



MARKET SYSTEMS AND PARTNERSHIPS ACTIVITY (MSP)
SEMI-ANNUAL REPORT
Reporting Period October 1, 2020 - March 31, 2021

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Executive Summary

Operating at the critical intersection of market systems development (MSD) and private sector engagement (PSE), the **Feed the Future Market Systems and Partnerships (MSP) Activity** made a substantial shift from start-up to active implementation. A five-year, \$65 million ceiling Activity, MSP's goal is to advance learning and good practice on MSD and PSE within USAID, USAID's implementing partners, and market actors. Key highlights from MSP's first full reporting period (October 1, 2020 – March 31, 2021) are presented below.

Building on existing buy-ins with USAID's Center for Agriculture-Led Growth and USAID's Center for Nutrition within the Bureau of Resilience and Food Security (RFS), as well as with USAID/Philippines, MSP secured **2 additional buy-in engagements** during this period – with USAID/Southern Africa Regional Economic Growth Office and USAID/Cambodia. These advance MSP's first objective: support effective private sector partnership development and management. Combined, these buy-ins represent **\$11 million in funding currently approved to co-invest with the private sector** via performance-based partnerships under MSP. At two-thirds of the way into MSP's first year of implementation, these 5 buy-ins (which together bring MSP to 41% of ceiling committed) are a strong indication of the **significant demand for MSP's offerings across the Agency and around the globe.**

MSP's first objective is focused on **transformational private sector engagement**. This period, we laid the foundations to tackle this with intentionality by **launching MSP's Partnership Facility in both Southern Africa and Cambodia** and initiating multiple learning activities, including guidance on PSE to drive improved nutrition and a brief on PSE in fragile contexts. MSP's Partnership Facility is a grants fund to co-invest with the private sector via milestone-based agreements. Across these two live opportunities, **329** entities have registered to our custom grants platform thus far, demonstrating significant interest. For the Southern Africa Agricultural Trade and Investment Activity, a Partnership Facility Activity, the first phase of a two-step selection process closed March 31. We received **60 applications from 8 countries** across Southern Africa. In the coming period, MSP will facilitate an iterative co-development process with each selected applicant to refine the alignment of core business objectives and development goals and issue the first round of partnership agreements. More on these ongoing activities begins on Page 8.

In October, MSP finalized an initial **Learning Agenda** after a series of stakeholder

KEY RESULTS TO DATE



5 Buy-Ins with USAID clients
(3 Missions, 2 USAID/W)



\$11 million Combined
Funding for Private Sector Partnerships



2 Live Partnership Opportunities
(Cambodia, Southern Africa)



60 Applicants to USAID/Southern
Africa Partnership Facility from 8
Southern Africa Countries



7 Learning Activities Underway



48 Collaborators from USAID, IPs,
and PS Bringing Diverse Perspectives



41% Life-of-Activity Budget
Ceiling Committed

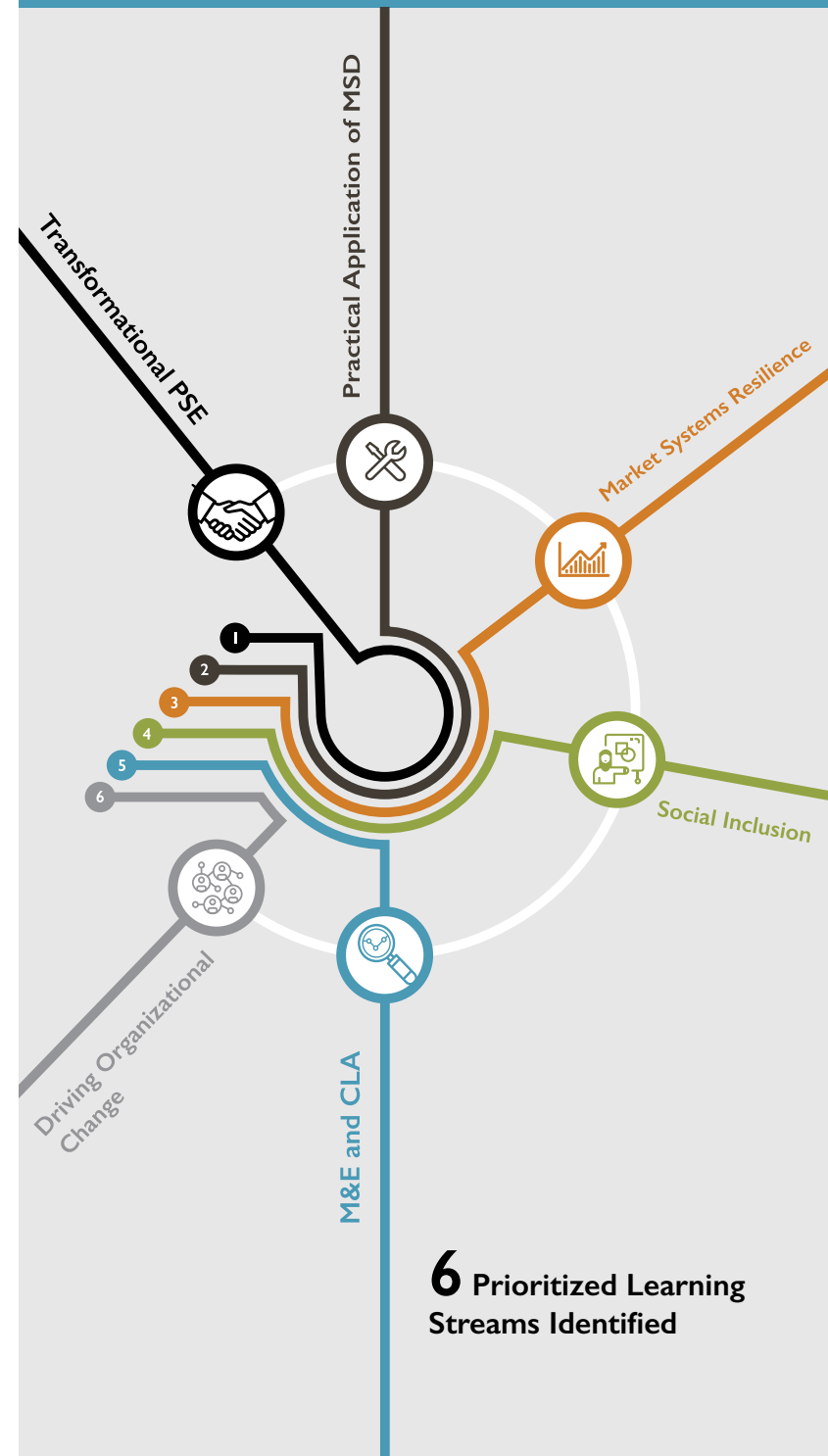
consultations with PSE and MSD experts at USAID and within the MSP consortium. As of March 31, MSP has **initiated 7 activities across 4 prioritized streams**, including a brief on synergies between PSE and MSD, a market systems resilience community of practice, and a rapid evidence scan on the return on investment from social inclusion for private sector. Pages 14-15 describe each stream, with detailed snapshots on several initial activities. Furthermore, MSP began to map out its process for layering specific learning priorities and processes into each partnership and across the portfolio to maximize synergies between the Partnership Facility and the MSP Learning Agenda.

