Market Systems Development Working Group

MINUTES

Mon 18th Sept 2023 at 13:00 UK / 12:00 UCT

Chairs

Margot Lobbezoo (CBI)

Pauline Baars (CBI)

Members present

Atsuko Toda (Mastercard)

Elisabet Montgomery (Sida)

Gun Eriksson Skoog (Sida)

Kristin O'Planick (USAID)

Nic van der Jagt (LuxDev)

Pascal Fabing (LuxDev)

Patrick Oyoo (Gatsby Africa)

Rob Skidmore (ITC)

Steve Hartrich (ILO)

Susanne Thiard-Laforet (ADA)

Yan Chen (GIZ)

DCED Secretariat

Mike Albu, Isabelle Gore,

Mike Klassen, Jim Tanburn,

Melina Heinrich, Ella Duffy

Apologies in advance

Aizu Naho (JICA)

Andrea Inglin (SDC)

Arjun Bhoopal (Gatsby Africa)

David Nevan (FAO)

Ellie Horrocks (Gatsby Africa)

Mariya Kaigai (JICA)

Rana Fakhoury (UNIDO)

AGENDA

1.	**Welcome & introductions** incl. approval of previous minutes & a short reflection on the Geneva meeting	Chairs	5 min
2.	**Agency updates** All members are welcome to brief colleagues on latest news	ALL	30 min
3.	**Workstream activity update**		15 min
	1.1 BEAM website statistics update	Isabelle	
	1.2 Translating the MSD animated videos	Isabelle	
	3.1 Bridging the Gap (PSD & Dev Finance)	Patrick	
	3.2 Youth Employment / MSD4E	Pascal	
	3.3 Greening MSD	Mike A	
	3.4 MSD in Fragile & Conflict-affected Settings	Gun	
	3.5 MSD & Trade	Rob	
	3.6 Putting systems thinking into practice	Pauline	
4.	**Workstream 1.3 Presentation of Team Leadership Briefs outputs** followed by break-out group discussions	Mike K	30 min
5.	**Preparations for DCED global seminar in 2024**	Mike A	10 min
6.	**Closing remarks, ideas for next WG Meeting**	Chairs	5 min

1. **Welcome & introductions**

The co-Chair Pauline (**CBI**) welcomed all to the 29th meeting of the MSD Working Group, and especially Patrick Oyoo (**Gatsby Africa**) for the first time, and Nic (**IKEA**). She reflected on the productive time and useful connections we made in Geneva. No changes were proposed to the June meeting minutes which were therefore approved.

2. **Member agency updates**

   CBI

Margot (**CBI**) explained that CBI management is focussing on its strategy to 2025. A central theme is CSR, monitoring & learning especially in relation to systemic change. Internal training focusses on the MSD approach. Staff understand the principles but need to learn from the experiments and pilots that **CBI** has been doing in last two years.   The ship is moving in the right direction now.

   Sida

Elisabet (**Sida**) described how the new Swedish Government is focussing 100% on combining trade and development policies – with Swedish private sector interests as important as poverty reduction. So Sida staff are wondering what this will mean. As regards the systems approach, the main focus now is on instruments, and not so much on an holistic view of development challenges. But the positive news is that the **trade agenda** means thinking about how that could be applied with the MSD approach.

Gun (**Sida**) added that demand for engaging about trade issues has sky-rocketed in Sida. "We are being pulled into all kinds of training, webinars & presentations – and it will be more in future."

   LuxDev

Pascal (**LuxDev**) said LuxDev have had four years now with a minister in charge of both economic (private sector) and cooperation. But it has been very clear that they should be working on connections with the private sector in the South. And this fitted the MSD agenda because it connects private sector development with institutions.

Unfortunately **LuxDev** is mainly active in the Sahel, and Niger was perhaps the most advanced country in terms of developing MSD programming. Since the July coup, this has completely stopped. Initiatives in Senegal moving slowly ahead.

   USAID

Kristin (**USAID**) said she was joining from Accra where **USAID** are running an MSD 101 course. Staff from around the continent are in a training room being inundated with all things market systems.

