ENGINES OF

SUSTAINABLE SCALE IN PRIVATE SECTOR ENGAGEMENT

KEY INSIGHTS

1. **'SCALING' MEANS DIFFERENT THINGS** IN PRIVATE SECTOR ENGAGEMENT. FOCUS ON SCALING IMPACT RATHER THAN OUTREACH.

2. **SCALING IS A PROCESS, NOT A LEAP.** SCALE THE MODEL AND INCENTIVES AFTER IDENTIFYING THE CORE ELEMENTS OF THE MODEL.

3. **LARGE FIRMS ARE TYPICALLY THE GO-TO PARTNER** FOR SCALING IN PSE. FIND THE APPROPRIATE SCALING AGENT(S) FOR THE CONTEXT.

4. **FUNDING MECHANISMS OFTEN PRIORITIZE PILOTS AND NOVELTY.** BUILD TRUSTING PARTNERSHIPS WITH FUNDERS FOCUSED ON CHANGING SYSTEMS, OPERATIONS, AND FINANCING THAT SUPPORTS IT.

5. **LEARNING IS NOT AN ADD-ON;** IT IS A PREREQUISITE FOR SUSTAINABLE SCALE. BUILD SCALE-SUPPORTIVE LEARNING SYSTEMS WITH FUNDERS AND IMPLEMENTERS FROM THE START.

TOO LITTLE IS KNOWN ABOUT SCALING IN PSE

In an era of shrinking economic development budgets, there is an increasing desire to identify approaches that can reliably produce impact at scale. Yet the evidence base for scaling in market-driven contexts remains uneven.

To address this challenge, MarketShare Associates hosted a convening called *Proof to Scale* in December 2025. Attended by leading funders and implementers engaged in market development and private sector engagement (PSE) programming, the event explored how impact can be credibly demonstrated and scaled through private sector approaches. Short presentations by implementers on examples of scaling PSE initiatives were paired with reflections from funders.

"When scaling is treated as a systems function, impact decouples from investment: adoption spreads because local enabling conditions exist, not because funding continues."

Former USAID Market Systems Team Lead, Kristin O'Planick

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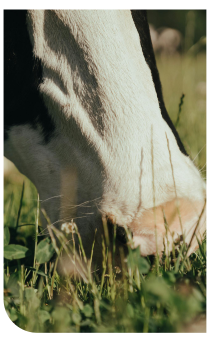
MAIN TAKEAWAYS & IMPLICATIONS

1 **‘SCALING’ MEANS DIFFERENT THINGS** IN PRIVATE SECTOR ENGAGEMENT. FOCUS ON SCALING IMPACT RATHER THAN OUTREACH.

Scale in PSE has traditionally been defined by some as growth in outreach (e.g., numbers reached with training or other supports.) But this focus on expanding delivery or reaching more firms and households risks “hollow scale,” where reach expands without altering underlying market dynamics. Scale should create the conditions for sustained and growing change in what PSE ultimately aims for: impact for target populations. This requires shifting attention from outputs to system signals (i.e. the changes in incentives, relationships, and behaviors that indicate markets are functioning differently). It also means whether models are being adopted, adapted, and sustained by market actors beyond the life of the project.

SCALING BEYOND REACH: LESSONS FROM NORTH AFRICA



DANONE ECOSYSTEM

The North Africa dairy program highlights a critical lesson for the ecosystem: scaling impact starts with clarity of purpose. From the outset, sustainable scale was defined by two structuring elements: a viable exit strategy and secured offtake agreements, not only to anchor the program in market realities, but also to provide farmers with stable, predictable market access and stronger livelihood security. This ensured alignment between market demand and public interest objectives, strengthening the resilience of local dairy systems. This intentional framing prevents “over-scaling” and supports long-term sustainability. The program demonstrates that sustainable scale requires addressing systemic enablers, including quality feed, technical capacity, inclusion of women farmers, and resilience to climate and economic shocks. Pilots, such as digital tools and agroforestry, proved essential to test, learn, and adapt before expanding. Finally, scaling is a collective learning process. Transparency in data and methodologies builds credibility and attracts partners. Deeper change happens when learning, partnerships, and co-financing converge to turn tested solutions into durable system-level change.

2 **SCALING IS A PROCESS, NOT A LEAP.** SCALE THE MODEL & INCENTIVES AFTER IDENTIFYING THE CORE ELEMENTS OF THE MODEL.

All the cases demonstrated how scale is achieved through a sequence journey of discovery and iteration. Moving from proof to scale requires intentional design, investment, and learning, particularly in the transition from piloting to standardized models. Organizations that rushed to replication without consolidating business viability, operational capacity, and learning feedback loops struggled

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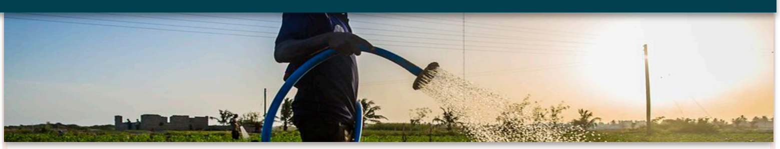
to sustain impact. Instead, the ingredients for successful scaling include win-win market relationships, business incentives, and supporting ecosystems. This means paying attention to firms' capability to adapt, networks that enable diffusion, and norms that shape behavior.

