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# TRANSFORMING MARKET SYSTEMS: LEARNING, PRACTICE, AND SHAPING THE NEW FRONTIER

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OPENING PLENARY AUDIO TRANSCRIPT

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## PRESENTERS

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## MODERATOR

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*Meredith Soule:*

From the beginning, Feed the Future has always taken this value chain approach with facilitation across all aspects of the value chains, from input, supply, and production, to processing and trade and beyond, to the things Jeanne mentioned. Overall, I think Feed the Future has been a great learning lab in itself, and we're learning about what activities have the greatest impact on the systems, but also have the greatest impact on the number of beneficiaries, the greatest number of beneficiaries, and in terms of increasing incomes and poverty reduction as well as the nutritional outcomes, which are the high-level goals of Feed the Future.

So I think many of our projects have had success in working through these various local actors and local service providers. Just wanted to give one example that I think's a nice one, and relate it to the work that they've done on youth and how are we already engaging youth in our Feed the Future programs? And it's from Uganda with a group called Acornin where they have young people working as village service agents who are equipped with smartphones. They sell ag services and inputs to small-holder farmers to help them increase their production. And then they also have a whole suite of other services that they can provide such as soil testing, spraying services, grain drying, even digital financial services.

I think it is a nice example also because it shows how the ICT is starting to be used in agriculture and expanding. And we're building on these lessons.

As Kristin mentioned also, we have a number of learning kind of events or forums that we have had over the past year especially. I just wanted to mention a few of those. In addition to all these studies that LEO have commissioned over the past year that we are going to be learning about today. One is the Independent Global Feed the Future Performance Evaluation that is underway and will be coming out soon. We also did a synthesis of all Feed the Future performance evaluations. Therefore, all Feed the Future projects that had a performance evaluation – a synthesis was done. That is available I think on Agrilinks. We also then had a series of roundtables on emerging issues, and that was in May. We looked at urbanization, youth, and some other issues: financing, agriculture.

We also had a process we were calling Looking Back, Looking Forward, doing listening sessions in the field with our missions and some implementing partners. And we know from all this that systems change that is transformative relies on innovation, competition, and policy, or a good enabling environment. In addition, that the system change must be inclusive.

So I had a couple other things, but I think I've gone over my time. So I'll come back to some of my other points later. Kristin?

*Joan Whelan:*

Okay. Sure. I'll come at this from a slightly different perspective. But different from what Jeanne was saying, I think, as food security actors, we've all worked, to a certain degree, with a systems lens. To really address availability, access, and utilization, you really need to understand all those interlinkages in the context that we are working in. But for us, Food for Peace, working particularly with the most vulnerable populations and trying to improve food security as sustainably as possible, I think a couple of things really have come to the fore in recent years.

One is the rise of the Resilience Agenda, which is itself a systems look at improving and sustaining capacities. We're large-scale multi-sectoral programs. We have built on the knowledge that the global health actors have been gaining over the years around health systems and the importance of health systems. However, importantly, how that work has really filtered down to looking at community health systems and the change that needs to happen at the community level as well. Not just about national-level supply chains and all of that, but what's happening, again, in resource-poor environments; what are these interlinkages, and what are the capacities that are there to build on?

And then, finally, a really big key piece of learning for us was some long-term research carried out through our FANTA project. And Tufts University implemented this. It was a series of post-project assessments that went back to look at the degree to which impacts were sustained in our programs two and three years after project end. And they came out of that work with a framework that really called on us to look, in all of our programs, at the level to which – to just sustainability, look at: “How are resources going to be maintained? A source of resources. How is there going to be a source of future capacity? How is there going to be a source of future motivation?” In addition, in many cases: “What are the linkages and how will those be maintained in the future?” All with an eye at looking at what happens when we're gone.

We work in very resource-poor environments. It is really incredibly important for us, in Food for Peace, to be looking at: how do we start strengthening these local capacities, sources of resources, whether it is knowledge or financial. The motivations, whether it's government actors or community service providers or the beneficiaries themselves being motivated to demand services and take up services and adopt new practices.

