

 **Decisive structures:**

Procurement format options for MSD programmes
and their different implications

MSD Procurement Series #1

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Conception

This paper is the collaborative product of a group of accomplished MSD practitioners and donors who worked together voluntarily over four months in early 2020 to synthesise their accumulated knowledge and experience of procurement arrangements for programmes that use the Market Systems Development (MSD) approach.

With the support from the BEAM Exchange, the group met on a bi-weekly basis to examine a particular aspect of MSD procurement based on common interests and collective experience. The group defined the problem from different perspectives, and gathered case studies from their organisations to reflect on possible solutions and new ways of thinking. This paper captures the most important ideas and conclusions, and has been reviewed extensively by both MSD practitioners and donors.

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All the participants involved in the creation of this resource were motivated by the potential to boost the quality of MSD programming. By promoting, supporting and encouraging good practice we hope this document contributes to widespread and lasting improvements in access to income, jobs, products and services for people living in poverty.

The BEAM Exchange - in partnership with the DCED - is a platform for knowledge exchange and learning about the role of markets in poverty reduction.



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MSD Procurement series #1

Decisive structures: procurement format options for MSD programmes and their different implications

Executive summary


As the size and ambition of flagship MSD programmes has grown, expectations of transparency and fair competition in their procurement processes have too. Increasingly, such programmes involve not just one, but an entire consortium of implementing organisations. This raises the complexity when it comes to designing programmes effectively and procuring them fairly.

This paper addresses three issues at the heart of procurement decisions about MSD programmes:

- Contested power relations between donors and implementers in MSD consortia
- Divergent financial models
- Contrasting procurement formats that polarize competitive and co-creative formats

This paper expands the conversation to include a spectrum of five procurement formats:

(1) Implementer led single implementer with multiple donors	(2) Collaborative co-creation single implementer with one donor	(3) Formal co-creation multiple competing implementers	(4) Invited tenders multiple competing implementers	(5) Open competition multiple competing implementers
Informal & co-creative	Hybrid format			Formal & competitive



The paper expands on the preconditions, advantages and disadvantages for each format, as well as implications for consortium building, such as:

- 1) Implementer-led formats, which allow implementers with time and capacity to propose programmes directly to donors, with prospects for partnering with others to broaden skills and experiences.
- 2) Collaborative co-creation formats, which enable donors with high confidence in a targeted implementer to collaborate on programme design, setting clear expectations from the start.

- 3) Structured co-creation formats, which reduce time spent on proposals and let donors keep their options open through a more interactive competitive process.
- 4) Invited tender formats, which let donors solicit targeted technical proposals from implementers with in-country presence, with less time and resource investment than co-creation.
- 5) Open competition formats, which typically involve larger budgets that draw the attention of the largest players, with greater expenditure on proposal writing and longer bid-evaluation processes.

Finally, the paper concludes with specific lessons for different types of organisations involved in MSD procurement:

Donors	Explore the full continuum of procurement formats, proactively suggest consortium governance models and share lessons on legal interpretations of procurement rules.
For-profit contractors	Document lessons on the range of procurement formats and explore new governance platforms that encourage participation from all consortium members.
International NGOs	Invest in internal capacity building for MSD, communicate the value of support functions and exploit advantages in smaller co-creation procurement formats.
Technical consulting firms	Explore roles as honest brokers in consortia and seek opportunities to facilitate co-creation processes on behalf of donors.
Local NGOs	Critically assess invitations to participate in consortia, build MSD capacity through partnerships and actively request mentorship of local staff by international experts.

A note about terminology

Different agencies use different language when describing their different roles, activities, and contracting formats. In order to make this paper more readable across agencies, we have adopted generic terms to focus the conversation on conceptual, rather than definitional differences. The table below defines this generic terminology with corresponding examples and descriptions.

