



## USAID CATALYZE MS4G

Strengthening Food Security and Water, Sanitation, and Hygiene (WASH) through Market-Based Approaches

### BACKGROUND

USAID CATALYZE MS4G is designed to benefit the Ethiopian people, build community resilience, and strengthen rural-urban linkages in the areas of food security and water, sanitation, and hygiene (WASH). MS4G uses a market system approach to address key food security and WASH sub-systems and the impact of economic shocks, including COVID-19 and political instability, by stimulating adoption, adaptation, broad expansion, responsive institutionalization, and scaling of approaches and business models to transform the lives of Ethiopians.

MS4G invests in developing strong relationships with private sector players, co-investing in inclusive business models, advisory services, digital solutions, and market-based initiatives that increase the resilience and sustainability of Ethiopian enterprises and employment for women and youth. The activities are designed to build institutional capacity, enhance knowledge and skill transfers through the youth programming initiatives, advance the business enabling environment, accelerate digital transformations, and scale best practices to increase productivity and quality.

### FOOD SECURITY

To strengthen the private sector in the food security value chain, MS4G uses a market-based approach to deliver business development and financial advisory services to small- and medium-sized enterprises (SMEs) in the food security sector. MS4G fosters relationships between Business Advisory Service Providers (BASPs) and SMEs to increase their sales and revenue, resulting in increased domestic private wage employment especially in Ethiopia's secondary cities. The project catalyzes access to finance and mobilizes investments to improve SME production and competitiveness, generating more jobs and income opportunities to bolster the livelihoods of households.

### WATER, SANITATION, AND HYGIENE (WASH)

Through a market system approach, MS4G increases access to and usage of affordable, quality WASH products and services to communities across Ethiopia. MS4G leverages Business Advisory Service Providers (BASP) grant awards and co-creates and co-funds partnerships activated through the Partnership and Investment Fund to enhance WASH enterprise performance and product/service delivery and inclusion. Collaborating with fast-moving consumer product manufacturing and social marketing companies, MS4G creates awareness of healthy sanitation practices and associated products

and services to stimulate demand and expand the market for WASH projects and services.

## OBJECTIVES



**Strengthening enterprise ecosystem** – Foster enterprise-driven growth, especially among private firms that have high growth potential, and to cost-share and leverage USAID’s investments with the private sector to maximize impact.



**Youth programming** – MS4G engages with the private sector to build youths’ skills in line with the expanding needs of the private sector. The project leverages its financial facility to fund local capacity-building efforts to develop technical and professional skills and to better connect the supply and demand of labor.



**Facilitating access to finance and investment** – MS4G engages various actors in the financial sector to unlock the potential of private capital to drive inclusive growth and mobilize US\$275 million in private capital to finance the growth of high potential Ethiopian enterprises.



**Improving enabling environment** – MS4G improves the business enabling environment through technical assistance, institutional development, and capacity building to advance policy initiatives poised to contribute to or accelerate systemic change and enterprise resiliency.

## CROSS-CUTTING EFFORTS



**Advance digital economy** – MS4G accelerates Ethiopia’s market system where enterprises use digital solutions and services to help improve efficiency in business operations. The activity partners with Fintech firms to develop or expand digital solutions for products and services.



**Enhance USG capabilities to catalyze trade and investment** – MS4G works to facilitate engagement with the US to catalyze two-way trade.

## WHERE WE WORK

MS4G supports activities in Addis Ababa and secondary cities in Ethiopia. The project uses a combination of technical assistance, blended financing, and Pay-for-Result awards to encourage the development of innovative solutions and incentivize partners to expand their services to new or underserved market segments.

