

SHAPING ECONOMIC MARKETS AND FOOD SYSTEMS FOR INCLUSIVE GROWTH

ACDI/VOCA is dedicated to empowering people to succeed in the global economy. Our work helps vulnerable populations engage in their local market and food system as buyers, sellers, employees, and consumers who come together to trade goods and services, improving lives and livelihoods for all.

We facilitate effective cooperation and healthy competition among individuals, communities, companies, and governments to build productive, equitable, and healthy local economies and food systems.

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ACDI/VOCA HOMEPAGE



ACDI/VOCA'S INCLUSIVE MARKET SYSTEMS APPROACH



FACILITATING INCLUSIVE, COMPETITIVE, RESILIENT, & HEALTHY SYSTEMS

Economies function better when market actors come together to solve their own problems and co-invest in solutions that allow for widespread benefits. That is why we work to facilitate effective cooperation and healthy competition among individuals, communities, companies, and governments to build productive, equitable, and durable local economies and nutritious food systems

OUR APPROACH

Beginning with analysis, we look beyond the symptoms to uncover the root causes of poor market performance.

Together with market actors, we develop a strategy for changes that a system needs. We align our resources and collaborate with local partners to facilitate that change. Along the way, we identify partnerships and monitor, evaluate, learn, and adapt as we discover new information that evolves our strategy.

> The IMS Approach

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Signature Tools

- <u>Tool for Assessing Motivations of Private Sector Partners to</u> <u>Work with Women as Suppliers, Employees, and Consumer</u>
- Market Actor Partnership Gender Review Checklist
- Sell More for More
- GenderFirst

INCLUSIVE

ACDI/VOCA considers achieving gender equality, female empowerment, and the inclusion of marginalized groups as essential to creating inclusive market and food systems. The participation of these groups expands markets, introduces new products and services, and strengthens supply chains. Their diverse perspectives enhance problem-solving and risk management in the market and across the community. To facilitate inclusivity, we:

> Build the Business Case

Click button to view case study

We conduct market research, <u>build a business case</u>, and provide economic incentives for the private sector to work with marginalized groups, helping them see the opportunities in reaching new customers and suppliers.

> Influence Social Norms

Click button to view case study

We use social research and behavior change methods to influence unwritten community rules that prevent certain groups from participating and benefitting.

> Expand Access and Capacity

Click button to view case study

We deliver workforce development programs, support women and youth entrepreneurs, and train farmer cooperatives and associations to strengthen group connections, marketing, and the quality of goods and services.

"I am really impressed with the quality of firms that you have been able to attract and select. Its great to see these firms reaching out to marginalized communities, and conflict affected communities to source products"

- Matt Curtis, Feed the Future Coordinator, USAID/Myanmar

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COMPETITIVE

ACDI/VOCA helps businesses and industries respond to opportunities in both domestic and export markets through investments, partnerships, and market access. To facilitate competitiveness, we:

> Conduct Market Research and Analysis

Click button to view case study

We help buyers and suppliers identify opportunities and constraints through research on trade, production, and systems analysis.

> Improve Access to Finance and Catalyze Investment

Click button to view case study

We promote the growth of enterprise by helping businesses receive financing and helping financial institutions and investors improve and expand their offerings. Our subsidiary <u>AV Ventures</u> invests in small- and medium-sized enterprises that otherwise struggle to access growth capital.

> Guide Policy

Click button to view case study

We foster a dialogue between industry and government leaders at the national and local levels to improve policies affecting women, youth, and other groups.

> Engage the Private Sector

Click button to view case study

We seek to understand businesses before deploying a diverse set of private sector engagement tactics and tools. Our approach builds partnerships that develop, test, and adapt new technologies and business models designed to create lasting market-based solutions to development challenges.

- > Private Sector Engagement Info Sheet
- > Private Sector Engagement Interactive Site



"You guys have done an incredible job in translating these ideas into reality, building trust and partnerships with key private sector firms and introducing and testing innovative business models and I strongly believe that these interventions will transform the way companies and agribusinesses do business in Bangladesh."