So that, more than anything I think, as we went through our own strategic planning process – it just felt that all signs were pointing in the way of taking a much more deliberate approach to systems-level work.

And, finally, a shout out – I’ve seen you sitting right in front of me – to Chip Walker. And it is a shout out to I think the value of linkages in communities. I think it would have been harder for us all to adopt some of these systems approaches as deliberately as we did if not for the internal USAID local systems community where I was able to connect with kindred spirits in E3 and DFS and DRG, CMN, Global Health PRO, and realize that, again, all signs are pointing in this direction.

*Kristin O’Planick:* So now, let us look forward a little bit. The new global food security act legislation, the forthcoming Food for Peace strategy, and even the new USAID guidance on program design, all give prominence to systems, which I think is great. But, while this is very much reflective of certain conversations in DC, how do you envision this translating into our work in the field? Because bridging that is going to be the critical piece of really seeing change.

*Jeanne Downing:* I am excited because I think this is a real opportunity, not just the Global Food Security Act, but also the EDS 201 mentions systems and market systems. So I think this really is an exciting opportunity to begin thinking beyond these individual value chains. And missions across Africa, as well as in Bangladesh where I’ve been recently – they are looking at interactions. They are looking at: to what extent are small holders moving out of lower-return activities into higher-return activities? They are looking at interactions in terms of nutrition. And the question is: does a focus on multiple value chains – nutrient-rich value chains – does this really result in diet diversity and does this really have the kind of outcomes that we are looking for?

So there’re all sorts of intersections between systems or among systems that missions are looking for in their theories of change. Yet I think that the problem is that our indicators have really been focused on sort of out-in-the-sticks kind of variables like: “Are yields in maize increasing? Are yields in horticulture increasing? Are the number of beneficiaries increasing?” And what that does not allow them to do is get at these interactions.

So I was in Kenya recently where the theory of change was focused on diversification, focused on transformation. And as part of transformation, intensification in terms of improved productivity, and will that intensification of maize result in diversification into dairy and horticulture, which are higher valued? And while practitioners who are managing the case project there – did have some analysis of diversification, they were looking at movements between different commodities that were really pretty interesting, and the amount of land that was devoted to – and the shift in the amount of land devoted to these different commodities.

But without indicators to report on these kinds of things, implementing partners don't get rewarded for it. So we really need to rethink our metric system: how are we gonna measure systemic change? And we need to measure these systemic changes and we need to have targets for implementing partners so they get rewarded for doing the things that essentially missions have been talking about and asking them to do.

So I think what I'm trying to point out is that there has been some focus on systemic changes at the mission level, but there hasn't been the ability to get rewarded for that. So until we address that disconnect, I think we're not going to be able to realize the really exciting potential.

*Meredith Soule:*

I want to thank Jeanne for raising the issue of nutrition. That was I think one of the really important learnings that we've already moved forward with in Feed the Future – is highlighting the need for market systems to be delivered healthy food. And we've made significant progress in increasing attention to nutritious foods and also food safety in our value chain work.

Another important learning that we're carrying forward into our new programming I think is really our thinking about scale, both the theory and the practice of that. We held a number of global learning evidence exchanges on the whole theory of: how do you go to scale within market systems? And I think some of the important learnings or continued things that we already know is how important the local context is, and also working with the local private sector to really go to scale and also for sustainability; really thinking about: how are these things going to continue to happen once the programs are over?

Some other things I just want to say that we need to continue to think about that are coming out in the strategies – some of the things that Gary talked about: really thinking about inclusion. We're emphasizing even more: what are we doing on gender equality and female empowerment? As well as youth. And then youth *and* gender. So needing to think about not just youth as one cohort, but as different cohorts as they move through their lives, and how do we engage them in the market systems?