A STRUCTURED APPROACH TO PRIVATE SECTOR ENGAGEMENT

TECHNOSERVE

Across sectors and countries, TechnoServe has scaled poverty solutions through private sector engagement using a structured approach: (1) establishing a business case for social impact; (2) testing and refining it to generate value; (3) standardizing a minimum viable model for replication; and (4) leveraging these changes to drive broader, lasting systems change. The process of identifying which components can be standardized and which must be adapted has been particularly critical. For example, in scaling its work with food-processing businesses in Africa and Asia, TechnoServe has maintained a focus on engaging women as entrepreneurs, suppliers, and workers. Developing standardized tools like a gender-responsive diagnostic and women's business leadership curricula have allowed initiatives in a range of settings to rapidly and cost-effectively adapt these tools to effectively support women's economic empowerment. As a result, across TechnoServe's work, 44% of beneficiaries have been women.

The Multiplier Effect: Positioning MSMEs at the Center of Scale



WINROCK INTERNATIONAL

Experience across Winrock's agriculture and economic growth programming across Africa and Asia highlights a clear lesson: lasting impact depends on how effectively solutions are scaled. While efforts focused on direct service delivery often yield results, broader, sustained change emerges when MSMEs are positioned as growth multipliers. Strengthening business practices, improving access to finance, and building durable market linkages proved essential to helping enterprises expand and replicate success. Working across value chains engaging suppliers, buyers, and service providers helped address systemic barriers that no single firm could overcome alone. Programs that facilitated private sector investment proved especially effective in reaching scale. The integration of digital tools and data further expanded reach while reducing costs. These lessons reinforce that commercially viable, locally owned MSMEs are central to driving job creation, higher incomes, and inclusive growth at scale.

3 LARGE FIRMS ARE TYPICALLY THE GO-TO PARTNER FOR SCALING IN PSE. FIND THE APPROPRIATE SCALING AGENT(S) FOR THE CONTEXT.

Large firms are typically seen as the fastest path to scaling in PSE, and as the preferred or even the only viable partner. Their existing scale may create uncompetitive market dynamics when they succeed. Counterintuitively, the largest companies are often not the best path to scaling impact. 'Unusual suspects' may have more skin in the game, stronger local ties, and a greater need to innovate for growth. Several implementers found that MSMEs were the best change agent in their contexts due to their ability to more easily and quickly test new solutions and eventually affect changes at a local systems level. This is particularly the case when MSME networks are leveraged as an institutional platform for scale, incentive alignment, and norm enforcement.

MSMEs ARE OFTEN MORE EFFECTIVE

MORE INVESTED IN THE RESULTS
STRONGER LOCAL TIES

FASTER TESTING & INNOVATION
NETWORKS ENABLE SCALE, INCENTIVES & NORMS

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BUILD TRUSTING PARTNERSHIPS WITH FUNDERS FOCUSED ON CHANGING SYSTEMS, OPERATIONS, AND FINANCING THAT SUPPORT IT.

Implementors and funders agree that funding mechanisms tend to reward piloting exciting new ideas in lieu of scaling proven results towards long-term systems change. This creates incentives for perpetual experimentation that doesn't lead to large-scale change. It can also take the shape of 'shiny object syndrome', in which focuses on promoting new technologies or products (e.g., blockchain) rather than finding effective *models for scaling* built on aligned incentives.

Shifting this requires closer funder–implementer collaboration built on trust, operational, and financing structures that reward learning, adaptation, strong processes and models and return on impact. Prioritizing evidence of behavior change, network effects, and institutional adoption over novelty solutions reframes scale as something to be *proven and strengthened*, not repeatedly reinvented.

DEVELOPING SCALE-SUPPORTIVE LEARNING STRATEGIES IN RWANDA

MARKETSHARE ASSOCIATES

Pressure to demonstrate immediate results at scale undermines program learning and systemic impact. MarketShare Associates (MSA) has built and refined a model for strategic learning that is system-conscious and scale-supportive. As applied on the Orora Wihaze program in Rwanda, this model is built on a system-oriented vision of change at the program and sector levels. Through collaborative learning processes, iterative revisiting of change pathways, rapid learning studies and impact projections, MSA establishes systems- and scale-oriented measurement and reporting structures to support adaptive decision-making and long-term scale. The model's transparency builds the trust between implementer and funder that is necessary for discovering where the levers are and adjusting programming to leverage them.