-Anar Khalilov, USAID/Bangladesh

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RESILIENT

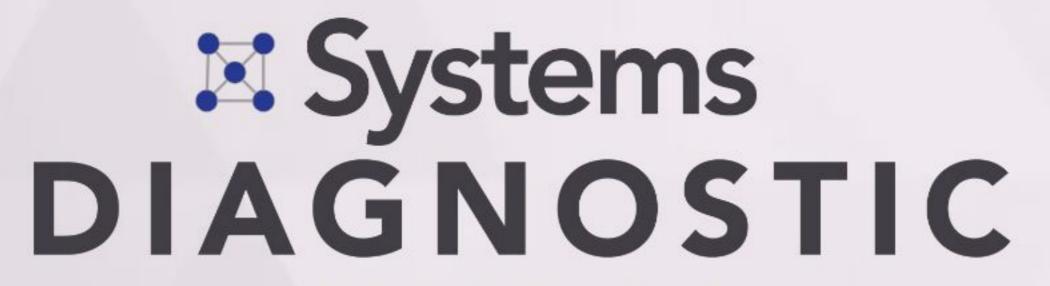
ACDI/VOCA is a leading practitioner and thought leader in market systems resilience, helping communities withstand, adapt, and transform in the face of shocks and stresses, including those caused by conflict and thin markets. We do this by:

Click buttons to view case studies

> Building Resilience

> Investing in Resilience

> Localizing Resilience



Understanding System Health

A Signature Tool from ACDI VOCA

ACDI/VOCA <u>published</u> one of the first papers defining the early determinants of market systems resilience. And, resources like our Systems Diagnostic tool help partners understand how a market system and the people in it are becoming more resilient.



"TMS was able to step up and identify innovative, creative partnerships that have the potential to achieve true systemic change in different sectors of the Honduran economy. TMS' co-creation approach is 100% aligned with implementing USAID's policy, the Journey to Self-Reliance."

USAID/Honduras

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NUTRITIOUS FOOD SYSTEMS

ACDI/VOCA works to improve nutrition and food security outcomes by improving food availability, access, desirability, and safety in local food systems via increasing food production, enhancing the processing, marketing, and trade of food, and building consumer demand for nutritious diets. We partner with actors across the food system to positively impact food security and meet the nutritional needs of households. Our work spans across the food system from producer to consumer, including food processing, marketing and trade, and food retailing.



> Nutrition and Food Systems Info Sheet

> Enhanced Food Production

Click button to view case study

We work with farmers and agribusinesses to enhance the quantity and nutritious quality of production to increase the consumption and sale of nutritious commodities.

> Enhanced Processing, Trade, and Marketing of Food

Click button to view case study

We partner with businesses along the food chain, such as wholesalers, vendors, and food processors, to reduce loss and increase the safety, nutrient content, and sale of foods in rural marketplaces. Through local policy work and capacity development of rural market actors, we establish an enabling environment for a food system that promotes the sale of safe, nutritious foods.

> Consumer Demand

Click button to view case study

We engage communities and public and private sector actors to increase demand for and consumption of nutritious diets by target populations by changing behaviors, improving knowledge, and enhancing women's agency.

"[The Bangladesh LPIN project] is very important to the community. People are gaining new information on cattle management, their incomes are increasing, and people are able to purchase more nutritious food. Milk production is increasing, and people can consume this milk to ultimately improve their health"

- Livestock producer

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Build the Business Case

In **Bangladesh**, we presented a business case to local firms, illustrating that they could increase the availability of sunflower seed procurement for oil mills by including and targeting women.

As a result, the firms began purchasing from more women, as well as providing gender-sensitive extension services, offering women discounts on seeds, and sharing women's empowerment messaging.

This not only increased yields but also made it easier for female farmers to participate in a growing agricultural sector.



Influence Social Norms

In Colombia, communities were struggling to reconcile after years of conflict.

In response, we designed DecidoSer, a behavior change methodology, to foster trust and respect.

More than 75 percent of those engaged in DecidoSer went on to take advantage of social and economic opportunities they would not have felt empowered to in the past.

