconsistent market access that leads farmers to sell at low prices.

The partnership with KOC will catalyze the operationalization of a new, cold storage-enabled, energy efficient packinghouse for organic produce and the training and contracting of 21 new agricultural cooperatives (AC) and producer groups (PG) to meet increasing demand for organic produce. The partnership will improve market access for Cambodian smallholder farmers, promote food safety and quality standards, and grow both Cambodia's ability to reliably yield organic produce for domestic and export markets and the domestic appetite for responsibly sourced organic produce. The total value of the partnership is \$1,161,354 with a 1:1 partner to MSP commitment ratio.

Updates:

After signing its agreement on February 1, 2023, KOC submitted its work plan, the first of 16 milestones. The work plan includes its plans for women's empowerment, staff onboarding, AC and PG identification, packinghouse operationalization, new technologies and approaches to be adopted, and the supplier insight survey. The work plan is under review to be approved in April 2023.

In March 2023, KOC submitted and received approval for the methodology for its first supplier insight survey. KOC will conduct in-person interviews with at least 60 of its existing smallholder suppliers and focus group discussions with a total of 55 AC executive leadership committee members. Additionally, KOC drafted and submitted the terms of reference for the consultant(s) who will support KOC in completing milestone 4: Development of a Gender Workplace Protection and Anti-Harassment Policy and Training and Implementation Plan, which is due in early June 2023.



Photo Credit: KOC

Objectives:

Operationalize a new, cold storage-enabled packinghouse and microgreen net house. This will increase capacity to process, store, and ship organic agricultural products in-line with international best practices for food safety.

Expand KOC's supplier network of organic smallholder producers to meet increased market demand by identifying and training 420 additional smallholder farmers contracted through 21 additional ACs and PGs.

Strengthen the Cambodian domestic market for organic agricultural products and KOC's position in it.

Improve marketing and outreach to establish deals with at least 40 new stores, primarily across Phnom Penh.

Cambodia Partnerships: Leang Leng Enterprises

Overview:

Leang Leng Enterprises (LLE) is a family-owned sauce manufacturer that produces fish sauce, soy sauce, chili sauce, hoisin sauce, oyster sauce, tomato sauce, and vinegar and targets sales to restaurants, supermarkets, and households. The company is ISO9001, ISO22000, GMP, HACCP, and Halal certified. Cambodia lacks domestically produced value-added products as well as consistent application of food safety standards, branding and marketing, and sourcing practices. Consequently, consumers have limited options, and farmers lack consistent markets for their products.

The partnership with LLE will expand sales of its sauces to five additional Cambodian provinces by modernizing its chili and tomato sauce production line and by sourcing increased volumes of chili and tomatoes from smallholder suppliers, piloting a contract farming approach. The partnership will further incentivize increased production of Cambodian-owned, value-added products in a way that provides consistent linkages to markets for Cambodian agricultural producers, while also promoting adherence to food quality and safety standards among Cambodian food processors. The total value of the partnership is \$1,637,733 with a 1:1 partner to MSP commitment ratio.

Updates:

After signing its agreement on February 1, 2023, LLE submitted its work plan, the first of 13 milestones. The work plan includes its gender empowerment plan, sauce production line operationalization plan, and a description of the supplier insight survey approach. The work plan is currently under final review and will be approved in April 2023.

LLE is already working on its second milestone, the first supplier insight survey. In March 2023, it submitted and received approval for the survey methodology, a key first step. Next period, LLE will conduct in-person interviews with all 110 of the smallholder vegetable suppliers that it is currently vetting to eventually establish its contracting farming pilot of 40 farmers.



Photo Credit: LLE

Objectives:

Modernize LLE's chili and tomato sauce production processes, thereby increasing chili and tomato sauce production capacity by 738%—from 2,400,000 bottles of sauce annually and current sales of \$849,000 to 20,121,600 bottles annually and \$2.08 million in sales—by the end of the partnership in 2025.

Bolster LLE's marketing and sales capacity to break into five additional Cambodian provinces.

Grow LLE's smallholder supplier network to meet increased production capacity and increased demand by training 100 smallholder suppliers and piloting a contract farming model with 40 farmers from the training cohort.



Projected partner leverage:

\$819,224



Geography:
Cambodia



Projected sales:
\$2,080,000



Projected increase in bottling capacity:

19.7 million bottles



Projected number of smallholder farmers benefiting:
100

Solomon Islands Partnerships: Commodity Corporation

Overview:

Commodity Corporation (C-Corp) is a cocoa exporter and chocolate manufacturer which sources high-quality cocoa beans from Solomon Islands. Selling its products under the brand name Solomons Gold, C-Corp manufactures organic chocolate products, including chocolate bars, cocoa nibs, and chocolate pieces for individual and wholesale customers. C-Corp will pilot the processing and marketing of single origin (Malaita) organic chocolate callets (e.g., chocolate chunks used in commercial baking processes) sourced exclusively from smallholder farmers in Solomon Islands. MSP is co-investing with C-Corp to expand its operations into Malaita Province, establish a cocoa nursery, introduce organic certification of farmer supplier areas, and test and expand a new product (single-origin organic chocolate callets) into key international markets. The partnership will focus on expanding production of cacao in Solomon Islands, improving cocoa processing operations and product quality, and increasing trade of cocoa products from Solomon Islands to New Zealand, Australia, and the U.S. The value of the partnership is \$958,260 with a 0.9:1 partner to MSP commitment ratio.