Collaboration: this is the fuel of MSP. To date, MSP has collaborated with **48 stakeholders** (40 this period) through small group consultations, technical advisory committees, peer reviews, and case study capture. Collaborators include members of USAID's PSE Hub and Local Systems Community, the BEAM Exchange, USAID implementing partners, and private firms. MSP made intentional efforts to leverage operational learning, resources and networks from other large-scale USAID-funded D.C. based Activities such as Partnering for Innovation and INVEST.

Operations: in response to the rapid growth in demand for MSP's services, core staff more than tripled in size between December 2020 and March 2021. A significant effort was dedicated this period to establishing MSP's grant management systems and in February, MSP released the first two calls for partnerships, using a custom online platform (www.mspgrants.com). The MSP website is also now live (www.agrilinks.org/msp) and will serve as a central platform to share technical resources and promote events and workshops. Several foundational deliverables were also submitted and approved this period including the Year One Work Plan, MEL Plan, CLA Plan, Grants Under Contract Manual, QASP and Branding and Marking Plan.

Looking forward: over the next six months, MSP will co-develop and initiate dozens of private sector partnerships across two continents; activate learning initiatives within all 6 learning streams; and finalize, publish, and promote adoption and uptake of key technical resources and learning now underway. We will enhance our engagements and collaborations with the MSD and PSE implementer communities, influenced by a targeted study on the influence and learning networks of our key stakeholder groups: USAID, its implementers, and market actors. Lastly, MSP will conduct additional visioning exercises to reflect on the learning agenda to date and begin to build out next iterations of our strategies.

LEARNING AGENDA LAUNCHED



6 Prioritized Learning Streams Identified

ACTIVITY OVERVIEW



THE MSP TEAM

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 implementing partners, and market actors. MSP provides and improves upon the evidence, capacity, tools, technical assistance, and/or services required to design, implement, monitor, and/or evaluate activities that lead to inclusive and resilient agriculture-led economic growth, improved food security and nutrition, and increased incomes for the poor.

MSP will support USAID **to bring about a major cultural and operational transformation** by integrating PSE across all activities, while at the same time deepening MSD and facilitative approaches across the program cycle.

DAI (prime)

MarketShare Associates (MSA)

EcoVentures International (EVI)

Global Knowledge Initiative (GKI)

ISF Advisors

TechnoServe

Plus valuable collaborations with local partners, strategic technical advisors, industry peers, private sector partners, and other donors key to delivering on MSP's goal

MSP Core Objectives

FEED THE FUTURE MARKET SYSTEMS AND PARTNERSHIPS ACTIVITY: 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



Build capacity to design, implement, and MEL 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 I: PRIVATE SECTOR PARTNERSHIPS

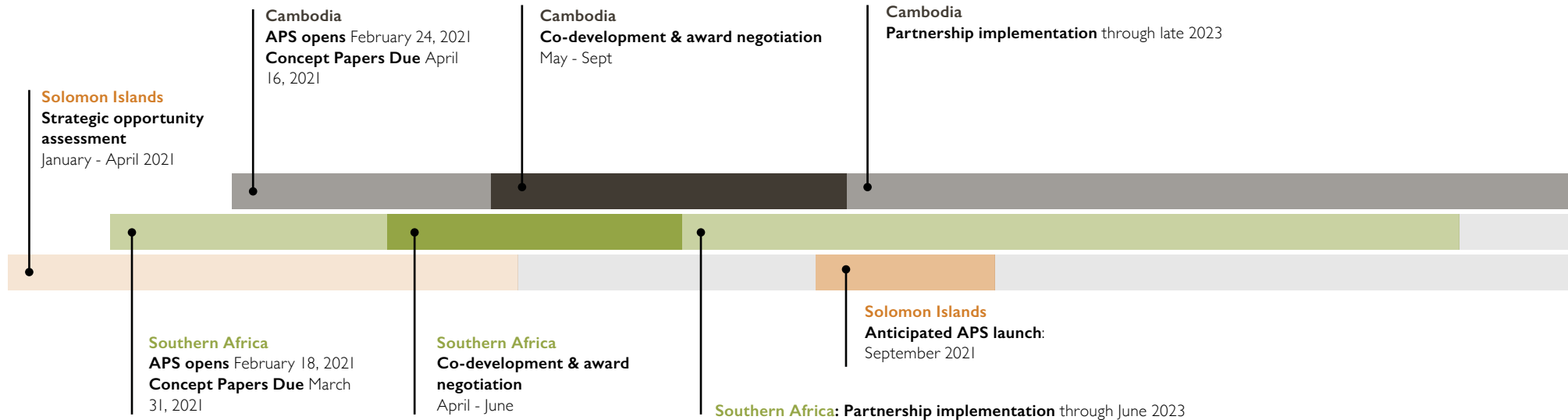
MSP facilitates private sector partnerships that create shared value from the alignment of core business objectives and development goals. **As of March 31, MSP has three active buy-ins with USAID missions in Southern Africa, Cambodia and Solomon Islands, with a combined initial Partnership Facility value of \$11 million.** Still in the first year of implementation, the total value of the current grant windows is now over a third of MSP's overall \$30 million Partnership Facility.

