



The Donor Committee for Enterprise Development

## Market Systems Development Working Group MINUTES

Impact Hub, Geneva

08:30 - 16:00 CET, Weds 5<sup>th</sup> February 2020

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**Chairs:** Susanne Thiard-laforet (ADA) & Andrea Inglin (SDC)

### Attending:

Aatif Somji	(ILO)	Gun Eriksson Skoog	(ILO)
Ali Bardarneh	(UNIDO)	Kristin O'Planick	(USAID)
Anders Aero	(ITC)	Merten Sievers	(ILO)
Arjun Bhoopal	(Gatsby Africa)	Mike Albu	(BEAM Exchange)
Isabelle Gore	(BEAM Exchange)	Ole Dahl Rasmussen	(DANIDA)
Janna Post	(GIZ)	Ryan Bourque	(Gatsby Africa)
Jim Tanburn	(DCED)	Steve Hartrich	(ILO)
Georgina Duffin	(consultant for MCF)		

### Apologies

Catherine Masinde	(World Bank)	Matthias Altmann	(EU)
Elisabet Montgomery	(Sida)	Nafis Muntasir	(Mastercard Foundation)
Georgiana Pop	(World Bank / IFC)	Rana El Hattab	(USAID)
Julie Delforce	(DFAT)	Toru Homma	(JICA)
Mehraz Rafat	(NORAD)		

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## AGENDA

### Morning Sessions

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| 1. Welcome, agenda, introductions (new members, Ryan)                         | 8:30  |
| 2. Update re Workstream 1: Performance & maintenance of BEAM Exchange         | 8:45  |
| 3. Update re Workstream 2: Strengthening the evidence base for MSD            | 8.55  |
| 4. Update re Workstream 3: Strengthening the capacity-building system for MSD | 9.05  |
| 5. Update re Workstream 4.2: MSD & youth employment                           | 9.15  |
| 6. Update re Workstream 4.1: Promoting economic transformation                | 10.15 |
| 7. Update re Workstream 4.3: MSD in conflict-affected environments            | 11.00 |
| 8. Update re Workstream 5: Communications strategy for the MSD WG             | 11.15 |
| 9. Member agency individual updates   | 11:30 |

### Afternoon Sessions

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| 10. Tele-conference session with non-present members                   | 13:00 |
| 11. Discussion of ideas & proposals for inclusion in 2020/21 Work Plan | 14:00 |
| 12. Wrapping up and next steps   | 15:30 |
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## 1. Welcome & Introductions

Andrea (SDC) welcomed members and observers, particularly Ryan Bourque (Gatsby Africa), Merten Sievers & Aatif Somji (ILO), Ole Dahl Rasmussen (Danida) and Georgina Duffin (observing as a consultant for Mastercard Foundation). She reiterated the objectives of the Working Group.

No corrections or other changes have been proposed to the [October meeting minutes](#) which were therefore approved.

## 2. Performance & maintenance of BEAM Exchange (Workstream 1)

**Workstream 1.1** Mike (BEAM/DCED) noted that an extended version of the annual (2019) BEAM Exchange progress report (for ExCo) had been shared in advance, so only gave a very quick update. The overall picture: significant growth (+25 – 30%) in site usage (over 6,000 visits per month), levels of engagement, and resource downloads compared to 2018.

**Workstream 1.2** Steve (ILO) asked about the sources of growth. Mike reported this is across the board, but noted a continuing gradual shift of audience locations to less developed countries (now 58%). Ole (Danida) asked about the types of resources downloaded. Isabelle (BEAM) replied that it is a mix of recent materials and established regulars (older documents).

## 3. Strengthening the Evidence (Workstream 2)

**Workstream 2.1** Mike (BEAM/DCED) reported that the third MSD communication slide-deck [Fodder for the Future](#) covering MDF's work on livestock silage production in Pakistan is published. This joins the two previous decks ([Healthy Herds](#) and [Seeds of Change](#)). Mike said that further decks will be produced before the next MSD WG meeting.

Members asked about publication of the extended 'book' of 12 case-studies, and agreed that we should now go ahead with identifying a suitable editor to bring it to a publishable state [**Action Mike**]

**Workstream 2.2** Mike proposed that work begin now to recruit a consultant to undertake the Evidence Map update and Review for 2020. Janna asked for budget details [**Action Mike**] so that she can explore whether GIZ may be able to contract this work again on behalf of the WG [**Action Janna**]

**Workstream 2.3** Mike reported that USAID very recently tendered the 'Markets Systems & Partnerships' program. This promises to provide significant opportunities for collaboration on issues related to measuring systemic change.

## 4. Strengthening the capacity-building system for MSD (Workstream 3)

**Workstream 3.1** Mike (BEAM/DCED) drew members attention to the new landing & guidance pages of the MSD Competency Framework, and number of views (4,500 so far). In response, Merten (ILO) recounted how ILO is using already aspects of the Framework in an EU-funded project [BDS4GROWTH](#) to design and implement a better HR system for the Egyptian government's MSMEDA agency. Ali (UNIDO) also mentioned their use of the framework for a new project.