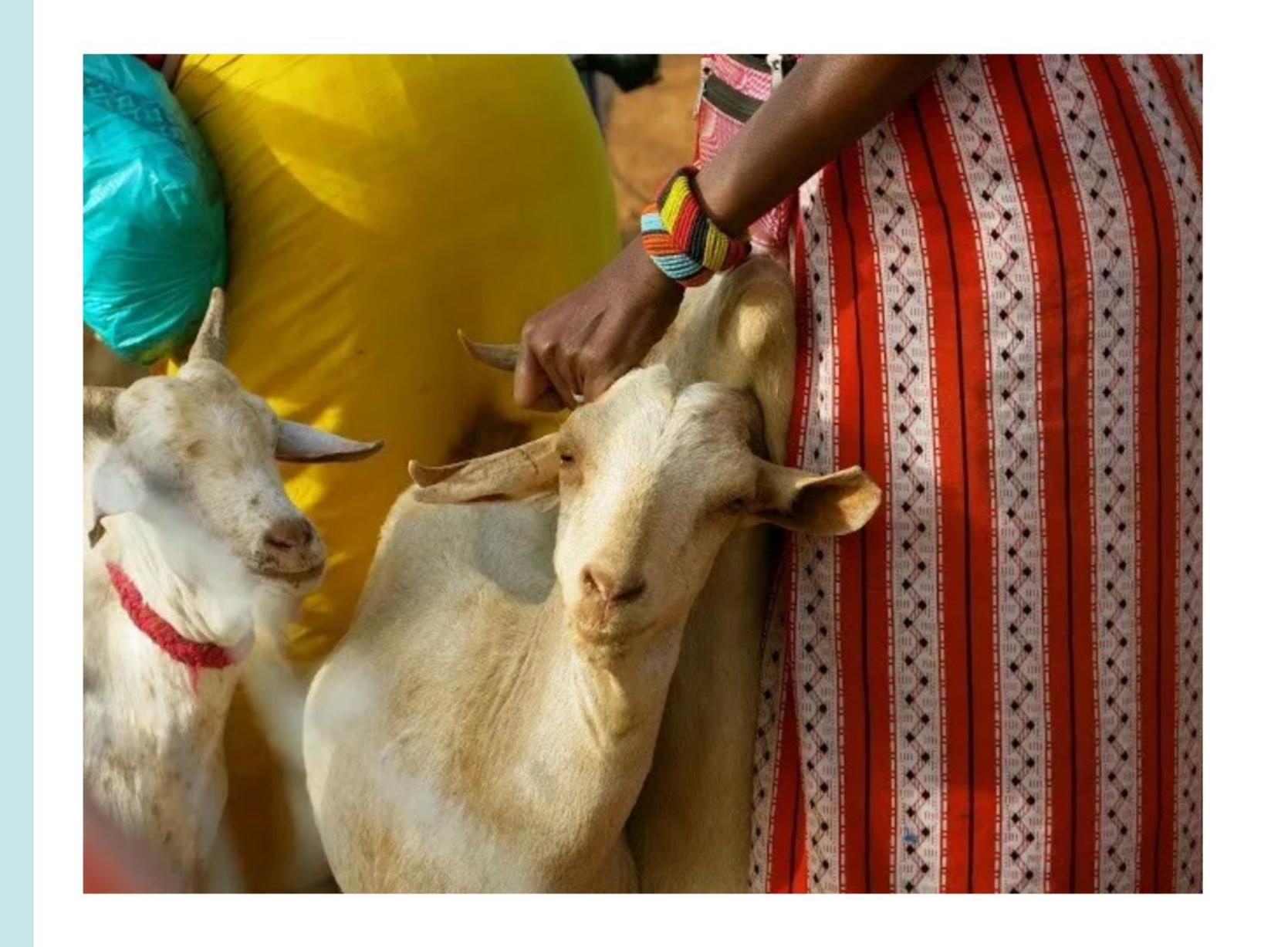
We also devised a certification program called INclusiónES, providing an incentive for organizations to implement more inclusive business practices. This program has generated strong demand from public and private sector clients including Banco de Bogotá, Pfizer, and Texmoda.



Expand Access and Capacity

In Kenya, female dairy producers struggled with a lack of access to finance to improve milk production. In addition, they refused to use mobile money platforms.

To address these barriers, we worked with a national telecommunication company and local savings and credit unions to establish and deploy infrastructure increasing women's access to digital financial services at livestock markets.



Improve Access to Finance and Catalyze Investment

In Ghana, small, growing businesses and financial institutions are often overlooked by investors. Our affiliate AV Ventures uses blended finance to offer patient capital through the AV Ventures Ghana Fund to a portfolio of growing organizations, including a commercial poultry farm, a feed producer training smallholders in regenerative farming practices, and an agtech smallholder production aggregator. Seeded by USDA, the fund includes a loan from the U.S. Development Finance Corporation.