MSP-facilitated partnerships channel corporate resources, expertise, technology, and influence in service of addressing a development problem; push firms and investors outside normal business practices by taking a socially inclusive approach to testing a new model or to scaling a business service or product; and shine a light on systemic barriers in the market system which constrain private sector involvement and investment. USAID can use these MSP partnerships as live case studies to help address constraints. In doing so, USAID, and its ecosystem of actors, can foster the conditions necessary for the focus investment or business practice to endure (and even scale) beyond the life of the MSP partnership. This facilitative approach can pave the way for other industry actors to follow suit in addressing business challenges in a way that advances development objectives.

During this reporting period, MSP established its grant management systems and in February, released the first two calls for partnerships, in Southern Africa and Cambodia.

Southern Africa	Cambodia	Solomon Islands
<p>Status Concept Paper Evaluation</p> <p>Technical Focus Input distribution, supply chain management, business and other support services</p> <p>Details Current Fund (Round 1): \$5.5 million over 2 years Award Range: \$250K - \$1 million</p> 	<p>Status Live – Accepting Concept Notes</p> <p>Technical Focus Cold chain, logistics, transport</p> <p>Details Current Fund (Round 1): \$ 2.5 million over 2 years Award Range: \$100K- \$1 million</p> 	<p>Status Strategic Opportunity Identification (Pre-APS)</p> <p>Technical Focus Increased product quality, improved value addition of agricultural products</p> <p>Details Anticipated Fund: approx. \$3 million</p> 

MSP'S PARTNERSHIP FACILITY: A TIMELINE



FEATURES OF MSP PARTNERSHIP APPROACH:

This period, MSP developed key features of its operational approach to partnerships, including:

- **Upfront analysis** to inform solicitation design and identify and market to key stakeholders, varying from desk research to private sector landscape analyses
- **Consultative APS design** with USAID to maximize transformational impact
- **Streamlined multi-step application process** minimizes upfront burden for applicants
- **Co-development with private sector partners** to iterate ideas; refine alignment of business and development outcomes; enhance inclusion, scale, and sustainability; embed synergies with MSP Learning Agenda; build trust for a healthy partnership
- **One-to-one co-investment** by partner (*our standard practice)
- **Milestone-based award** (pay for performance)



Over the next quarter, MSP will further craft, pilot and define additional aspects of its approach, including an intentional strategy for driving outcomes for women, an adaptive management approach, and metrics and processes to harvest learning and capture impact on both vulnerable populations and larger industry dynamics.

Spotlight on Southern Africa Agricultural Trade and Investment Activity

MSP launched its first opportunity under the Partnership Facility in February, on behalf of USAID/Southern Africa. Once awarded, these multi-stakeholder, private sector partnerships will leverage South Africa's advanced economy and financial system **to increase regional agricultural trade and investment, as well as increase agricultural exports to the United States.** Potential technical focus areas may include **input distribution, supply chain management, business services, and other support services** (e.g. ICT, logistics, marketing, etc), and may involve a wide range of firms – from aggregators and manufacturers to leasing companies, investors, and agricultural technology firms.

To further propel the transformational potential of these engagements, MSP requires applicants to form and propose partnerships that include a U.S. or South African entity. Through these partnerships, MSP will increase the value and quality of products traded in the region and therefore increase incomes throughout the value chain, including producers.

Concept papers closed March 31. A total of 60 concept notes were submitted.

In March, MSP began actively preparing for and designing materials for the next stages, which will take place between April and June, and will include the concept paper evaluations, co-development with selected applicants to develop a full application, and final review, approval, and award to successful partners to begin work by no later than September 2021. As MSP's first round of partnerships, this also provided an opportunity to fine tune and pilot MSP's buy-in negotiation process with Missions, the functionality of the online grants platform, and internal team collaborations.



286 registrants to grants platform as of March 31



60 concept papers submitted

8 Southern African countries represented

KEY FACTS:

Objectives: increased regional agricultural trade; increased agricultural investment from South Africa to the region; increased agri-exports to the U.S. via AGOA

Current Fund (Round I):
\$5.5 million

Award Range: \$250K - \$1 million

Awards estimated: June 2021

Multi-stakeholder partnerships

One-to-one co-investment



Spotlight on Cambodia Agricultural Investment Activity

Challenges in Cambodia's storage and logistics capacity are impeding growth of the agriculture sector, which accounts for a quarter of the country's GDP and employs approximately half of its rural population. On behalf of USAID/Cambodia, **MSP launched a \$2.5 million Partnership Facility on February 24** to co-invest with Cambodian firms to address these challenges. The Facility focuses on three areas: cold chain, agricultural storage capacity (warehouses, deposits, or holdings of farm products), and logistics.

By partnering with firms and investors—focusing strongly on entrepreneurs—to test innovative business models, pilot new technology, or expand into new high-risk markets and scale innovation, MSP will help to reduce post-harvest losses, increase smallholder incomes, and better integrate women and youth into supply chains. These new MSP partnerships will test and promote the uptake of successful storage and logistics innovations that will ultimately crowd in further private sector investment along Cambodia's agricultural value chains and increase regional and international trade integration.

MSP worked closely with USAID/Cambodia and both donor and private sector networks in Cambodia to actively promote interest in this opportunity, and on March 17, MSP hosted a well-attended virtual application conference. In advance of the application window closing April 16, concept notes from prospective partners are already beginning to come in. MSP looks forward to the evaluation and co-development process to come on this exciting opportunity with truly transformational potential.



43 registrants to grants platform as of March 31



KEY FACTS:

Objectives: advance economic competitiveness and inclusiveness through market access, agricultural services, infrastructure and logistics, and PSE and investment across the ag value chain.