We have a big commitment to climate-resilient development, which we need to also really keep thinking about: how are our programs climate-smart or climate-resilient, and how are we developing that way, along with our country governments and policies?

So our goal is for local actors to own their own development. Because empowering local actors to innovate and invest in their own development allows for eventual US government exit, which I think is the goal for all of us. We also recognize in some areas, especially Food for Peace, that there's – often in areas that are in conflict or weak, that we do have to do

more direct kinds of intervention or moving along that chain of moving people more into the market system.

So I think all of this will translate into our work through you, many of you who are implementing partners. We know that you also have your learning agenda that you use to bring your best practice to us. So I hope that when we get to the question section, that it is partly an answer session, that you've also been thinking about these questions and what your answers to them would be so that you can help inform us.

*Kristin O'Planick:* Okay. Joan?

*Joan Whelan:* Sure. I think one of the biggest differences that a systems approach implies at the implementation level is that it takes longer to strengthen a system while you're trying to achieve your primary results than it does to just go out there and work directly with populations and make the change yourself. And I think it's going to be very difficult to find the right balance. And it's going to require us being able to understand context well, and also to be able to prioritize in those contexts. Like: what are those leverage points and the points of catalytic change that're really important to prioritize that might not be part of a more traditional food security program where you're just going out to deliver the work yourself?

The balance – again to get back to that. I was just out presenting to our implementing partners in a regional meeting in Uganda. And people were very excited about a more deliberate systems approach. But they just said, “Just be sure that when we send in that proposal, or when we get out there and we're implementing and it takes longer, that we don't get our hand slapped. And I think there's a huge responsibility for us in Food for Peace, but USAID more broadly, to say: if we're really committed to this – and as Jeanne said, we have to find the ways to reward those that're out there on the front lines doing the work. Because it is going to take longer. The results are a lot harder to see. We may not always agree on what are those priority catalytic points out there that're going to help bring about systemic change?

So, for me, that's part of the learning agenda too: how do we get better at a context analysis that's going to allow us to prioritize in a way? The other big challenge I think that we have to learn a lot – and Meredith and I have talked about this – is: how do we work across offices and bureaus and implementing partners a lot more effectively? And those words, “integrate, layer, and sequence” – how do we bring those to life and make sure that it's all working in a positive direction? Because I don't think any office or bureau can work in a – really address systemic change by themselves. It takes all of us working together.

*Kristin O'Planick:* So, Joan, you're actually broaching into my next question. So thank you. What do you feel are key gaps in going forward? As Anna mentioned in the opening, part of today is really to help us crystalize that future learning agenda. So in terms of systems and food security, where do you see those key learning gaps as of now?

*Jeanne Downing:* Well, I think really that we need to learn a lot more about what's working and what's not working. And I think many of our evaluation activities have focused on higher-level goals like poverty reduction and stunting, which are very important, but they take a long time to see any tangible impacts. And in the meantime, we need to figure out if we're on the right track. We need to figure out if our projects, our interventions, our approaches are actually working.

And I think that – this has actually come from my colleague, Jennifer. She talks about evaluation with a small-*e*: that there are evaluation activities between monitoring and between longer highly intensive impact evaluation. There are all these small-*e* – smaller in terms of resources, in terms of time; maybe they're qualitative. We heard last week at the SEEP conference about outcome harvesting. So some of these small-*e* activities to understand some of the following kinds of questions.

This came up in reading from the resilience literature: the question of, “Is commercialization of agriculture benefiting the poor? Who is it benefiting?” And in fact they saw that commercialization – that there're losers in the commercialization process, and winners in that process. And we need to understand to what extent that's happening in our activities and then what kind of interventions affect that balance of the winners and losers. Can we intervene in those systems so that the poor are not just price takers in the market system?

Another really important thing that I care about is this issue of moving from lower return to higher return. I mean, long ago, MSU economist said to me, “What we're really trying to achieve is to help people move from lower-return to higher-return activities, whether it's lower-return commodities to higher-return commodities, or from lower-return systems agriculture to higher-return one farm activities.” So we need to understand to what extent this shift is happening. And is it having positive outcomes, and who is it having positive outcomes for? So really learning.