**Workstream 3.2** Mike (BEAM/DCED) advised members that the facilitated 'clinics' on procurement and contracting issues was launched on Jan 30<sup>th</sup>. There are 21 participants, organised into groups around these four sets of issues:

- A. **Internal governance** of an MSD consortium: relationships, incentives and information flow
- B. **Starting MSD programs on the right foot** for adaptive management: risks, relationships and contract mechanisms in the first two years
- C. **Building relationships** between technical and procurement teams, and between the field and head office in the implementation of MSD programs
- D. **Unpacking perverse incentives** in MSD procurement and bidding: donor expectations and implementer strategies

The groups will meet fortnightly through to late April. Preliminary findings will be discussed at the Market Systems Symposium (April 22/23) in Cape Town. Members already represented in the clinic groups include Sida, DFAT and USAID. Mike emphasised that the opportunity for members to contribute is still open [Action ALL].

**Workstream 3.3** Mike (BEAM/DCED) reported that IFC received two bids for the contract to deliver the MSD distance learning course for donor staff. They are being evaluated by two independent World Bank staff. A request to include a representative from the MSD WG was turned down.

Members discussed when the course should aim to take place. The consensus was September / October 2020. Jim (DCED) advised the Chairs [Action Andrea & Susi] to include costs in 2020/21 Budget.

## **5. Update re MSD & youth employment study**

**Workstream 4.2** Georgie (Mastercard Foundation) and Aatif (ILO Lab) presented members with the interim findings of their study on MSD and youth employment / decent work. Their slides and notes are available for comments and thoughts from members [Action ALL]. An initial report will be produced in March recommending next steps & further work.

Some questions noted from the ensuing discussion: What is specific about using MSD for youth employment? How can structural economic change be achieved? How can scale be reached? How are the aspirations of youth addressed?

Susi (ADA) asked that the study focus on providing guidance for members who want to do work in this area.

Members agreed to put 'how to continue' this work on the agenda for our next meeting [Action Andrea & Susi]

## **6. Update re economic transformation policy brief**

**Workstream 4.1** Gun (ILO) and Arjun (Gatsby Africa) updated members on the status of the final synthesis (Policy Brief, draft, 7 pages) covering the two studies on economic transformation by MSD and BER Working Groups.

Members discussed next steps to finalise and publish the Brief, including the potential for a webinar, and whether further work might be done by DCED or individual members (e.g. Gatsby) to focus this into operational guidance. There was a consensus to publish quickly, and [Action Arjun] volunteered to coordinate next steps.

## **7. Update re MSD in fragile & conflict-affected settings study**

**Workstream 4.3** Janna (GIZ) updated member on progress with the ToRs for a study on using MSD in conflict-affected settings, including feedback received from Mike (BEAM) and various members. Members briefly discussed the ToRs and offered suggestions. One issue of interest was the dilemmas of collaborating with politically-unpalatable partners. Steve (ILO) noted relevant studies and a potential consultant [Action Janna] to follow up.

## **8. Communication strategy update**

**Workstream 5.** Susi (ADA) updated members on progress: the objective being to improve communications about aims and activities of the MSD WG with non-members. She said the draft strategy will be ready for June annual meeting.

Meanwhile, there was positive feedback from conversations with Matthias Altmann, European Commission (EC), which is currently reviewing its policies on PSD programming. [Action Steve] suggested a contact he can follow up too. Susi will be training MSD in Mozambique in February.

Anders (ITC) suggested the strategy need to include mechanisms for engaging other donors (e.g. LinkedIn group). Mike (DCED) mentioned recent interest in the MSD WG from DFID's CDC Plus team which the Secretariat will follow up. [Action Mike / Jim]

## **9. Member agency updates**

**Danida:** Ole explained that Danida is now a 'brand' used by the Ministry of Foreign Affairs of Denmark for aid and development assistance, which in practice is now decentralised to the Embassies. MSD approach is being used in place, but there is no leading cadre.

**Gatsby Africa** Arjun reported that Gatsby is reviewing how they apply the MSD approach and the local institutions they work with. Key theme remains 'how does sector transformation happen? Very interested in the political drivers for transformation. Recently published deep-dive research on trends in Kenya and E. Africa.

**ILO:** Steve reminded members that the ILO Lab is now in its final year of funding. Work on business models for decent work; a toolkit for measuring job quality and various other briefs are being finalised. Gun has moved to HO in Geneva (Enterprises Dept.) which has a nascent ILO MSD network (25 core participants) that organise internal webinars, email newsletter and other efforts to disseminate systems thinking in the agency.

**ITC:** Anders explained that the ITC do not use the 'MSD' label, but they have a value-chain development methodology combined with institutional strengthening and a focus on investment and sustainability, that makes the MSD approach very relevant in practice.

**GIZ:** Janna described three current issues getting interest in GIZ.

- Guidance on entrepreneurial eco-systems, how to map them and strengthen them
- Digitalisation of services, for example of BDS (business services)
- Sustainable (inclusive) economic development and the 'leave no-one behind' agenda.