Current Fund (Round 1):

\$2.5 million over 2 years

Award Range:

\$100 K - \$1 million

Awards estimated: September 2021

Spotlight on Solomon Islands: Strategic Opportunity Identification

This period, MSP also launched a buy-in with USAID/Philippines to support implementation of the Solomon Islands – Strengthening Competitiveness, Agriculture, Livelihoods and Environment (SI-SCALE) Program. SI-SCALE aims to advance the Solomon Islands’ economic competitiveness and inclusiveness with specific emphasis on the development of the agribusiness sector and improved management of the forestry sector. The MSP engagement is focused specifically on the sub-objective of promoting the expansion and further development of the agribusiness sector by **improving agriculture production capacity of selected high-value crops**; enhancing the **quality** of crops and value-addition of agricultural products; and/or expanding domestic and international agribusiness **trade**.

MSP is using a participatory analysis process to both help MSP to identify strategic partnership opportunities and shape the technical design of the APS. This included consultations with 50 private sector firms located in Solomon Islands and in the region, government officials, investors, and industry groups. The **competitive appraisal matrix (CAM) process** is an upfront strategic opportunity identification used to uncover the partners and activities that will enable MSP to have the most systemic impact at scale. Strategic opportunity identification is a key part of MSP’s approach to partnerships, and MSP is documenting learning from this pilot experience to refine the methodology for tailored use on future buy-in partnership opportunities.

MSP is finalizing the CAM and expects to complete the assessment by April, using these findings to refine outreach strategy to potential partners and to further define the Partnership Facility scope, expected to launch later in 2021.

EXCERPT FROM COMPETITIVENESS APPRAISAL MATRIX SELECTION CRITERIA: Assessing competitiveness potential, systemic impact, and feasibility

Competitiveness Potential 40%	Systemic Impact in Malaita 40%	Feasibility 20%
<ul style="list-style-type: none"> Expand domestic, international agribusiness trade 10% Competitive advantage 5% Enhance quality of crops & value-addition of ag products 10% Improve ag production capacity of selected high-value crops 5% Strength of investor interest 10% 	<ul style="list-style-type: none"> Potential to link Solomon Islands & Malaitan agribusiness & coops to regional, intrl markets 10% Income generation potential 10% Job creation 10% Local supply chain linkages 5% Economic opps for women 5% 	<ul style="list-style-type: none"> Private sector dynamism/ strength of business ecosystem 10% Alignment with SIG & Malaitian Provincial Gov’t priorities 5% Benefits to sustainable, community-driven development 5%

KEY FACTS:

Objectives:

Increased product quality and improved value addition of agricultural products

Anticipated Fund:

\$3 million

Anticipated APS Launch:

September 2021



OBJECTIVE 2: SERVICES



MSP offers rapidly mobilized technical assistance services in response to Missions' needs for supplemental support to design, implement, and monitor MSD and PSE activities. This could include market analyses, deal structuring, evaluations, and more.

This is a demand-driven, buy-in dependent objective, and this period, MSP buy-ins centralized around the other three objectives. There are no activities to report this period.



OBJECTIVE 3: GENERATE KNOWLEDGE



In October, MSP finalized the first iteration of its **Learning Agenda**, which provides an overview of MSP’s learning priorities and a sample of activities that contribute to MSP’s overall goal of advancing learning and good practice in PSE and MSD.

It was developed through a series of stakeholder consultations with the MSP consortium of experts, and key USAID PSE and MSD constituents (including the Local Systems Working Group at USAID). It is a living document and will continue to be refined with stakeholder feedback and insights from implementation. Across the **six learning streams** highlighted below **seven initial activities were approved by USAID** during this period. The following pages spotlight three of these activities in more detail.

LEARNING AGENDA STREAMS

INITIAL APPROVED ACTIVITIES



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.

PSE for Transformational Nutrition Outcomes: guidance to support Missions in leveraging the private sector’s transformational potential in food systems and nutrition outcomes. See Snapshot on following pages for more detail. (DAI, TechnoServe)

PSE in Fragile Contexts: concrete guidance and real-world cases. See Snapshot for more detail. (DAI, GKI)



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.

Brief on Synergies between PSE and MSD: this highly consultative activity will explore synergies and distinctions between MSD and PSE via a brief and visualizations, to further strengthen connective tissue between each field. (DAI)

Training for USAID on Foundations of MSD: MSP is developing a five-day internal USAID training course to be delivered by USAID staff, primarily to Missions. (DAI, EVI, MSA)



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 Community of Practice: established to facilitate peer-to-peer learning and capture learning in this relatively new technical area. See Snapshot for more detail. (EVI)



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).

ROI for Social Inclusion: analyzing evidence (and evidence gaps) on the contribution of social inclusion strategies to ROI for companies and investors in emerging markets. (MSA, ISF)

Gendered impact of COVID-19 on MSD Staff: MSP is conducting a rapid industry survey to document and understand the ways in which COVID-19 is affecting workforce participation and career ambition of current and potential women and men COPs and senior staff working for USAID MSD Activities. (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.

In April, MSP aims to finalize an activity to design a series of ex-post studies that evaluate the sustainability and scale of outcomes from system change catalyzed by an MSD Activity.



Driving Organizational Change: MSP aims to deepen learning on incentives for behavior change related to enhanced adoption and application of MSD and PSE, developing a human-centered and systems-informed approach to change management.

MSP expects to build out activities in this important stream in coming periods and align with efforts to advance USAID's Local Systems Framework Policy.

Spotlight: PSE in Fragile Contexts

USAID and its implementers can be strategic players when using PSE as a tool to conduct development and humanitarian work in fragile contexts, but there are many special considerations and unique approaches needed to effectively engage the private sector in fragile contexts.

To capture concrete guidance and practical insight from real-world cases, MSP is **developing a brief and case studies**, informed by an analysis of existing fragile contexts literature, PSE and systems best practices, and key informant interviews. In February, MSP **established a technical advisory committee** with representatives from RFS, the Bureau for Conflict Prevention and Stabilization, the Bureau for Humanitarian Assistance, and the PSE Hub.