And a third area of learning that I really find interesting is something that Joan was referring to. She was talking about layered sequencing and integration. In Kenya recently, where I've spent quite a bit of time, we were looking at layering. And layering meaning that USAID has a lot of different projects. Some are focused on nutrition; some may be focused on gender, some on market systems, some on policy. And it's easy to see

these things working not in a collaborative way. So layering is really: how do we start to get some kind of cooperation, collaboration, and collaborative learning amongst all these players so that we can realize the synergies and have better results?

Well, Kenya is doing some really interesting things. They have something called PREG, which is requiring that practitioners work together. And they're talking about joint work plans, joint implementation, joint sharing of indicators. And they are talking about what's not working, and complaining about, "Well, this part isn't working and that part isn't working." So how do we learn how to really do this, and improve our ability to do this over time?

And just before I end, a fascinating thing in Kenya. Because layering, integration, sequencing has always been part of the resilience agenda. And we were saying, "No. This has to be across the board. This kind of collaboration, collaborative learning, etcetera: it needs to be across the entire portfolio." So the mission said, "Yes. Let's open up a learning hub in the other parts of our zones of influence." So, anyway, I find that kind of interesting.

*Kristin O'Planick:* Meredith.

*Meredith Soule:* Yeah. Thanks. Jeanne almost said it, but nobody else said CLA. So I think that is another really important thing: the collaboration, learning, and adapting approach, which is becoming more and more prevalent in our programs in the field and in Washington, which is really important.

Another thing that just came up that we talk about a lot is learning how to manage our knowledge, or how to manage our learning. We have so much information, so much learning coming at us. And we often kind of can't figure out how to make sure that people who need that have it, and just how to manage it; how to make sure that we're not funding the same studies over and over in different parts of the agency, or even by ourselves: something we did a few years ago we're doing again. We have mechanism to help us with that. And we're maybe making progress. But I think overall, that's a big struggle for us.

Just more directly within Feed the Future, we do have some big learning agendas in specific areas in the market systems, but also within how to engage women and girls. We're really ... about how to – we've been focused a lot, since the beginning of Feed the Future, about engaging women as producers, really trying to think more about: how are we ensuring that they're participating across the entire value chain? They're processing trade, input supply, and also just being leaders in the agricultural sectors. Very happy to see a panel here that was all women.

However, sometimes we see still, in our partner countries, panels of this type that are all men. Want to ensure that we are also promoting women being engaged in all aspects.

We have our WEAI, the Women's Empowerment in Agriculture Index, which is wonderful and very focused at that production level. So we have a project that's looking at how to work with the WEAI at the project level called the pro-WEAI and that's ongoing active work and a tool that will be coming out of that.

So I've mentioned before: we're also looking more at youth and we have a big learning agenda about how to better engage youth. And some of the work we commissioned with LEO is helping us to start down that road. As well as the next three days here in Washington at the Making Cents Conference, which is another big event around that.

On nutrition, we're taking really hearty look and asking, "Why are some of our countries making really pretty fast progress in improving their nutritional status?" Gary mentioned earlier specific countries. "But then why are some other countries really not making that kind of progress? And what are the differences and what can we learn and how do we need to change and adapt our programming for that?"

A big agenda around climate. What are the impacts of climate on all of our work gonna be? How are we looking forward into the future as we plan our programming?

And then also just around how to best engage the private sector towards our goals – is another really important learning agenda for the sustainability.

*Joan Whelan:*

Good. Yeah. Harkening back to Jeanne's comments again, ... change is the big question. It's the million-dollar question for us all I think. And no easy answers. And a lot of it is going to come from more informal learning practices.