In Central Asia, we recently launched the Central Asia Impact Fund (CAIF), seeded with \$2 million from regional investor KMF-Demeu. CAIF made its first loan in 2020.

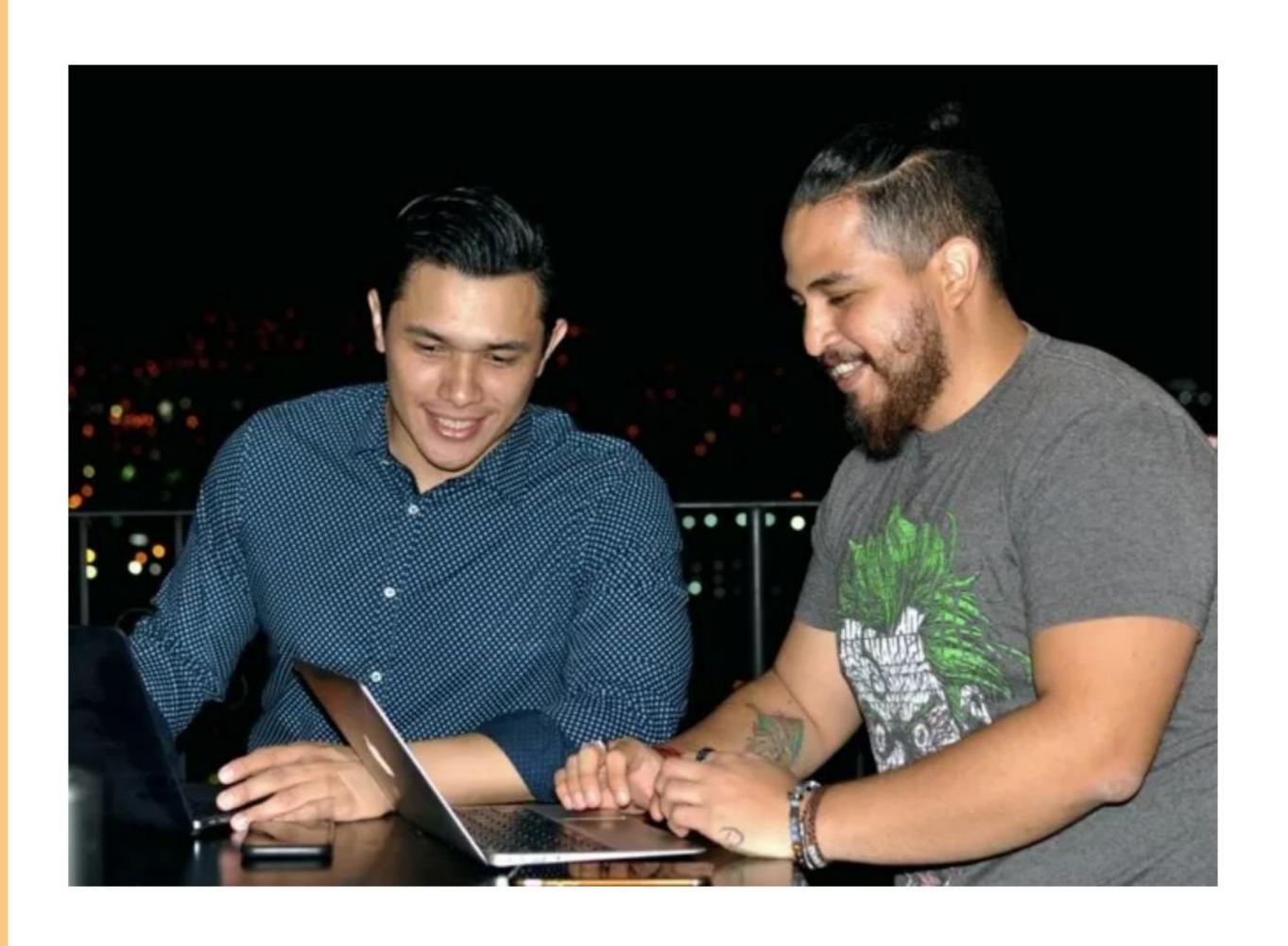


Conduct Market Research and Analysis

In Honduras, we held 12 stakeholder forums to identify the root causes of migration out of the country.

The forums engaged 300 people in developing solutions to the problem. Forum attendees came from 200 public and private entities and 19 organizations representing youth, ethnic minority groups, people with disabilities, and other vulnerable groups.