**UNIDO:** Ali said UNIDO are pushing the agri-business perspective, and have a new joint 5 year programme with FAO called [3ADI+](#) which combines value-chain and MSD approach. The programme will respond to Government requests for support to develop value-chain opportunities and coordinate investments.

**SDC:** Andrea reported that SDC are evaluating their agricultural value-chain development programmes.

**ADA:** Susi emphasised that MSD is still a very marginal priority in ADA. She feels like a lone voice. But the good news is that ADA's first MSD-inspired programme is now running in Kosovo (**ALLED?**). Also ADA's implementation of a new EU-funded programme in Mozambique in enabling her to influence its approach.

## **10. Tele-conference session**

After lunch, Kristin O'Planick joined the meeting by conference call. Mike & Andrea quickly summarised the morning's proceedings.

### **BEAM Seminar / MS Symposium**

Mike (DCED) raised the topic of the DCED / BEAM Seminar previously proposed for Nairobi, Sept/Oct 2020. He explained that the Secretariat now strongly recommends we do not hold this event, at least not this year. Instead, he proposed that we invest efforts in deepening the current 'media partnership' with Eco-Ventures Intl. (EVI)'s [Market System Symposium](#) event (April 20<sup>th</sup> – 23<sup>rd</sup> 2020) in Cape Town.

The rationale for this recommendation includes: a weak response to recent marketing surveys of DCED and BEAM audiences; administrative obstacles to DCED accepting fees, implying free registration; concerns about thus undermining viability of other events in Africa (MSS, Cracking the Nut, Regional BDS Conference).

More positively, Mike said the MS Symposium has the potential to become the 'main event' globally for MSD practitioners. EVI have accepted his initial offer to help identify and curate high-value content from the BEAM network, and he is hoping to use this April's event as an opportunity to develop a deeper partnership.

Several members (incl. Gun, Janna, Andrea, Steve) expressed disappointment about not having another BEAM event this year. There were a few observations about aspects of last year's Symposium, and some differences in the scope of content, type of audience and style of the event.

In the end, members approved the Secretariat's decision this year. Andrea (SDC) suggested we aim for a large DCED / BEAM event every four years, and supplement this with much smaller regional events annually. Kristin (USAID) suggested we consider a webinar-series linked to events. It was agreed that all options should be discussed further at the AGM in June, when the effectiveness of the partnership strategy with EVI will be clearer.

## Updates from USAID

Kristin (USAID) informed members about a relevant USAID Round Table this month on market systems in FCAS. She announced that USAID membership of DCED is finally being formalised. And that procurement of the US\$ 73m Markets Systems & Partnerships activity is underway.

## 11. Ideas & proposals for 2020/21 Work

### Workstreams in 2020/21 Workplan

Members discussed possible changes to the existing Workstreams

#### **Workstream 1:** Revise the BEAM targets.

Improve / update the main Navigation menu.

Review the user journeys of 'engaged visitors'.

Make new content more visible (e.g. as DCED Home page has recently achieved)

#### **Workstream 2:** Add more cases to the Communications pack

Edit and publish the Story of MSD 'book'

Procure the Evidence Map update and review for 2020. GIZ to confirm if funding possible again [Action Janna]

Addressing the relative lack of ex-post evaluations / impact assessments

#### **Workstream 3:** Continue to develop and promote the MSD Competency Framework

Develop and promote the materials that emerge from the procurement & contracting clinics

Support the training provider contracted by WB/IFC to deliver the MSD Distance Learning for Donors course

#### **Workstream 4:** Members discussed topics and themes that are or look like becoming priorities for their respective agencies. These included:

- **MSD for youth employment** – to be discussed further at next MSD WG call
- **MSD in FCAS** – likely to be included in budget for 2020/21, to be discussed at next MSD WG call
- **MSD (BDS) in the digital age** – a priority for GIZ but needs clarification [Action Janna]
- **Market system resilience** – with a particular focus on understanding both a) what enables industries / markets to withstand shocks and stresses? And b) what enables continual adaptation / evolution in the face of changing trends / climate crisis (USAID / Gatsby to liaise) [Action Kristin & Arjun]
- **Economic transformation & Political economy** – Arjun and Gun both still interested in extending the work already done by Matt and Dirk on ET and agreed to liaise [Action Gun & Arjun]

## 12. Wrapping up and next steps

It was agreed to poll members for date of next MSD WG meeting in last week of March [Action Mike]

The Chairs offered to prepare first draft Work Plan for 2020/21 in advance, so that we aim to finalise it by late March for comments. [Action Andrea & Susi] The final version needs to be with DCED ExCo by mid-April.

Noting that Andrea and Susi have been co-chairs for three years, members were asked to put themselves forward in their place. No-one volunteered but the opportunity remains open. Members expressed their great appreciation for Susi and Andrea's work.

Susi and Andrea thanked the members and wrapped up the meeting at 15:30