

This Case Story was submitted to the 2016 CLA Case Competition. The competition was open to individuals and organizations affiliated with USAID and gave participants an opportunity to promote their work and contribute to good practice that advances our understanding of collaborating, learning, and adapting in action.

Building an Adaptive Team for Market Systems Development in Acholi, Uganda

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David and Miji. Credit: Mercy Corps.

What is the general context in which the story takes place?

Mercy Corps implemented the Revitalizing Agriculture Incomes and New Markets (RAIN) program in the Acholi region of northern Uganda from October 2011 to October 2016. In a context where recovery from two decades of conflict has been marked by rapid economic and social shifts, the program pursued three core objectives: enhance smallholder production and profitability; improve agribusiness and trade performance in input and output markets; and expand access to agricultural financial services. Initially funded for 3 years by the U.S. Department of Agriculture, the program was extended for an additional 2 years. Mercy Corps also attracted additional funding for the same program portfolio, but continued to manage all donors' activities under a single management structure.

TechnoServe, an international NGO, was initially a sub-granted partner focused on agribusiness, though Mercy Corps moved forward with the Department of Agriculture extension without them. Other key stakeholders included private sector partners in the agribusiness and financial services sectors, community-based membership associations, and local government partners.

What was the main challenge or opportunity you were addressing with this CLA approach or activity?

The program's original approach had focused on direct training of farmers. RAIN was redesigned in the first year to incorporate a market systems approach. Rather than directly delivering goods and services to households, the program would support local actors to create long-run economic opportunities for poor farmers and others. RAIN's new focus required team members to design their workflows to monitor and respond dynamically as markets developed. They adopted a set of tools and systems centered on testing, learning from, and improving interventions throughout the program's lifecycle. RAIN also made a series of strategic and tactical alterations throughout implementation. For example, the team repeatedly tested and altered its approach to input vouchers, dropped and developed partnerships in financial services, integrated gender into marketing and messaging, and diversified the program's focus crops.

Describe the CLA approach or activity, explaining how the activity integrated collaborating, learning, adapting culture, processes, and/or resources as applicable.

RAIN adopted a CLA approach to sustainably respond to needs in the Acholi region. New for the RAIN team, the CLA initiatives were implemented beginning in the first year of the program.

The Mercy Corps country and program leadership focused on recruiting and building the kind of dynamic team that would be able to carry out an adaptive market development program. It focused on hiring team members from the Acholi region in order to ensure strong localized knowledge and increase retention. Finding candidates who were inquisitive by nature was prioritized and supported by creative recruiting techniques. Interviews included problem-solving scenarios; occasionally, they would also involve trips to the market to assess how well a candidate could observe and analyze context. During implementation, this inquisitiveness carried over into the team's culture. The opportunity to learn and challenge themselves has been a key motivator for staff, even as the team has weathered turnover. Team members attended external and internal training courses in market systems programming, and successfully advocated for TechnoServe's team to invest in and join training. Also, leadership modeled coaching behavior and encouraged team members to mentor one another to such an extent that coaching and mentorship became norms within RAIN. Team members gave one another supportive criticism and advice, helping to improve one another's critical questioning skills and the overall program's ability to learn and adapt. In the most important test, the team carried forward these habits even after the program's central leader transitioned to a new role. The attentive focus on soft aspects of program culture and team management in the context of onboarding and handover proved critical to maintaining one of RAIN's strongest assets for adaptive management.

The norms around coaching and inquisitiveness were reinforced by a culture of open communication and exchange. This culture built trust, helped team members feel valued, improved information sharing, and supported program shifts. Open communication and willingness to accept criticism were particularly important given how field-level learning is often founded on local storytelling and verbal communication: Much of the most important knowledge was tacit, held in team members' heads.



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Weekly Monday morning meetings served as regular touch points for open communication; team members raised issues that they solved in smaller groups after the meeting had ended. Quarterly and semi-annual meetings were the most useful for learning and generating ideas when they included local government and private sector partners. Both the RAIN team and its external partners made presentations about their strategies and challenges, which helped identify information sharing gaps, strengthened trust and support, and allowed RAIN team members to learn about implementation challenges directly from local actors.

RAIN's monitoring and evaluation (M&E) staff focused on helping the broader team learn, improve interventions, and evolve the theory of change. This departure from M&E's typical focus on measurement for reporting was enabled by the relatively limited number of required reporting indicators and semi-annual donor reports. This gave the inquisitive M&E team the capacity to focus on learning and programmatic decisions. A substantial portion of the team's time went to supporting frequent mini-assessments (covering topics such as cross-border trade, gender, and financial services) and internal evaluation activities (focused on understanding the impact of seed subsidies and contract farming). The ideas for these investigative exercises frequently arose from program reviews or weekly meetings, carried forward by the team's culture of open communication and joint problem-solving. The assessments were led by the M&E team, but conducted jointly with implementation teams.

Were there any special considerations during implementation (e.g., necessary resources, implementation challenges or obstacles, and enabling factors)?

The key enabling conditions for implementing CLA included country leadership's commitment to a market systems development approach. Second, the stabilizing context led to a reduction in humanitarian work and direct aid delivery. This paved the way for a focus on investments to support emerging local businesses and to revisit business models to enable community access to inputs and agricultural services. The reduction of free handouts and humanitarian work brought an opportunity for a CLA approach; high expectations for free handouts remained a challenge from communities and partners. It also left a vacuum in local markets, as most companies relied on aid agencies instead of building their own viable agent networks or distribution systems.