As a result, several public-private sector partnerships were formed under innovative umbrella agreements fostering buy-in, ownership, and the flexibility to change course.



Engage the Private Sector

The USAID Enterprise Competitiveness Project in the Kyrgyz Republic has partnered with 42 enterprises to date. Four of these partnerships are with large enterprises, and 38 of them involve \$2.47 million worth of grants for small- and medium-sized enterprises (SMEs) in agriculture, manufacturing, tourism, health, food service, banking, and more. Each grant recipient, of which half are women and youth, went through a rigorous submission process before being selected from a pool of roughly 600 applicants.

Meanwhile, the private sector has committed resources worth \$45 million, making their contributions 18 times more than the Project itself. Of this, \$22 million is investment in capital expenditure, or the funds a company spends to buy, maintain, or improve its facilities, equipment, and more.



Guide Policy

Despite a recent law designed to bring decisions on government services closer to the people, county governments in Kenya solicit little public input on development plans and policies.

To support the effective trade of animals in regulated markets by ensuring they are co-managed by both local livestock market associations and county governments, we coordinated with five Isiolo County associations in Northern Kenya to pass the Livestock Sales Yard Act.



Localizing Resilience

The COVID-19 crisis significantly impacted agricultural input supply and procurement channels in Northern **Ghana** due to border closures and travel bans.

The USAID-funded Feed the Future Ghana Agricultural Development and Value Chain Enhancement II (ADVANCE II) Project responded by working with outgrower business (OB) networks established under the project that support 27,000 smallholder farmers. ACDI/VOCA is helping the OB networks coordinate the safe distribution of inputs and services as well as procure staple foods through improved information management systems.



Investing in Resilience

The COVID-19 crisis is preventing investors in the **Kyrgyz Republic** from assessing potential investees because they cannot conduct in-person due diligence visits.

To address this, our USAID Enterprise

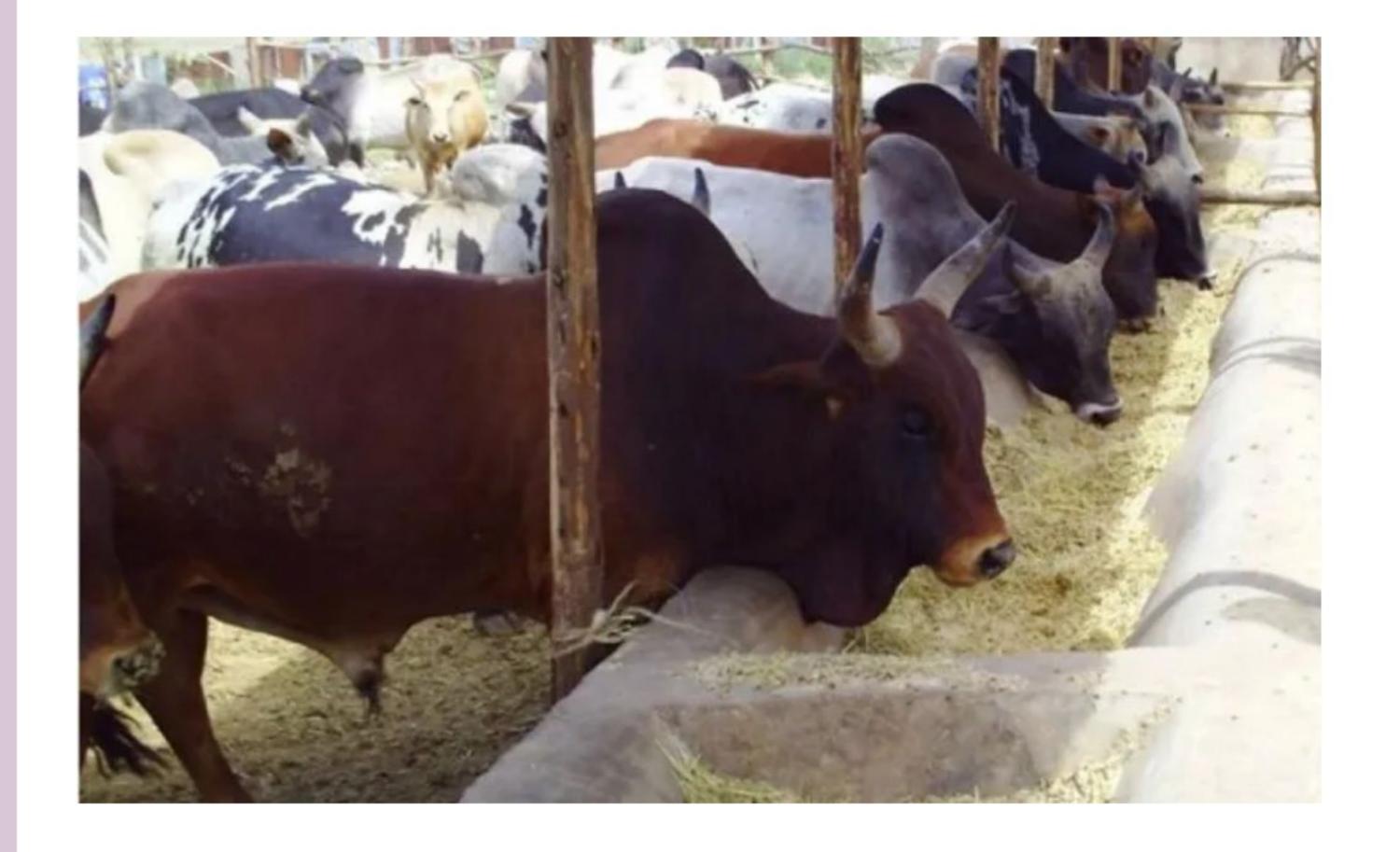
Competitiveness Project is conducting due diligence
visits for investors. In addition, we are helping
investors identify on-the-ground networks that can
help obtain reliable, timely insights into growthoriented companies that can kick-start economic
opportunities.