The guidance will target two main audiences: (1) fragile contexts-focused practitioners who seek to use PSE as a tool to conduct development and humanitarian work; and (2) PSE experts who seek to tailor best practices to fragile contexts. To enhance this end-user orientation of the final products, in March MSP conducted a focus group discussion with nearly a dozen private sector social enterprises and NGO members from the Humanitarian Grand Challenge. The brief will be finalized by June and include the adaptations needed for a transformational PSE approach in fragile state contexts; optimal strategies for USAID to leverage its convening power to broker relationships between stakeholders that would not otherwise collaborate; and four case studies that offer concrete, practical examples of strategic opportunity identification, co-creation and design, and partnerships/collaborations with the private sector under each of the four private sector engagement models (see image below).

PSE in Fragile Contexts: Four Private Sector Types *A Preliminary Lens to Analyze Incentives for Engagement*

**Social
Enterprise**

**Local
Private
Sector**

**“Large
Footprint”
Companies**

**Attracting
New
Investment**

Cross-cutting / Support (Finance, etc.)

EXCERPT FROM MSP TECHNICAL
ADVISORY COMMITTEE
PRESENTATION ON THE
PROPOSED FRAMING OF THE
GUIDANCE

Spotlight: PSE for Nutrition

The private sector can play a transformational role in addressing and sustaining development outcomes in food systems and nutrition. With the Center for Nutrition in USAID's RFS Bureau, MSP has developed **a user-friendly guidance document to support Missions** in this effort, centered around three main pathways: the enabling environment, producer-facing initiatives, and consumer-facing initiatives.

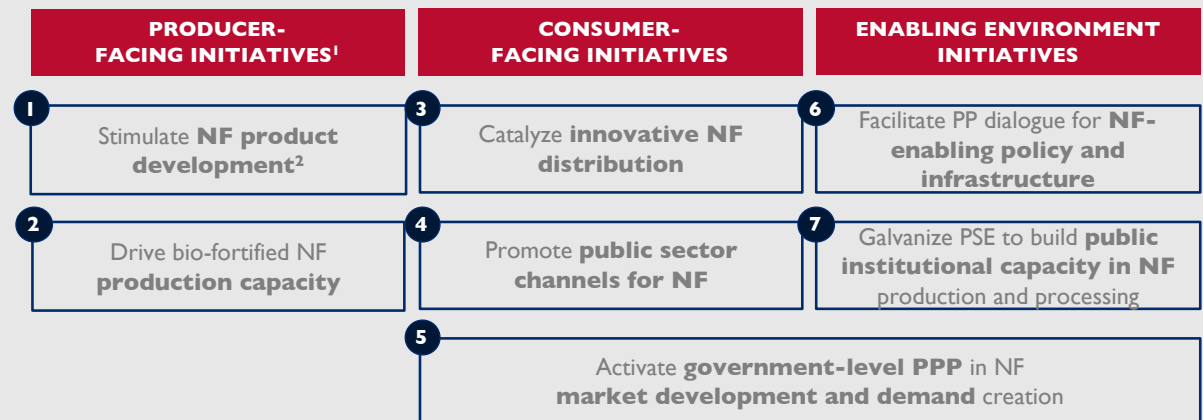
This guidance includes a **strategic opportunity assessment tool** for assessing the private sector landscape in health and food systems; **partnership archetypes to serve as models for engaging** different categories of private sector actors within each identified pathway; and **three case studies** that illustrate real life examples:

- a large Ethiopian enterprise stimulating nutritious food product development collaboratively with 500,000 chickpea producers;
- the largest edible oil producer in India which has been part of a nation-wide shift in public support for fortified oils and the resulting growing competitive landscape; and
- an alliance of food processors across Africa strengthening public-private dialogue for nutritious food-enabling policy and infrastructure.

Consistent with MSP's consultative approach, early on in the process MSP conducted online polling with participants of USAID's Africa and Latin America regional Multi-Sectoral Nutrition Global Learning and Evidence Exchange (GLEE) to get feedback on which archetypes are most relevant to Missions' work and perceived gaps in what MSP presented. On March 31, MSP presented a more advanced version of the guidance at the Asia GLEE session. After an initial version of the guidance is finalized in May, MSP will host a round of webinars during June to August 2021, to discuss with specific Missions their strategies for engaging the private sector to achieve nutritional outcomes and to facilitate a dialogue around Mission needs, challenges, and successes with PSE. This feedback will then be incorporated into the final guidance deliverable, which will be published.

EXCERPT FROM MSP PRESENTATION AT USAID MULTI-SECTORAL GLOBAL LEARNING AND EVIDENCE EXCHANGE (GLEE): Asia, March 2021

PSE IN NUTRITION ARCHETYPES



Spotlight: Market Systems Resilience Community of Practice

Market systems resilience is a relatively new technical area, and there is much interest from this group of practitioners in sharing learning to advance best practice. However, currently this is limited to personal connections and occasional meetings. As the first activity in the MSR Learning Agenda stream, MSP established a Community of Practice to convene implementers, USAID experts and other key stakeholders in order to facilitate peer-to-peer learning and capture innovations and insights for broader dissemination.

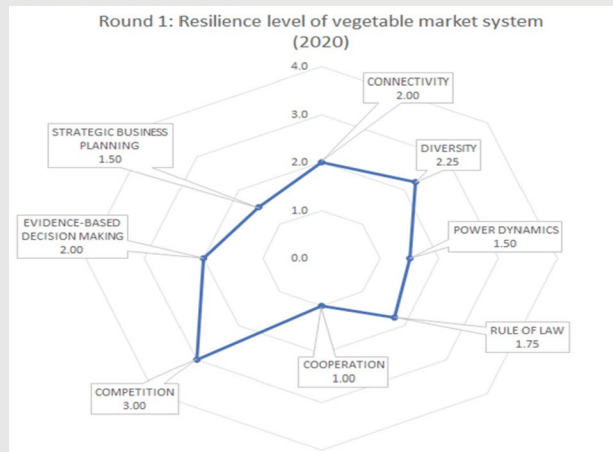
In January, MSP conducted a rapid stocktaking to surface an updated snapshot of what practitioners have independently been doing and learning in this space over the past year. MSP held the first virtual Community of Practice meeting on February 18, which drew 35 participants from IPs, USAID, and the BEAM Exchange. At the first meeting, technical specialists from five organizations shared recent experience analyzing aspects of market systems resilience in Somalia (RTI), Ukraine (DAI), Honduras (ACDI/VOCA), Kenya (EVI), and Nigeria and Uganda (Mercy Corps), with subsequent small group discussion and debate. A follow-up survey in March indicated that participants would like the Community of Practice to focus on learning from others and networking, and that there is demand for meetings quarterly. MSP is setting up regular Community of Practice meetings and is establishing regular engagement channels for Practice members to share learning, challenges and ideas, as well as in future research and tool development.