Generic Label	Synonym / Example	Description
Organisations		
Donor	Funder	The agency providing funding for a programme or activity.
(Lead) Implementer	Prime; Lead contractor; Supplier	The institution, company or NGO that has the principal contract with the Donor to deliver the activity.
Sub-contractor	Implementing partner	An agency, company, NGO or local organisation that is sub-contracted by the Lead Implementer to deliver a component of the activity.
Business Partner	Recipient; Client	A business that is directly involved in programme interventions as a partner or recipient of grant, investment or technical support.
Activities		
MSD Programme	Project; Program; Activity	A temporary organisational structure for implementation - may include staff from one or multiple implanting organisations.
MSD Intervention Area	Initiative; Activity	A coherent set of actions planned within a specific market system to effect system change
Roles		
Donor Representative	Contracting Officer (USAID); Program Officer (DFAT); Program Manager (SIDA); Senior Responsible Owner (DFID/FCDO)	The donor manager responsible for overseeing and liaising with an MSD programme; usually based in a country office.
Head Office (HQ) Manager		A manager based in an implementer's HQ with responsibility for supporting an MSD programme

Generic Label	Synonym / Example	Description
Business Development Staff	Fundraising staff	HQ staff responsible for writing proposals and soliciting donors.
Programme Manager	Team Leader; Chief of Party	The most senior manager of an MSD programme team, with overall decision-making responsibility
Operations Manager	Chief Operations Officer; Finance and Grants Manager	A senior manager with oversight of multiple operations functions: finance, logistics, procurement, grants etc.
Operations Staff	Procurement officer; Grants officer; Finance/Accountant	The programme staff responsible for particular areas of operational administration and compliance.
Technical Staff	Intervention Manager; Sector Lead; Market Facilitator, Partnership Manager.	The programme staff focused on designing, developing strategy, delivering, monitoring and learning from interventions with business partners and other actors within changing market systems.
Contracting Formats & Related Documents		
Tender	Request for Proposal (RFP)	The offer from a donor to pay for something.
Procurement (of programme):	Contract; Grant Agreement; Collective Agreement;	The process used by a donor to solicit proposals and select an organisation (or consortium) to fund to implement an MSD programme.
Procurement (of goods/services):	Service contract; Purchase order	The use of financial funds, by an MSD programme, to purchase goods and services for use in implementation.
Subaward	Grant; subgrant	The use of financial funds to engage another organisation to implement part of the programme on behalf of the implementer / consortium.
Partnership agreement	Adaptive Market Actor Agreement, Market Actor Umbrella, MoU	A written agreement between an MSD programme and a market actor that may define strategy, roles or planned activities, but does not include any funding commitments.
Concept note		A short and non-binding document that outlines ideas for a new product, service or business model.

Decisive structures: procurement format options for MSD programmes and their different implications

About the MSD procurement series

Development programmes typically involve a collaboration between funders (who pay) and implementers (who do). These parties' interests overlap but are not identical. Procurement and contracting are used to reconcile those interests in a formal and transparent manner, but it can become an adversarial process. This militates against the building of a constructive relationship of trust, necessary for the flexible, adaptive approach which is so vital if the Market Systems Development (MSD) approach is to be effective in reducing poverty.

This paper is the first in a series that documents the insights from informal conversations between funders and implementers on how to resolve this essential dilemma.

The other papers in this MSD Procurement Series are:

Paper 2: [Deepening the Relationship](#): a stage-by-stage guide to strengthening partnerships between donors and implementers in MSD programmes

Paper 3: [Getting off the Ground](#): practical lessons for the launch phase of MSD programmes

Paper 4: [Fit for Business](#): modifying internal procurement processes for adaptive MSD programmes

The series is published under the auspices of the MSD Working Group of the DCED, to stimulate further exchange and reflection; it does not necessarily represent the official views of the DCED or its members.

This **Paper 1** explores and analyses the range of procurement formats used by donors to award MSD programmes: (1) implementer-led, (2) collaborative co-creation; (3) structured co-creation; (4) invited tender; and (5) open-competition. For each format, we discuss the main preconditions, its advantages and disadvantages, and their implications for both donors and for bidding organisations.

The paper is particularly relevant for organisations that work together in consortia to implement MSD programmes. To this end the paper focuses on the main actors involved in MSD consortia: donors, large international NGOs, large for-profit contractors, technical consultancies, and small local NGOs. For each actor, the paper explores the incentives for participation in consortia, and includes recommendations for how each can best position itself in a consortium.

Decisive structures: the issues in a nutshell

As the size and ambition of flagship MSD programmes has grown, expectations of transparency and fair competition in their procurement processes have too. Increasingly, such programmes involve not just one, but an entire consortium of implementing organisations. This raises the complexity when it comes to designing programmes effectively and procuring them fairly.

As the MSD approach has become better known, it is being taken up by a diverse range of multilateral and philanthropic agencies. These new donors have explored a range of procurement formats, including ‘co-creation’ processes that involve close collaboration with implementation agencies to develop and design programmes.