We are piloting right now a new – what we're calling a refining implement model, which is building in a one-year inception period at the beginning end of our development awards, hoping that this is going to allow more time for our implementing partners to really understand local contexts, the opportunities that might be available through local partners, and understand better the capacity of the local government, the local private sector actors. It is just starting in the new fiscal year, so we will see. But that's a huge learning. It's going to be a huge learning moment for us; a learning five-year period, I should say.

Another big area of focus for us I think is to try to take some of this research I described – the Tufts exit strategy sustainability study – and start really digging in a little bit. I mean, it pointed to a lot of situations where – they looked at Honduras, Bolivia, Kenya, and India, very diverse contexts. And the models for sustainability in one place just were not the same as the models for sustainability in another. And so how do we understand the role of the local context in terms of: what should that path forward be? We don't always want to be strengthening – expecting that the local government is going to take over a certain area of work. It may have to be the local private sector, or it may need to be civil society actors. How do we start to get better at just judging that and crafting that path forward a little bit better?

I guess I could go on about – Meredith brought up some great learning topics. Also a big question for us in our next strategy period – we really had to do some soul-searching about: what do we do about urban food security? And it really has to be a learning question for us at this point, instead of a large mandate shift, to say: “How do we start better understanding the urban/rural linkages? And how do we maximize the migration that is going back and forth? And maximize opportunities for youth within that context?” And I think it's something that we as a community will all be focusing a lot more attention on.

*Kristin O'Planick:* So lots to do.

*Joan Whelan:* A lot to do.

*Kristin O'Planick:* One last quick question from me before I turn it over to the audience. What is the most exciting thing that you are watching now?

*Jeanne Downing:* Well, one of the things that I'm very excited about is something that many people may not find exciting at all, and that is OAA and contracts.

*[Laughter]*

I am really excited that contract people are talking about adaptive management. They're talking about flexibility. They're talking about new, innovative contracting approaches. And I just haven't heard those words, that language, that openness before. And I'm very excited about that.

*Meredith Soule:* Yeah. It's very hard to pick out one thing 'cause food security is a very large, complex area. So I'm going to tick off a few things and then just get to the end. So: financing agriculture and food security, both at the local level as well as at the global level. Youth and gender equality, and really inclusion across the board. Inclusion is a global movement, and how are we working on that to integrate food security? The rural/urban

connections. The nutritious food systems. Big data. Resilience and risk management. Working in more well-endowed versus less well-endowed countries or regions within countries – what does that mean for what we do?

And then my last thing is really systemic change at exit. I said earlier: we're moving towards exit, and are we getting close to exit in any of the areas we're working? And what's leading us to getting to that point where we're achieving our goals, that the local actors are taking that up and we're no longer needed?

*Joan Whelan:*

Where do I start? There're so many exciting things. And so many of them are ready to be seen. I wouldn't have thought it possible, but we're doing market facilitation work in Karamoja region; extremely low-resource environment. And it's exciting to think: "Okay, there are ways to adapt this work in areas where really traditionally years ago it was just a matter of: you go in, you deliver aid, you help them." So that's very exciting.

I would just put a callout to the work with the chronic poverty network on sustainable poverty escapes. That the understanding they have helped bring to this community about backsliding and people falling back into poverty and the need to understand that is so exciting.

I think another thing that really excites me, because I don't know how well-known it is, but that I had the opportunity to witness in a few meetings how the BFS, the Ethiopian mission, Food for Peace, and global health nutrition division worked together to co-design the last round of mechanisms in Ethiopia, some of which are just getting awarded now. And, again, it's one of those: five years ago, I wouldn't have thought it would happen.

But to see all of these actors come together in a room and really be negotiating geographic areas and: "Well, if you're doing this, then we'll pick up this piece," and having procurements documents come out the other end where there's really strong language written in about that need to work together, that need to plan together, to share watersheds, to work together on input suppliers, sources of management mechanisms, across the board, knowledge-sharing – again, it remains to be seen how well it works. It's a hard road, I think, working together, and it takes a lot of work. But it's also very exciting that things like that are getting off on the right foot.

*[End of Audio]*