EXCERPTS FROM THE MSR COP LAUNCH MEETING: SLIDES FROM RECENT MSR ANALYSES AND REFLECTIONS CONDUCTED BY MERCY CORPS, DAI, AND ACDI/VOCA, RESPECTIVELY.

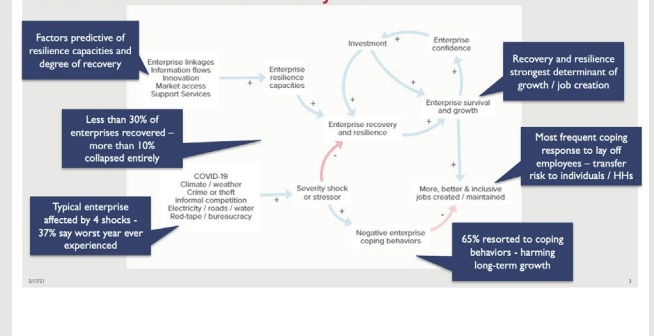
MC's MSR Capacities

Capacity	Role in Market System Resilience
Functional diversity	Market system functions can continue to offer services and products despite shocks and stresses, due to diversity in shock profiles and/or products
Connectivity	Actors in the market system work together to respond to and recover from shocks and stresses
Decision-making	Market actors collect data on shocks and stresses affecting or potentially affecting their operations, and plan responses accordingly
Power	Power dynamics within market system allow stability in the face of shocks and stresses or positive reorganization afterwards
Inclusion	Market system continues to provide for marginalized and vulnerable groups during shocks and stresses, and may be able to draw on these groups for support

MSRA SCORING



RESILIENCE DYNAMICS TO COVID-19, ETA AND IOTA DIAGNOSTIC 2020 - FOCUS ON JOBS





OBJECTIVE 4: CAPACITY BUILDING



To contribute to cultural transformation in integrating MSD, PSE, and CLA throughout the program cycle, MSP is facilitating development of dispersed local leaders in these technical areas. To do so, we are taking a systemic approach to learning, facilitating Mission-to-Mission and bi-directional learning between the field and Washington, and building the capacity of an array of MSD stakeholders. Capacity efforts will be aligned with the Learning Agenda and are therefore also reflected in the table presented in Objective 3.

While high quality resources exist for implementers to learn the basics of MSD, USAID Mission-based officers have a specific set of learning needs and are influential agents in MSP's efforts to support USAID to bring about a major cultural and operational transformation.

To deepen expertise and capacity in MSD for application in the program cycle, MSP is developing a five-day internal USAID training course on MSD to be delivered by USAID staff, primarily to Missions. The foundational course will strengthen capacity to operationalize MSD in their daily activities; champion and advocate the MSD approach, and be strong communicators on the approach and its differentiators.

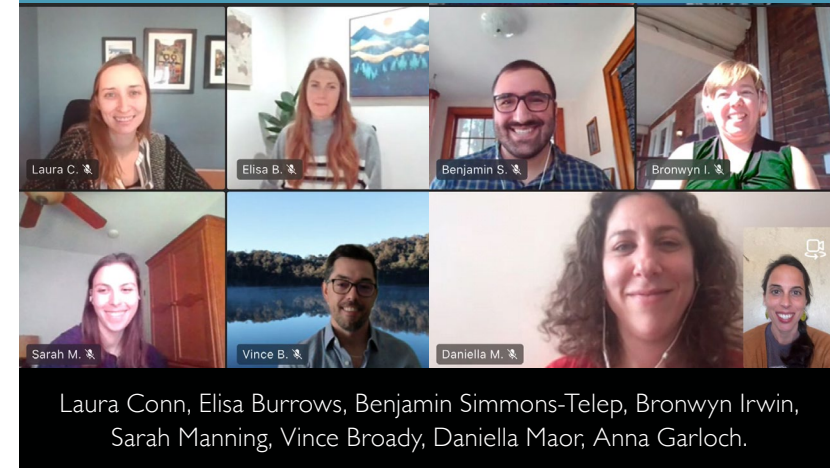
Project Management and Operations

This period, MSP finalized many foundational management and operations documents: Year One Work Plan, MEL Plan, QASP, CLA Plan, Branding and Marking Plan, and the Grants Under Contract Manual. The Activity went through a period of significant growth during its first full semi-annual period, as the number of actives buy-ins grew from two to five, representing commitments from USAID's Center for Agriculture-Led Growth and Center for Nutrition within RFS, USAID/Southern Africa Regional Economic Growth Office, USAID/Cambodia, and USAID/Philippines. As of March 31, 2021 MSP has funding committed for 41 percent of the Activity ceiling.

Staffing: In response to this growth, the MSP team more than tripled in size between December and March, growing from three full-time staff to eight. Senior management was intentional in the recruitment strategy to bring into the team staff with practical experience, lessons learned, and networks from other highly relevant initiatives, including the INVEST mechanism, Partnering for Innovation (P4I) and Leveraging Economic Opportunities (LEO). (MSP is the follow on to P4I and LEO.)

Consortium Management: MSP hosted several team meetings with the broader consortium of partners this period. In addition, individual orientations were held in November and December to provide an overview of the MSP contract and budget, buy-in management, and reviewing key clauses and procedural initiatives. All subcontracts with consortium partners are signed.