This paper explores these different procurement formats (e.g. implementer-led, collaborative co-creation, formal co-creation, invited tender and open competition) and presents a conceptual framework for nuanced conversations about the strengths and weaknesses of each. Different arrangements offer a range of trade-offs and are often implicitly designed to suit some types of organisations better than others.

There are three challenges at the heart of decisions about procurement formats for MSD programmes which have significant implications for the consortia bidding to implement them.

- 1) **Contested power relations:** Donors need to hold implementers accountable, but also rely on their expertise. Consortia have internal power relations between the lead implementer and smaller partners who may struggle to have a voice in key strategic discussions.
- 2) **Diverse financial models:** There are difficulties in comparing or integrating the budgets, fee rates, and margins used by different types of organisations (e.g. NGO vs. for-profit contractor)
- 3) **Contrasting procurement formats:** Polarisation between ‘competitive’ and ‘co-creative’ formats that may exclude some organisations from fully participating in procurements.

Mode 1 – Competitive: Donors treat procurement as an open market; expect profit-motivated competition and look for explicit statements about the profit margins of different bidders. A separate arms-length procurement unit evaluates proposals to eliminate unfair advantage.

Mode 2 – Co-creative: Donors develop relationships with bidders to learn about their capability, strengths and approach; focus typically on NGOs with strong local presence and experience.

The table below explores how each type of organisation involved in MSD consortia experiences these three challenges. The purpose of the table is to highlight the interests and incentives of different types of actors, and how they align with different procurement models.

Table 1: How different organisations involved in MSD procurement experience these issues

Actor	Power, trust & relationships	Financial model / incentives	Procurement model alignment
Donors	Concerned about general risk of implementing partners acting on their behalf; want a single point of contact to hold responsible, without stifling open discussion amongst all consortium members	Costs and margins are judged relative to expected value for money. Some attempts to standardise fee rates with unintended consequences.	Split between two modes: Mode 1 - commercial large pre-set budget, open competition, explicit margins expected. Mode 2 - co-creation smaller projects, close relationship, budgets negotiated.

Large Int'l NGOs	Incentive to manage donor closely because they typically are the primary partner on a proposal and focused on relationship management.	Overheads are key to funding key technical & management support functions needed for high-quality MSD. NGOs are under pressure to justify margins from donors who want to keep overheads low.	Able to compete for both modes of funding; but NGOs used to explicit budgets for overhead costs may find it awkward to recast budgets in a commercial mode where management support is incorporated into an equivalent daily fee rate for staff.
Large international for-profit contractors		Built on clear fee rates and commercial margins. Under capped fee rates, can shift technical input from more experienced (costlier) senior consultants to junior and mid-level staff – but with a potential loss of quality.	Only eligible for commercial procurement (Mode 1); often excluded by definition from more collaborative, co-creative processes (Mode 2).
Small technical consulting firms	Most influential when engaged early; can become distanced through intermittent involvement.	Built on highly skilled individuals whose daily rates subsidise outreach & research activities; donor pressures to standardise fee rates can threaten viability.	Precluded from co-creation with NGOs on the basis of underlying business model (commercial); may end up hired to 'fix' problems later but much less effective than supporting early design phase.
Smaller local NGOs	Can be 'invisible' to donors when a lead implementer handles donor communication; cautious to voice anything perceived as criticism to donor or lead implementer	Often sub-contracted by large organisations under various arrangements.	Token inclusion more likely in large competitive procurements to signal 'local presence'. May qualify for small, in-country co-creation processes if they have sufficient MSD capacity.

Insights and guidance

The procurement format used to commission an MSD programme has a major influence on the type of organisations or consortia that can or will bid to implement it. The diagram below presents a continuum of procurement formats, from the highly informal, implementer-led approaches on the left to the structured, donor-controlled, competitive procurement approaches on the right.

The bottom row shows the types of donors that are commonly observed to apply each of these approaches. This is not a prescription for organisations: exceptions are possible. One intended outcome of this guide is to encourage donors to experiment with different types of procurement processes for MSD programmes.

Table 2: A spectrum of MSD procurement formats

(1) Implementer led single implementer with multiple donors	(2) Collaborative co-creation single implementer with one donor	(3) Formal (structured) co-creation multiple competing implementers	(4) Invited tenders multiple competing implementers	(5) Open competition multiple competing implementers	
Informal & co-creative		Hybrid format			Formal & competitive
Small family trusts & individual donors	Corporate foundations; small-to-medium bilateral donors	Medium-large bilateral donors & corporate foundations	Medium-large bilateral donors	Large bilateral donors	

Below, each of the five main formats are explored, drawing on examples to generate lessons and to highlight implications for consortium building under different procurement regimes.

