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*These notes are intended to capture the discussion at the event for the benefit of the broader community.*

### **Introduction to MSR Measurement Tools (USAID)**

- There's an emergent group of tools and practices in the market systems space and we are determining how to define market systems resilience (MSR) and how to measure it
- Industry partners have already started grappling with the key issues
- USAID wants to make sure everyone is aware of what's happening in the space and get a theoretical consensus of what the determinants/principles/capacities of MSR are so we can move forward, while exploring diverse methodologies to measure those principles
- USAID wants to encourage field testing of the variety of tools so that we can learn more about what principles matter and if there are specific methods for measurement that work better in certain market contexts

*Questions from the room:*

- *From the purview of taking stock of all these tools, do you see a fundamental difference in these?*
  - Theoretically and conceptually, we are all in the same space
  - While we may call them different things, we are usually talking about the same things
  - There may be some outliers, so let's attempt to validate a theoretical consensus on market systems resilience
- *How are we arriving at these tools and what are certain determinants? It would be interesting to map the pieces that influenced choices to reinforce what we are all drawing from to see if this picture reveals some gaps we need to consider. Is this a potential weakness or are we on the right path?*
  - There's an absence of this topic in the literature and we need to build up this evidence base
  - For now we seem to generally be referencing the same few pieces of literature that exist
  - USAID's intention is to contribute to building out this literature

## Tool Overviews Share-out

- [Market Systems Resilience: A Framework for Measurement](#): Based from a systems perspective looking at changing resilience over time and using structural and behavioral domains that need to be understood within a given context. This is a starting point for more research for systems change over time in relation to increasing growth and decreasing poverty.
- [Market System Diagnostic](#): From ACIDI/VOCA's field work on the Honduras Transforming Market Systems (TMS) activity. TMS is determining which types of variables are linked with resilience through a story-based narrative approach with focus groups and enterprises on how they've overcome shocks and stresses. There is one year of evidence so far. There are four variables: access to services, confidence in having a diverse market, the types and number of shocks, and the degree of investment.
- [Resilience for Social Systems](#): Developed by GOAL. Emphasizes characteristics of community resilience. This makes us think about the importance of connectivity to functioning and inclusive socio-economic systems that are resilient. We need to identify what are the critical socio-economic systems and understand the shocks, risk scenarios, and determinant factors that make systems resilient. The tools to map systems are critical and simulate risk scenarios. This tool is not specific to market systems and is applicable in multiple fields.
- [IDE](#): There are three core elements; structure, support, and control. This is an adaptive management tool to steer a consensus meeting among project technical leads to select determinants and address key elements of resilience.
- [Guidance for Assessing Resilience in Market Systems](#): This resource provides an adaptable process for USAID missions and implementing partners to assess market systems resilience. It draws from USAID's humanitarian assistance experience to inform decisions for USAID programs - to better define the boundaries and objectives of focus for market systems resilience in specific contexts. It looks at absorptive, adaptive, and transformative capacities underpinned by five principles of resilience.

## Small-Group Discussions about Principles (aka Determinants, Domains, etc)

- There is a lot of overlap and consensus, and a couple outliers related to:
  - How things are framed
  - Specific stakeholders
  - Country contexts
- Additional considerations:
  - The label, "resilience" may need to be further defined (it could be good and bad) (i.e. a market system that is resilient but not necessarily inclusive)
  - How do we build resilience in the context of growth?

- Some determinants could be considered outcomes which requires some discussion
  - Are some determinants getting too deep into individual business behaviors (more tactical than a norm)?
  - Some determinants are certainly related, but hard to quickly discern if we're talking about the same thing with different terms (e.g. inclusion and participation)
  - The category of "functionality" is similar to resilience
  - Where does infrastructure fit? (in one tool it's part of connectivity)
- Most of these determinants need to be measured relative to a baseline (e.g. more or less connected) rather than in absolutes. There is no universal "right" amount of the determinant and some could be negative for resilience outcomes if there is too much (or too little) (e.g. connectivity can limit impact of a disturbance if less connected, or allow it to ripple further through networks if more connected)
  - At the household level, we know how important women are in terms of resilience and we need to capture this more. What does that mean for the market system?
  - It's important to define boundaries earlier on to understand how the resilience of the market system level improves resilience at the household level.
    - How are these linked? Which might break down?
  - What are the variables we want to examine in the face of a shock? Do they change for different shocks?
  - We have an understanding that we advance wellbeing in the face of shocks. We can't just preserve non-inclusive systems.
  - It's important to continue to have these discussions and have consensus around what USAID means in terms of market systems resilience. Given the USAID definition of resilience (writ large), we have an idea that it is to protect and advance.
  - We should have a term for "bad" resilience as well
  - Our goal is not market systems resilience per se, but what outcomes are achieved through it. In Honduras there is interest in trade-offs and how to quantify them (e.g. resilience vs competitiveness).
  - Resilience is built into achieving other development goals as well
  - We need to engage with humanitarian groups more. Shocks are based around more stable environments and we should focus on more significant crises.
  - We would like every mission to sit down and determine their risk scenarios. That could inform some critical shifts in programming.

## **Discussion of Challenges**

- There is a relentless focus on big shocks and rapid onset shocks and often this is not the real problem (vs long-term stresses). How do we:
  - Get away from these go-to examples and change how we are measuring outcomes?
  - Elevate resilience as an agency across contexts?
  - Apply this to our programming?

- Know if we are treating a symptom or a cause? (We need a better evidence base for this.)
- People that are using the tool probably don't care about the conceptual reasons behind its development. They are more worried about how they will spend their time advancing development objectives that USAID is interested in achieving in a complex system
- We've gotten better at intervening in the case of shock (i.e Chad vendors and how they absorb interventions and identify cost and needs of intervention)
- Market systems should support resilient outcomes and not undermine them
- Make sure field teams know which buckets they are operating within
- All domains matter for resilience but you can't always focus on everything and be intentional
- Practitioners in the field struggle to come back to the point around not doing harm and building resilience
- Can we have tools that work well for the humanitarian AND the development community? Maybe not, but we need to explore this.
- Political systems, how to function in a market system, and how it has to change to see value in building out services is a huge piece because markets can limit what people can do
- Using the tools for different purposes but also being able to document the process of implementation: how we decided what's relevant to measure and how we measured them in terms of the tool but also the people who are engaged in it is vital
- Think about norm identification and implicit biases before utilizing a methodology to bring out our own assumptions
- Have a plan for how to rapidly deploy a short version/critical measures in the case of a shock - let's help the humanitarian community by having tools to assist
- We've seen in the field the case where households were more resilient than the businesses. There is more to learn about how/why those capacities differ.

## **Conclusions**

- We do have general consensus on determinants of MSR, but finer details and definitions could use more exploration or need more evidence to support
- There are many critical questions that we won't be able to answer without field testing and then further exploring what is learned in that process

## **Next Steps**

- Institutional architecture for resilience toolkit in South Sudan: this is new and will be shared
- Follow up with Margie for info on the Market Systems Symposium 2020 and how we can incorporate some of these things
- Create a place where we can house a variety of different tools to allow people to access them

- Plan to have a discussion to explore what we've learned from field testing (maybe in a year)