

Market Systems Development (MSD)(proposed) Working Group
Minutes of Meeting, 13th June 2017, FAO Rome

23rd June 2017

Participants

Patricia Seex and Hilary Corden (DFID)
Steve Hartrich (ILO)
Gun Eriksson Skoog (Sida)
Tania Begazo (WBG)(on telephone)
Justin Highstead (Gatsby Foundation)
Mike Albu (BEAM Exchange)
Apologies: DFAT

Andrea Inglin (SDC)
Lindsay Wallace (MasterCard Foundation)
Susanne Thiard-Laforet (ADA)
Kristin O'Planick (USAID)(on telephone)
Jim Tanburn (DCED Secretariat)

This meeting was held immediately before the [DCED's 2017 Annual Meeting](#). At the Annual Meeting, it was formally agreed to form a DCED Working Group dedicated to Market Systems Development (MSD). The initial impetus for this came from DFID and SDC, which are currently sponsoring the [BEAM Exchange](#). The meeting documented below therefore focused on how to achieve a transition from a free-standing initiative to being a Working Group of the DCED; a short, draft Work Plan had been circulated to members beforehand, and subsequent comments incorporated.

Round of introductions

Mike Albu of BEAM Exchange gave a short presentation to ensure a shared understanding of Market Systems Development (MSD). Participants then spoke briefly about their agency experience and interest in MSD:

ADA: Keen to expand MSD work, and interested to know how an agency adapts, in order to be 'MSD-ready'.

DFID: Has about 30 programmes using MSD, particularly in FSD and agriculture. Notes that FSD Kenya is 20 years old; MSD takes that long to achieve good results. Keen to see MSD in high-value, high-productivity sectors, with potential for transformation. Needing a more clear story on results.

Gatsby Foundation: MSD is the entirety of the focus of Gatsby. There are many reasons why markets fail, including notably politics.

ILO: Addresses MSD in relation to Decent Work, through the [Lab](#). This includes knowledge briefs, and guides for sector selection and measuring decent work.

MasterCard Foundation: Currently works particularly in financial inclusion, including the Financial Sector Deepening (FSD) Trust in Rwanda. Interested in evidence about what works.

SDC: Has a large portfolio of MSD projects around the world; there is a need for training at both donor staff and implementer level.

Sida: Has significant experience in MSD, including early initiatives such as Katalyst in Bangladesh, and newer programmes being set up. They will conduct an internal learning evaluation of processes for adaptive management soon. Sida is interested in e.g. MSD and humanitarian support, and in internal staff training in MSD.

BEAM's work so far

BEAM Exchange was launched in 2014; about 3,000 people use the website each month. There are 150 blogs and 100 pages of guidance on the site; the LinkedIn group has 2,400 members. An

[independent review](#) last year was positive about BEAM, and raised the possibility that BEAM move from being a facilitator of conversations, to more authoritative guidance on good practice. Justin Highstead agreed that perhaps BEAM should focus on a few themes, in order to provide thought leadership; Kristin O'Planick also noted the opportunity for BEAM to provide thought leadership.

Gun Eriksson Skoog suggested that BEAM should not rely so much on digital means of communication, but look also at other formats, including face-to-face interaction. She also considered that BEAM should serve both donors and practitioners.

Work Plan and Budget

A Work Plan had previously been circulated to the group, and some comments received and incorporated, before inclusion in the consolidated DCED Work Plan and Budget. Nonetheless, work is still on-going to clarify procurement and contracting issues, so the group could not yet be very specific about what it would do, at least in the short term. It was agreed that some energy would necessarily be taken up with the transition process, meaning that BEAM could not be as ambitious until that process was complete. Mike Albu suggested the following, specific areas of work:

- Knowledge management and exchange (infrastructure; engaged network)
- Building the case for using a Market Systems Approach (communication; evidence; rethinking systemic change)
- Training and capacity building (building markets for training services; procurement guidelines; defining skills required; and practical support to donors)
- New directions (finance; innovation; MSD in FCAS)

Several participants expressed interest in MSD in Fragile and Conflict-Affected States (FCAS), including ADA and Sida. Susanne Thiard-Laforet wondered about the MSD community as a system: who are the stakeholders? what are their incentives and capacities? She pointed out that the members of the Working Group are at different stages in their development towards MSD. They have therefore different needs and expectations of the working group. If the vision of the group is to have as many donors as possible use MSD, then the different 'services' offered to donors and other stakeholders should be considered and elaborated in the Working Group.

The budget will also depend on the contracting arrangements and level of ambition. In principle, though, SDC can carry on contributing to the work of BEAM; DFID can (at least) fund some of the transition costs. It was noted that the proposal to the DCED Annual Meeting hinges on BEAM not requiring additional funding from the Trust Fund, at least in the short-to-medium term. The current BEAM budget is substantially more than typical DCED Trust Fund support for Working Groups.

DFID and SDC will explore contracting options; it was agreed in principle that adding the more predictable BEAM costs (staff, website) to the Secretariat contract may be the most viable option. This will be discussed further with the DCED Co-Chairs and the IFC Trust Fund administrators. In-kind contributions outside the Trust Fund may be appropriate for unforeseen and ad hoc costs. The needs for continuity in BEAM, and integration with DCED, were both stressed; once contracting has been sorted out, the work plan and budget can be discussed in more detail. However, it was agreed that in parallel, Working Group discussions will be initiative on focus areas and activities, in order not to stall the process.

Membership of the group

Jim Tanburn gave a short overview of how Working Groups operate in the DCED, noting the important role of Chairs; this may be more demanding during the transition. After some discussion, it was agreed that Patricia Seex and Andrea Inglin would start as Co-Chairs, but that another member

can take over from Patricia when she moves from her current position in DFID. All participants expressed interest in being part of the group, although Tania Begazo noted that she would need to consult with colleagues.

Several participants noted that they may be able to contribute, or explore opportunities for making contributions, to the work of the Group, but needed to know more about the budget and activities, and also to consult with colleagues; these included Sida, MasterCard Foundation, ADA, Gatsby Foundation and WBG. Some may be able to contribute in-kind, including ILO (e.g. on joint research).

Date of next meeting

It was agreed that the group may need to talk more frequently during the transition process, for example through conference calls. Bi-monthly meetings in July, September and November were proposed. The next one will be convened once the procurement issues have been resolved - probably in July or August.