1) Implementer-led procurement format

An implementing organisation develops a portfolio of potential MSD interventions they can present to different donors to attract funding for a pre-designed activity. This leads to standalone projects each funded by a specific donor, tailored to that donor's interests.

Main preconditions:

The implementer needs to have sufficient capacity to support (a) technical staff in programme teams to develop analysis and programme prospects; and (b) business development staff able to communicate the options to various donors.

Advantages:

The implementer has significant control over the analysis and technical framing of the programme. With fewer externally-imposed conditions and requirements, there is less risk that implementers will misinterpret donor expectations. They can bring in local stakeholders early on and design interventions from the bottom-up. The donor agrees up-front on staffing and budgets, and may even be involved in interviewing the programme manager.

Disadvantages:

This format requires significant up-front time investment to design interventions, and to build relationships with prospective donors. In some cases, donor engagement can become intensive, introducing situations where projects get pushed in ways that don't make technical sense. Corporate foundations with a core business may want to engage that business in a MSD programme, which introduces new layers of challenges. Where implementer-led programmes are initially successful, it may be challenging to find additional funding for expansion from other donors.

Implications for consortia:

Single agency implementers could look to partner with other organisations so as to broaden the range of skills and experiences brought to their projects.

2) Collaborative co-creation format

A donor works with an implementing organisation (or group of collaborating implementers) to design a programme together. This requires sustained interaction over a longer period of time, and a high degree of flexibility from both sides. It takes time, effort and patience to build the right partnership.

Main preconditions:

Donors need to have confidence in the implementer's ability, which enables them to effectively 'sole source' the programme design to one organisation. This requires that implementers have sufficient MSD expertise, an in-country presence, and knowledge of local context and culture.

Advantages:

Collaborative co-creation makes it possible to bring stakeholders directly into the programme design process and build from the bottom-up. By investing in significant upfront relationship building, there is less worry about how to present people, or an approach, in a written proposal. From early on, implementers can select the right programme manager for the programme, and the donor can be involved in interviewing them, to build trust in the team. This process allows focus on who is the right person for the job, with more open negotiation around salary or fee rates. Thus, proactive handling of fees, the role of experts, and expected outcomes can avoid surprises down the line.

From a donor perspective, the advantage of co-creation is they can do their due diligence in-country by visiting offices and meeting technical staff from programmes in a transparent way that is not possible in competitions where a firewall between donor and implementer is required. In situations where no individual organisation has the full capability to lead a programme, donors can also request multiple local organisations to submit a joint proposal and enter a collaborative co-creation process. The programme framework can then evolve over time, based on the dynamic context with a balance of structured assessment and flexibility. Finally, co-creation processes allow donor staff to learn more about the MSD approach by being more actively integrated into the implementation process.

Disadvantages:

From an implementer perspective, there are two divergent challenges in this mode. In scenarios where donors are very active in co-creation, implementers may feel a loss of control over the analysis and intervention development process. On the other hand, where implementers are given high discretion, they may struggle with an absence of clear direction.

From a donor perspective, procurement rules may mean they can only engage non-profit organisations in this collaborative co-creation format. In contexts where local NGOs are unfamiliar with the MSD approach, this can limit the technical expertise available for programme design.

In scenarios where the donor encourages multiple organisations to collaborate, there are some risks that misaligned incentives and hidden conflicts will go unnoticed during the co-creation process, only to surface during implementation. These include weak trust, limited information sharing, and partners acting to 'protect their turf'. Up-front conversations about the willingness to collaborate are thus crucial prior to having multiple organisations collaborate for the first time through a collaborative co-creation arrangement.

Implications for consortia:

One emerging good practice in collaborative co-creation is for the consortium to engage a performance manager as an 'honest broker' to provide programme design and capacity development support, as well as keep the programme leadership accountable. Within the consortium, this gives a clear mandate to one organisation to focus on developing relationships between consortium partners, and to facilitate ongoing healthy conversations with the donor about performance and learning.

3) Formal or structured co-creation format

An explicitly defined process for a donor to work collaboratively with shortlisted implementers who are competing to be awarded a single programme. This usually involves facilitated workshops where the competing players undertake tasks in real-time in the same physical space with donor representatives evaluating them. An example of this is USAID's Broad Agency Announcement, which starts with a formal process where implementers submit Expressions of Interest, then transitions into a more dynamic co-creation process with selected implementers, leading ultimately to an award decision.