Building Resilience

Large parts of **Ethiopia** experienced the worst drought in decades during 2015 and 2016. Some areas lost 50 to 90 percent of their crops, and 19.5 million livestock faced animal feed shortages.

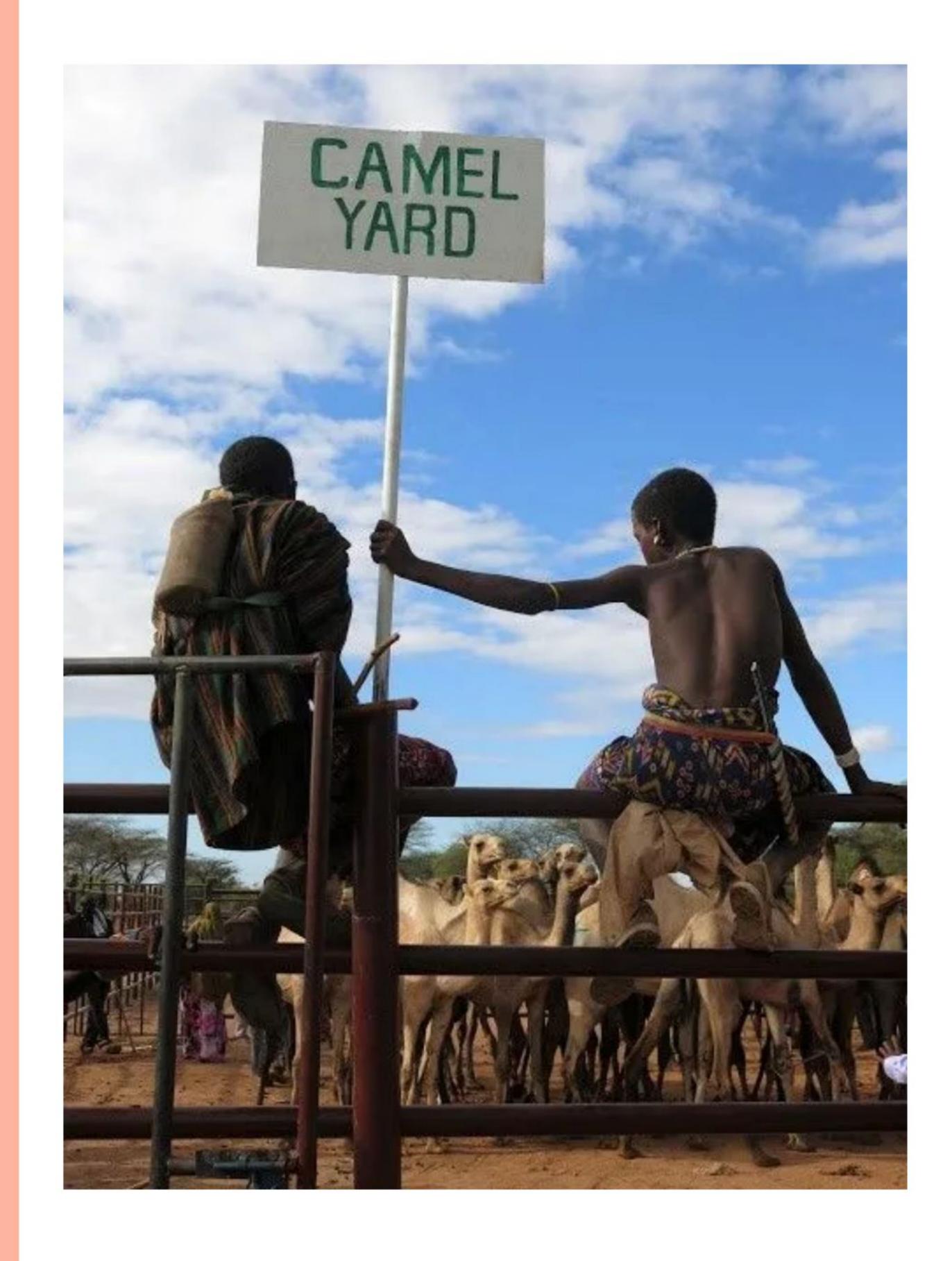
In response, ACDI/VOCA-supported feed cooperatives produced 8,000 metric tons of feed concentrate (supporting 152,337 animals across more than 500,000 households), with some working triple shifts to meet the demand.