Updates:

After signing its agreement in November 2022, C-Corp immediately launched its initial activities to recruit farmers, conduct its supplier insight survey, and set up its cocoa seedling nursery. Milestones completed during the reporting period included: 1) the work plan, 2) supplier insight survey, and 3) nursery lease.

C-Corp combined its farmer recruitment and supplier insight survey activities into one farmer engagement and outreach activity in December 2022. Seeking to identify an initial 10 farming groups, C-Corp conducted farmer interviews where it deployed its farmer insight survey to determine farmers' production volumes, main constraints to cocoa production, and motivations for working with a company such as C-Corp. Through the study, it determined that some of the groups were motivated by higher premiums that can be offered for high quality "boutique" cocoa beans and were keen to receive training and equipment to improve their products. Through the study, C-Corp also confirmed the degree and type of engagement that women farmers have in cocoa production at the farming group level. Validating C-Corp's experience to date in Solomon Islands, women in the farming groups are involved mainly in maintenance of trees and processing, and the survey respondents indicated that women group members would be interested in training if offered.



Projected partner leverage: **\$458,786**



Geography:
Solomon Islands



Projected sales:
\$96,000



Projected number of smallholder farmers benefiting:
100



Photo Credit: C-Corp

Objectives:

Test the viability of specialty chocolate callet products.

Targeting niche markets in New Zealand and Australia, C-Corp will market single origin, organically certified baking products to customers.

Reinvest in the cacao tree stock in Malaita. Distributing 5,000 seedlings to its supplier network, C-Corp will seek to reinvigorate the aging cacao tree population in Malaita with expanded plantings of new and improved varieties from Guadalcanal.

Improve the quality and volume of cocoa supply in Malaita. Through the provision of training and granting of processing equipment, C-Corp will support farming groups to improve the quality of their cocoa produced and improve yields.

Southern Africa Partnerships: Condor Anacardium



Projected partner leverage:
\$629,140



Geography:
Mozambique



Projected sales:
117.5 MT



Projected number of smallholder farmers benefiting:
5,000

Overview:

Condor Anacardium is a food processor of raw cashew nuts based in Macia, Mozambique. It sources cashew nuts from over 40,000 farmers—98 percent of whom are smallholder farmers—and processes the nuts for export. Through this partnership, Condor Anacardium will improve its environmental standards by modernizing cashew nut handling and processing, producing 620 MT of cashew nut shell liquid (CNSL) oil in alignment with local environmental regulations. The partnership will also reduce supply chain risk by strengthening its relationships with a subset of smallholder farmer suppliers through investing in inputs (e.g., seedlings) and cooperative or association development. The value of the partnership is \$1,246,603 with a 1:1 partner to MSP commitment ratio.

This partnership is a long-term investment by USAID into the environmental and economic health of the cashew nut industry in Mozambique, expanding the production of cashews, improving Condor Anacardium's environmental management practices, and diversifying the company by adding a new business line of CNSL.

Updates:

Condor Anacardium signed its grant award in January 2023 and launched activities in February beginning with the first two milestones: the work plan and the supplier insight survey.

The work plan milestone is designed as an early stage milestone to help frame the activities after months of co-development, to update timelines for initial activities, and deliver much needed early cash flow to the partners to allow for some early stage deposits and payments needed to begin the pilot. Condor Anacardium completed its work plan in February 2023.

In March, Condor Anacardium began developing the methodology of the supplier insight survey, a key early stage milestone that helps partners to gather strategic information from its suppliers in order to validate or adjust its approaches before it begins full implementation. The survey, which is under design at the time of writing, will focus on the perspectives of farmers on the cooperative model and interest in membership for those not currently participating in cooperatives. Condor Anacardium seeks to help develop cooperatives or associations to facilitate buying relationships; the insight survey will inform these approaches.



Photo Credit: Condor Anacardium

Objectives:

CNSL Oil for Export Markets.

Expand into the production of CNSL oil in order to mitigate its environmental management risks and diversify product offerings.

Expand Production and Processing Volume.

Expand its process line with modernized and efficient machinery to increase its purchasing volumes from smallholder farmers and processing capacity.

Strengthen Farmer Relationships.

Invest in relationships with smallholder farmers through the deployment of the supplier insight survey to help Condor Anacardium provide targeted support to its supplier base. The firm will also distribute seedlings to 5,000 farmers during the first year of the partnership.



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The U.S. Government's Global Hunger & Food Security Initiative

<https://www.feedthefuture.gov>

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