Operations: The core team continues to work remotely and will likely remain so through the next reporting period. MSP has initiated multiple routine practices to support ongoing team building and collaboration in this challenging environment, including a weekly team meeting, use of Teams chats, a monthly 'social hour,' and a monthly consortium update email. The COP and CORs meet every Monday to review the MSP Activity Tracker, which provides updates to the COR on core management and technical activities and provides a platform to discuss key issues, adapt priorities, surface potential new activities, and identify additional collaborators to engage. As one aspect of QASP commitments, each quarter the DAI/Bethesda project management team conducts a project performance review to monitor technical, financial and operational progress against the contract. The most recent review was held on January 14. This period, MSP also invested significant attention-building on foundational work during MSP's first quarter - to refining



MSP added five staff this period:

- **Project Management Specialist** Sarah Manning joined in December, bringing operational excellence and project management skills from work with HarvestPlus.
- **Engagement Manager** Laura Conn joined in January, leveraging valuable experience as an Activity Manager overseeing buy-ins on the USAID INVEST mechanism.
- **Grants and Contracts Manager** Elisa Burrows joined in February, bringing critical partnership award expertise as the former Deputy Program Director for P4I.
- **Senior Systems Learning Advisor** Anna Garloch joined in February, a market systems development specialist and a former component manager and COP on the LEO Activity. This position is a Key Personnel position.
- **MEL Manager** Benjamin Simmons-Telep joined in March, recently returned from overseas where he was coordinating MEL for a \$36 million, regional Latin American economic development project.

work flows for key processes (e.g. Learning Activity Descriptions, grants management), tailoring templates (e.g. SOW, budgets), creating necessary trackers (e.g. an internal milestone dates tracker, indicator results tracking), and iterative budget realignment and financial management. The latter is particularly complex given the highly adaptive, demand-driven nature of MSP.

Grants Management: The GUC Manual was approved by the Contracting Officer on December 19, 2020. The Partnership Facility, implemented through milestone-based grants and incrementally funded via buy-ins from Mission, Bureau, or Independent Office (MBOs) through co-creation of transformative, shared-value private sector partnerships. On February 18, MSP unveiled its USAID-approved online grants intake platform (www.mspgrants.com), designed to facilitate grants award administration on a global scale. The website allows MSP to publish notices of funding opportunities (NOFO) for multiple, concurrent grants programs funded through Mission buy-ins, digitizing the application process and enabling members of the Technical Evaluation Committees (TEC) to score applications online. Concurrent with the platform launch, in February MSP released its first two Annual Program Statements (APSs) for the Southern Africa Agricultural Trade and Investment Activity (APS-SAR-001) and Cambodia Agricultural Investment Activity (APS-CAM-001), which combined, will award up to \$8 million in performance-based grants to private sector companies. More detail is provided on page 8 (Objective 1).

Activity Website: In March, MSP also launched its public-facing website (www.agrilinks.org/msp) on Agrilinks to enhance opportunities for engagement and alignment with stakeholders. This will serve as a central platform to share technical resources and promote events and workshops.

MSP LAUNCHES ONLINE GRANTS PLATFORM (L) AND ACTIVITY WEBSITE (R)



MSP's MEL and CLA Plans are pivotal documents in MSP's implementation and management approach.

MSP is beginning to **roll out its CLA strategy**, as embedded in the presentations throughout this report. To enhance collaboration and fast-paced learning MSP is expanding feedback mechanisms and peer learning opportunities by embedding these aspects directly into our implementation approach. Examples include creating technical advisory committees (PSE in fragile contexts), a community of practice (MSR), and feedback sessions on the Learning Agenda. MSP is also seeking feedback in less structured ways, such as our use of online polling and seeking feedback on the most relevant archetypes for the Guidance for PSE in Nutrition when we presented at USAID's Multi Sectoral Nutrition Virtual GLEE for Africa and LAC regions in January. MSP then worked with the Center for Nutrition to integrate this feedback into the guidance document, integrating the focus on engagement models that will yield results that are unique to nutrition (not those generalized for agriculture).

Given its importance, MSP tracks and analyzes who we collaborate with, for what activities, and in what forms. To date, MSP has **collaborated with 48 individuals, organizations, and firms**, centered thus far around launching the Learning Agenda and in particular, initial learning activities for Transformational PSE stream which were the first to get off the ground.

KEY FEATURES OF THE MEL PLAN:

- Five Activity-wide indicators to inform adaptive management around demand, collaboration, client satisfaction, and learning produced and accessed by key MSPs core stakeholders.
- Two indicators (\$ leveraged, # of PPPs) tracked under all Objective I: Partnerships.
- Tailored MEL strategies developed for partnership engagements, which allow for capture of more nuanced results and insights on inclusive impact, enterprise growth, etc.
- Annual update to the MEL Plan to support adaptation.
- Use of pivot log to capture major adaptations and shifts in strategy or implementation.

KEY FEATURES OF THE CLA PLAN:

- Fostering learning culture within MSP team: pause and reflects, planned tech talks, evidence-based design, adaptive management.
- Segmented stakeholder groups; learning network study planned to inform design.
- Focus on strategic communications as an entry for stakeholder collaboration and learning.
- Layered learning approach integrates learning across objectives (especially Partnerships and Learning Agenda) and synergies between learning streams.

REFLECTIONS ON CHALLENGES AND ITERATIVE LEARNING

In February and March, MSP had a series of reflection exercises to surface areas of growth, challenges experienced, and priorities for consideration in the coming months through piloting, iterations, and intentional reflection. Takeaways centered around the following areas:

Partnership Facility: Reflections here centered around learning from our initial experience and questions that MSP wants to answer in the coming periods, including:

- **What is the appropriate level of effort in upfront opportunity identification? And what are the drivers of that level of effort (e.g. thin versus thicker markets)?** Initial insights from the SI-SCALE upfront analysis indicate we need an adaptive tool that allows MSP to go more in-depth or light touch based on Mission appetite, market context, and information gaps. MSP has explored strengths and gaps in current private sector landscaping tools which has informed our strategy to add value to USAID's current set of analytical tools. In particular, MSP is focusing learning on a strategic opportunity identification tool that supports transformational objectives.
- **Co-development:** MSP is about to launch a co-development process with potential private sector partners spread out over five weeks and multiple sessions to cover shared value, milestones, sustainability, co-investment, and other key considerations. This next period will provide learning on whether five weeks is sufficient for firms to make a decision and bring their management along; the tactics that are most effective in successful co-development; and how to best align MSP resources in co-development to align strategy with the private partner at this critical point.
- **APS timing:** How quickly are companies able to respond to opportunities, and get management commitment for resources? With our current timelines, are we able to secure quality applicants and does our concept paper stage support this focused response? In February, MSP hosted the first of many formal after-action reviews after the launch of the first two Facility APSs, to reflect on what worked (e.g., strong team collaboration across time zones to respond to client feedback with a tight turnaround) and what could be improved in future rounds (e.g., we clarified roles and responsibilities on the team and tactics to ensure clear leadership of these participatory processes for preparing MSP strategies and documents that require a lot of input from various team members and need to result in broad buy-in across the team).