5 LEARNING IS NOT AN ADD-ON;
IT IS A PREREQUISITE FOR SUSTAINABLE SCALE. BUILD SCALE-SUPPORTIVE LEARNING SYSTEMS WITH FUNDERS AND IMPLEMENTERS FROM THE START.

Across the event, learning emerged as the engine of scale, not a reporting requirement. Right-sized, just-in-time learning helped actors adapt models, exit failing partnerships early, and build confidence among funders and private partners. Importantly, learning shifted focus from activity tracking to system signals, norms, networks, and behavior change. When embedded close to implementation and shared openly, learning also enabled replication by others, reduced risk for co-financiers, and helped move initiatives from isolated success stories toward durable, system-level change. Scaling in PSE particularly depends on learning given the complexity of focus market systems and the contextual differences preventing easy replication of successful models.

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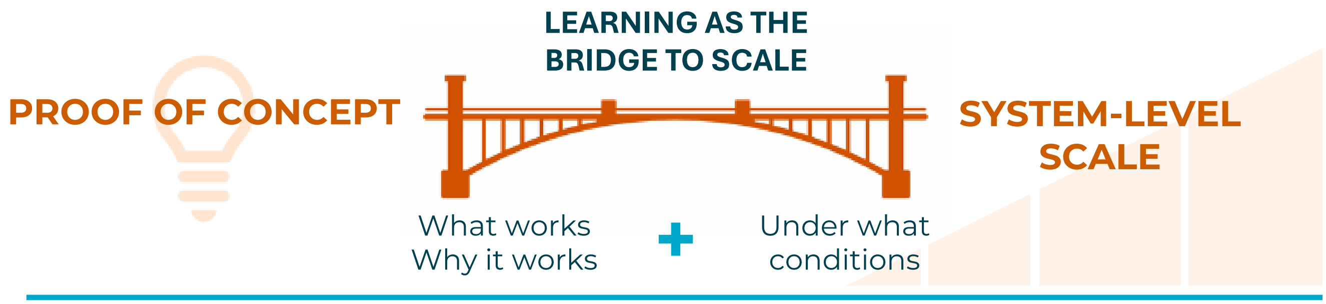

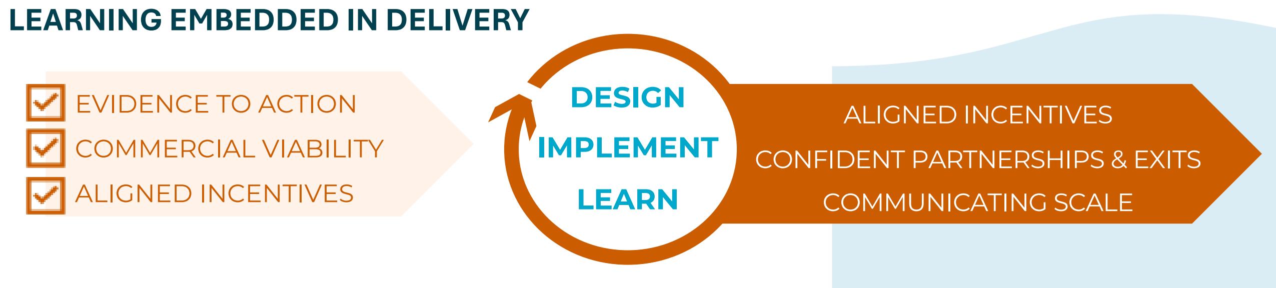

WHERE DO WE GO FROM HERE?

- **LEVERAGING LEARNING AND INSIGHTS FOR SCALE.** Scaling private sector–led initiatives is as much a learning challenge as an implementation one. Learning bridges proof of concept and scale by clarifying what works, why it works, and under what conditions it can be sustained—enabling better investment decisions, earlier course correction, and a shift beyond simple replication.

  Learning is therefore not only about retrospective measurement, but a strategic function embedded in design and delivery. When integrated with implementation, it translates evidence into action, strengthens commercial viability, aligns incentives, and builds confidence in partnerships, exit strategies, and replication as initiatives move beyond pilots toward system-level scale. More effectively building scale-supportive learning and insights generation into PSE efforts is a critical need. More remains to be done and documented on how funders (via learning-supportive pre-award design and evaluations) and implementers (via effective learning, monitoring and insights) can best build these systems.

- **POSITIONING SCALE IN RELATION TO SYSTEMIC CHANGE.** The two terms are sometimes used synonymously and sometimes as distinct concepts. This suggests a need for more clarity on when and how they overlap, when and how scale supports systemic change and vice versa, as well as whether a focus on certain types of scale can potentially impede systemic change.

- **EFFECTIVELY COMMUNICATING SCALE.** The best ways to describe scale and systemic change remain a challenge. While there's broad agreement that ways to communicate succinctly are increasingly important, there is less consensus around the most effective ways to do so (e.g., stories, pictures, videos) for key audiences.

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