Enhanced Processing, Trade, and Marketing of Food

The Feed the Future **Kenya** Resilience and Economic Growth in the Arid Lands-Accelerated Growth (REGAL-AG) project enhanced the growth and competitiveness of the livestock sector in northern pastoralist Kenya. REGAL-AG partnered with local market management committees to increase the efficiency of live animal sales in rural markets by supporting local policy development, investment in infrastructure, and overall management of the market - at the end of the project, **20 markets** were enhanced and **20 market management committees** were executing market management action plans.

As a result, marketplaces saw a growth in additional food vendors, like traders selling fruits and vegetables, thereby increasing the availability of nutritious foods for an estimated **250,000 people**. Program participants surrounding these areas saw a minimum household dietary diversity of 75-96 percent.



Consumer Demand

The Feed the Future **Tanzania** NAFAKA project aims to improve the competitiveness and inclusiveness of the rice and maize value chains, leading to increased productivity and profitability for small-scale producers and processors. NAFAKA supported private sector millers to fortify maize during the milling process - adding critical nutrients to a food that makes up over 70 percent of the diet in parts of Southwest Tanzania - by linking millers with fortification technology vendors and providing targeted technical training on how to fortify.

NAFAKA trained private sector actors, like millers and rural food vendors, and local community actors, like religious leaders and community health workers, on nutrition message dissemination to consumers to stimulate local desirability and demand for fortified maize flour. After message dissemination, NAFAKA found that 100 percent of consumers were willing to pay the marginal extra cost to have their maize fortified – supporting processors to supply over 5,240 metric tons of fortified maize flour in Southwest Tanzania.



Enhanced Food Production

The Feed the Future **Bangladesh** Livestock
Production for Improved Nutrition (LPIN) project
engaged public and private sector livestock actors to
increase livestock producing households'
productivity, income, and nutrition. ACDI/VOCA
increased household access to information and
resources to adopt good animal husbandry practices
by supporting last-mile service provider network
capacity development via trainings and increasing
private sector investment in rural livestock
development (e.g., increase feed availability). These
efforts resulted in over a **200 percent increase in**household livestock productivity.

Due to increases in milk production and income for over 170,000 households, over the life of the project, LPIN has achieved an average 40-point increase in households that regularly consume meat and dairy products. Project results in 2020 estimate that 83 percent of women consumed an adequately diverse diet, up from 39 percent in 2015.



Conduct Market Research and Analysis

To inform USAID's understanding of the potential for more competition and inclusion, and to support the design of future programs, we analyzed 37 agricultural and non-agricultural sectors for nine USAID Missions under the USAID-funded Leveraging Economic Opportunities (LEO).