Start up during a pandemic: MSP was awarded in June 2020 and has thus dealt with a pandemic reality from Day 1. Launching a \$65 million, five-year Activity during COVID-19 has created both challenges and opportunities, including:

- **A virtual reality:** working entirely remotely has created real challenges (mostly around getting to know each other, building a sense of team, and establishing patterns for the informal and frequent communication needed in these types of Activities). MSP has also shown strengths in adapting and pivoting in this persistent environment, including establishing formal and informal team meetings, being intentional about setting structures for internal collaboration, conducting a virtual applicant conference for the Partnership Facility, and creating an online grants platform that also will facilitate efficient virtual evaluation committee reviews. MSP's monthly "social hour" builds trust across functional areas through team building activities and informal conversations to get to know each other better, with hosting rotated among staff. In addition, the MSP team intentionally used icebreakers in team meetings, required 'videos on' during team meetings, created a project norms document, and management frequently reinforced the importance of CLA and its linkages to MSP's objectives.

- **Recruitment:** Despite management's support for flexible work schedules, MSP had three top candidates for three different positions turn down the opportunity, citing COVID-19-related challenges such as childcare and the ability to absorb additional stress from starting up a new project or even a new job. This equates to 60 percent of MSP hires in this period (three out of five), and does not include other candidates that may not have applied because of similar concerns. This experience inspired and informed the learning activity Gendered Impact of COVID-19 on MSD Staff, described on page 15.
- **Adaptive management:** MSP was designed to be an adaptively managed project, which has enabled our response to the unexpected challenges of the pandemic, and will put us in good stead going forward. We expect there to be long-lasting implications that will affect how MSP implements activities including less overall travel, requiring strategic rationale for in-person engagements, safety precautions, and greater sophistication of virtual tools. In many ways, this will also enable MSP's increased efficiency. MSP will continue to plan for a physical office at some point, while continuing to embrace flexible work arrangements.
- **Cost Savings:** On a positive note, as a result of the fully virtual environment, MSP has experienced cost savings in operations (e.g. no rent) and travel which can be re-programmed to advance implementation.

Team growth: The significant level of buy-ins during this period meant that MSP was staffing up at the same time that activities were ramping up. MSP was recruiting and onboarding staff and building team cohesion while getting in place the Partnership Facility systems, learning activities and launching two partnership efforts. MSP also faced challenges identifying candidates for some positions such as the Grants & Subcontracts Manager. Once MSP's full team is complete (targeted for May), management is designing a series of team orientation sessions to build alignment on the MSP vision and core approaches and systems.

Staff Transition: a key personnel transitioned off MSP in October, and filling the vacancy took longer than expected to find the right candidate, as the Senior Systems Learning Advisor required a very specialized skill set in terms of technical expertise and intangible skills for facilitating learning and collaboration. The position was filled in late February, but the few-months gap resulted in a slower-than-expected roll out of the Learning Agenda outreach strategy that was developed. This is now being activated, with multiple initiatives underway.

Leveraging Insights from Other USAID Global Contracts: In a desire to target resources efficiently, avoid recreating the wheel and 'making new mistakes not old ones', MSP was highly intentional in building relationships with other like-minded programs. This took place through strategic hires to embed knowledge within the team and through relationship building to open doors for peer learning to inform grants management and milestone setting (P4I), approach to gender-lens investing and intentional strategies around women's inclusion in the partnership approach (INVEST, Uganda IAM), learning agenda development and implementation (LEO), and more.

SUMMARY OF RESULTS PROGRESS FOR ACTIVITY-LEVEL INDICATORS

INDICATOR	RATIONALE	DISAGGREGATES	CURRENT REPORTING PERIOD (10/1/20 – 3/31/21)		TOTAL ACCUMULATED TO DATE	
			Disaggregated Values	Total Values	Disaggregated Values	Total Values
1. Number of buy-in commitments for MSP services	Each buy-in contributes towards the advancement of learning and good practice on PSE and MSD, and is a top-line metric of MSP's reach and responsiveness to USAID demand.	Long-term partnership buy-ins	2	2	3	5
		Short-term learning assignments	0		2	
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)	5	40	6	48
		Informal (unpaid)	35		42	
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	1		1
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	64	64 <i>MSP's website launched 3/31/21</i>	64	64
		Website page views	0		0	
		Downloads	0		0	
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.	Long-term partnership buy-ins	N/A	N/A <i>surveys will begin next period, as timelines to conduct have not triggered</i>	N/A	N/A
		Short-term learning assignments	N/A		N/A	
6. Value of new USG commitments and private-sector investment leveraged by the USG to support food security and nutrition	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.	USG commitment amount	\$0	\$0 <i>MSP anticipates leverage to report next period</i>	\$0	\$0
		Private-sector partner leveraged amount	\$0		\$0	
7. Number of public-private partnerships formed as a result of MSP funding	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	0 <i>MSP anticipates PPPs will be signed next period</i>	N/A	0

*Consistent with the approved MEL Plan, MSP will also develop tailored MEL strategies (with associated indicators) for each Objective 1 partnership buy-in, tailored to the buy-in goals, desired outcomes, and the specific partnerships under award. Awards to partners under MSP's first buy-in (Southern Africa) will be finalized in the next reporting period (April 1, 2021 – September 31, 2021), alongside tailored MEL strategy. MSP will report results on these indicators in future reports.



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

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