Main preconditions:

Donors need to have clear plans, and strong facilitation capacity to lead a defined process and manage the inherent tensions between different players.

Advantages:

A cross-cutting benefit of this approach is that it minimises the time spent in proposal research and design for a larger number of organisations, of which the majority will be unsuccessful. The two-stage process of Expression of Interest followed by co-creation allows donors to keep their options open, and avoid having to prematurely select a single organisation such as in the highly collaborative co-creation process. If the structured process is well designed and facilitated it can also mitigate risks for implementers in terms of donor micro-management.

Disadvantages:

Some procurement rules will preclude any for-profit contractors or consultants from participating, which leaves out some high-capacity potential partners. High quality facilitators are needed to ensure that the presence of competing organisations in the same physical space does not lead to frustrations and conflicts.

Implications for consortia:

Where groups of bidders are invited to participate in a structured co-creation process, there are major advantages to having multiple parties involved in programme design from very early stages. With some additional attention to internal relationship building and consortium governance, this could also be both an outcome of co-creation and a criterion for evaluation (i.e. how well did the consortium work as a team in the co-creation workshop function, in real-time?)

4) Invited tenders / requests for proposals (RFPs)

Donors invite a targeted sub-set of implementing organisations to develop proposals. Invited organisations focus their proposals on technical strategies, and more iteration is possible than in an open competition.

Main preconditions:

Donors have a clear objective but are not as clear about the strategy for how to get there. Implementers exist in the country whose modes of working and expertise are genuinely aligned with this strategy. This works more effectively with more flexible procurement regulations to allow for building different types of actors into proposals.

Advantages:

The overall procurement process is shorter than open competition. This allows the donor to clearly state what they are looking for. In turn, this avoids implementers spending money to put people on the ground to conduct primary research to inform their proposals. Overall, this format can solicit a largely technical discussion within some parameters (e.g. budget envelope).

Disadvantages:

Some donors' procurement rules may restrict this format to non-profit organisations. This can lead to local organisations being invited to respond to a tender without truly adopting the MSD approach. If delivery requirements are not as clear as they would be in an open competition, there is a greater risk that invited organisations will simply re-purpose and re-label an existing project.

Implications for consortia:

Donors have to be explicit if they want external expertise to be included. NGOs invited to submit proposals may assume that they have been invited to do it all, rather than because they possess only some key elements.

5) Open competition

Donors publish fully open competitive procurement. Organisations get together in consortiums, conduct some preliminary research and submit large, complex proposals.

Main preconditions:

Donors need to have sufficient in-house MSD capacity to be able to make some preliminary scoping decisions, and to provide a rationale or business case.

Advantages:

The intention of a fully open process is higher transparency and perceived objectivity in the selection of the winning proposal/consortium. In theory, an advantage of this format is that it is open to all types of organisations. In practice however, the (typically) larger budgets, and open competition, mean that for-profit contractors are a significant player in these procurement formats, often acting as the prime or lead organisation of a consortium.

Disadvantages:

A major disadvantage is the significant investment into data collection and field research required by prospective bidders. Much of this learning may be lost once a single consortium is chosen as the winner. This risk can be mitigated by focusing more on the competency of proposed staff and verified experience of the organisation; rather than concrete proposals for specific interventions in the proposal review process (which necessitate original research).

The arms-length procurement approach of some donors can separate the technical experts that framed the tender from the financial or value-for-money experts who make the ultimate decision on

which proposal to select. Given the inherent difficulty in establishing criteria for distinguishing what organisations have the highest potential to implement effective MSD approaches, this can lead to undesirable outcomes.

There are numerous risks that can cause significant delays in the contracting process, which can lead to proposals becoming out of date (because market systems change, or personnel are no longer available) which means the main differentiators of a given proposal may be rendered irrelevant. Delays in start-time can lead to moves to adjust performance criteria, especially when funding disbursements are largely deadline or outcome driven.

Implications for consortia:

Long delays in awarding programmes through competitive procurement can mean a major difference between the proposed consortium personnel and relationships and the ones actually mobilized.

In the context of milestone-based disbursements, long delays may cause lead implementers to become defensive and exert control over programme management ways which alienate other consortium partners.