Onboarding of program staff included training in market systems development and orientation on the program approach. The team used a number of tools including result chains, firm level improvement plan, after-action review, event forms, Village Savings and Loan Association performance rating tools, and business capacity assessment indexes. The total funding was \$6.2 million, and 100 percent was allocated for CLA as the program adopted the approach from the beginning. At the later program stages, the team was able to leverage new funding sources to enhance its broader approach. However, uncertainty over employment began to affect the team's focus as the end of RAIN drew near. Staff were understandably concerned about job security. Even though new funding was received near the end of the program and management informed the team about new opportunities, there

was not enough security to keep team members motivated. There was a drop in energy in program reviews and an increase in missed opportunities.

In the RAIN program, the team faced challenges in building a shared understanding of the market systems approach and the non-traditional partnerships needed to expand market opportunities for the poor across program support departments (e.g., operations and finance). Market systems programs often require cost-sharing agreements and loan guarantees with private sector partners in order to stimulate pro-poor investment. Despite Mercy Corps' agency-level promotion of market systems programming and lessons learned from financing these interventions in other locations, the team struggled to identify and properly structure agreements. Few external examples were available.

Implementing RAIN across two different organizations, Mercy Corps and TechnoServe, created several obstacles. Beyond typical differences in organizational culture, the partners' human resources policies and operational systems were not in sync. More than mere operational differences, these issues undermined team motivation, detracted attention from program implementation, and limited the open communication that was so central to RAIN's ability to adapt. Leadership from both teams invested significant effort to overcome these issues. They co-located their teams and sat together in the same office; they took time to discuss problems jointly and seek each other's feedback for staff performance reviews; they negotiated shared resources; and they made some small shifts in salary scales to reduce compensation gaps. Over time, the organizations made gradual progress toward a healthy working relationship and a collaborative, cohesive team.

With your initial challenge/opportunity in mind, what have been the most significant outcomes, results, or impacts of the activity or approach to date?

A final evaluation and impact level results from the program are still being gathered. However, Mercy Corps was able to identify some concrete results linked to the CLA initiative.

Increasing farmers' use of tillage services was a significant challenge in the RAIN program. Farmers lacked the on-hand cash needed to pay for the service, and loans for the services were seen as too risky. The team organized monitoring and assessments to understand the issue better. Pulling together the ideas and expertise of different teams including partners, they developed a solution: a cashless loan product that would allow farmers to receive vouchers for tillage and gradually make payments to the bank for the services. The success of this product relied heavily on repeated informal and formal cross-team meetings and close collaboration to identify issues and develop solutions based on the team's experience.

RAIN's mid-term evaluation revealed that increasing formal savings might limit household spending on alcohol, a social issue that contributes to gender-based violence and limits household investments in farming. At the same time, savings and credit cooperative organizations (SACCOs) were struggling to recruit and retain members and to mobilize savings. As the program's financial services team conducted an assessment of SACCOs to better understand the problem, the M&E manager realized that the team was not capturing the most critical information. He started working with team members to ensure they understood the SACCOs' business constraints, improving their assessment



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questions and data analysis. Based on the assessment, the RAIN team supported the local SACCO to pilot a mobile-based savings drive in one branch. The SACCO then independently repeated the drive in all of its other branches, increasing membership from 10,000 to 16,000 overall and attracting savings of more than \$750,000 and distributing more than \$40,000 in loans during the first 3 months.

What were the most important lessons learned?

Leadership sits at the center of many of RAIN's successes. Investments in building a collaborative, inquisitive team and promoting a culture of open communication made it possible to learn and adapt. Orienting M&E functions toward programmatic and strategic questions, rather than reporting, increased the team's analytical capacity. There were challenges in each of these, but the practical effect of leadership in the program was to build a team that had the entrepreneurial spirit to test new strategies and tactics, and the discipline and tools to reflect on them and overcome challenges as they arose. This approach was especially useful for a market development program that aimed to make change at the level of systems as well as individual farmers.

Any other critical information you'd like to share?

Building a team that retains women and gives them voice was critical to gender-focused shifts in program strategy. In 2013, as part of a countrywide Mercy Corps initiative, the RAIN team conducted an internal gender analysis, started tracking gender-disaggregated recruitment metrics against targets, and began to proactively recruit and promote women. When a few of the newly recruited women struggled to have their voices heard, the Mercy Corps Uganda gender advisor, human resources department, and the RAIN program director held a meeting to identify ways to resolve the problem. The program director focused attention on attracting women to join the team, and called on male gender champions within the team to support the women's integration. By the start of 2016, the program staff was 48 percent women, up from 22 percent at the start of the program. Without deliberate efforts to support women's voice and retention, critical gender-focused shifts in program strategy would likely not have occurred.

Mirroring internal increases, the RAIN team helped the Gulu Agricultural Development Company increase its recruitment of female extension agents from zero in 2012-2013 to 20 in 2014-2015. These efforts helped increase the number of female organic farmers registered and trained with Gulu from 26 percent to 48 percent over the same period. This shift required dedicated resources: In addition to support from the country office's gender advisor, the team leveraged gender-focused grant funding in pushing forward the changes.

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