Lessons and considerations for consortium building:

Drawing from the above analysis, we present a series of lessons and suggestions for each type of actor:

General lessons:

1. Consider facilitating sector- wide dialogue on transparency in how proposal costs are calculated, presented and benchmarked. This can lead to fairer comparisons across implementer options. Such a dialogue should consider the differences in financial models between NGOs and for-profit companies.
2. Explore forums for MSD donors, implementing partners, researchers and other actors to share learning on trade-offs of different procurement formats. This can contribute to building a wider experience base and increase inter-agency sharing. For best results, the forum should include examples from across the full spectrum of procurement arrangements presented here, and from different types of donors.

Specific lessons for donors:

3. Explore the full continuum of procurement formats. Perhaps develop rotational programmes (in-house) or exchange programmes (inter-agency) to help procurement staff gain experience with the trade-offs of different arrangements:
 - a. For smaller donors more familiar with co-creation with one implementer: explore formats that draw in multiple consortium partners.
 - b. For larger donors familiar with large competitive procurements: support leading country offices to experiment with more flexible co-creation options with smaller budget envelopes.
4. Be proactive in suggesting consortium governance models that engage all partners. This can take the form of open platforms for communication (regular meetings or forums) or through honest brokers within the consortium.

5. Draw on experience from peer donors to consider legal interpretations of procurement rules that limit private organisations from participating in a wider range of procurement formats.

Specific lessons for international NGOs:

6. Invest in internal capacity building to develop a sustainable supply of skilled MSD practitioners. This can increase the organisation's influence. It also avoids double-counting strong technical MSD staff on both ongoing programmes and upcoming bids, which undermines donor trust.
7. Communicate value of supporting functions in order to justify overheads.
8. Exploit existing comparative advantage in smaller co-creation processes that currently exclude for-profit contractors.
9. Explore governance platforms that encourage more active participation from all partners. This can help challenge internal practices that isolate the key donor relationships and retain control in the hands of the lead implementer.

Specific lessons for for-profit contractors:

10. Document and share ideas about the range of procurement formats possible. Draw on experience implementing MSD programmes with different donors.
11. Invest in internal learning around best practices for consortium governance. Support smaller consortium partners to have a voice in key discussions with the donor.
12. Explore governance platforms that encourage more active participation from all partners. This can help challenge internal practices that isolate the key donor relationships and retain control in the hands of the lead implementer.

Specific lessons for technical consulting firms:

13. Investigate the market for roles as 'honest brokers'. This can include bid evaluation teams, ongoing performance managers, and internal capacity builders for MSD consortiums.
14. Include consortium relationships as a topic in MSD training to spread awareness on these issues.
15. Seek opportunities to facilitate in-person workshop-oriented co-creation processes for donors. This can build donor and prospective implementer capacity through the process. It also can ensure donors consider consortium factors in their evaluation criteria.

Specific lessons for local NGOs:

16. Critically assess invitations from prospective consortium leaders. Ask questions about how their proposed approach will include small local NGOs in consortium governance.
17. Seek opportunities to partner with MSD programmes to gain technical expertise. This can build capacity within the organisation and strengthen future proposals.
18. Request opportunities for mentorship of local staff by international experts. Alternatively, look to set-up learning exchanges with other MSD programmes.

Conclusions, and relevance of the other papers in this series

This paper illuminates the relationship between the choice of procurement format for a given MSD programme and the resulting consortium design. It provides lessons for the different stakeholders about how they might create a better fit between procurement arrangements and the configuration of consortia that bid for them. To facilitate this, we found it useful to describe the range of options along a spectrum (from implementer-led to co-creation to open competition).

One conclusion is that donors might want to consider using a wide variety of formats (such as hybrid models) to enable them to get the best of both worlds when procuring MSD or other complex programmes.

This paper feeds directly into our second paper in the MSD Procurement series: [Deepening the relationship](#). This draws on the spectrum of formats described here to explore how donors and implementers can tackle challenges at each step in the procurement of a new programme.

With a smoother process of procurement, MSD programmes can start from a place of trust and strong relationships. This leads into the third paper: [Getting off the ground](#). It deals, from an implementer perspective, with the immediate challenges of building a team, responding to pressure for quick wins, and starting to engage market actors prior to all administrative and financial systems being fully operational.

The fourth and final paper is [Fit for business](#). This addresses the relationship between technical MSD programme staff and their operations, finance and procurement counterparts. It parallels the present paper, as the spectrum of procurement arrangements for donors to release funds to implementers mirrors the array of funding disbursement tools available to MSD programmes themselves when engaging with local market actors in the systems they seek to change.