She is also super excited about the MSP series of three MEL papers, one in particular on [assessing systems change](#) that is getting a lot of energy around and they're planning to do more with. There are translations in French and Spanish too any day now.

Also we published the [Naatal Mbay ex-post evaluation](#) findings from our Senegal, three years after the program closed. It is available [in French](#) too. And we have another ex-post from Ghana coming in October. So we are getting a bunch of exciting pieces that hopefully have broad utility.

   ITC

Rob (**ITC**) reported reaching out to **Gatsby Africa** after hearing about their **FCDO** advisory project on access to finance. As a result **ITC** are going through reviews of two projects in North Africa and East Africa with Gatsby's help: a concrete result of the DCED network here.

ITC also rolled out a short internal MSD introductory course based on material learned at Springfield. As a result, staff are becoming aware of basic tools and the difference between conventional and MSD approaches. Now **ITC** are thinking about more advanced training.

ITC are also doing some case studies or project developments using MSD tools. One is in Iraq and another around **ITC**'s work in the apparel sector in Tunisia: what's the poverty impact?, what are some root causes? Aim to gather experience internally and share what good practice looks like.

Rob also said **ITC** just signed a partnership agreement with **ILO** to work in the apparel sector of Lesotho – another tangible result of their new collaboration

ILO

Steve (**ILO**) mentioned a global in-person meeting of ILO's enterprise team last week - about a hundred people – with 35 attending a special day on 'systems'. Mostly was about operational issues and how headquarters can support these projects better. They dove into procurement issues, including the rules and regulations of working with employers' organisations, trade unions and labour ministries.

ILO have more momentum now in the MSD approach, with many more people interested now than even two or three years ago. There is a pretty big network of **ILO** people implementing, interested in and knowing about the approach, which is great to see. Steve added that he heard very positive feedback from two team leaders involved in Mike K's (**DCED Secretariat**) Team Leadership clinics.

ILO just published a [reflective piece](#) looking at why some MSD projects didn't do that well, particularly in their start-up phases. Issues included bottlenecks in recruitment and HR; why programs get stuck (analysis paralysis), and how they could support more coherent design.

For the next wave of MSD projects, **ILO** is aiming for more considered support. They have set up an internal two-to-three hour MSD onboarding course, accessed on-demand through an online platform. It is a good way to give anyone interested in MSD some basic knowledge.

ILO also set up a coaching service for team leads and international staff with eight modules that they have to complete. It is getting good feedback so they are going to plug in more team leads and staff as they go along.

Lastly, Steve reported that **ILO** recently created a procurement handbook for project managers to help them get to grips with **ILO**'s cumbersome administrative guidance and rules, in the absence of procurement training, it explains what processes and contracts to use in different scenarios: e.g. cost sharing or a contracts of different sizes.

Mastercard Foundation

Atsuko (**Mastercard Foundation**) shared first that the Foundation are developing an impact framework, and she is on their Pan-African team which focusses on small and growing businesses. So looking at that particular segment how does its growth relate to market systems? As they develop the framework, Atsuko said it will be important to get the working group's input.

Second, **Mastercard Foundation** is launching a catalytic impact facility. They are concerned with how deployment of resources can not only have direct impact on the enterprises receiving investment, but also how that links to market systems. That conversation around catalytic capital, catalytic impact and market systems is something that they want to pursue quickly as they kick off the catalytic impact facility.

ADA

Susie (**ADA**) related her recent experience at an internal **ADA** annual meeting on climate change. It emerged that without systemic changes **ADA** will not achieve its goals in that field. Discussions turned in the end to market system development or systemic approaches in general. So it was really interesting for Susie, being the first time she could recall anyone in **ADA** beside herself taking an interest in the topic.

As a result, Susie said she is very busy with internal workshops. She will go to Armenia to help two EU programmes develop their intervention logic to meet the criteria of inclusive MSD. She was also asked to update **ADA**'s internal strategy regarding private sector development in general and inclusive MSD specifically. The Austrian Ministry is asking ADA to do more private sector development programming.

IKEA Foundation

Nic (**IKEA**) mentioned that IKEA Foundation will make a number of grants in the second half of 2023 around improving solid waste management, including or mainly looking at using small businesses and even bigger businesses and system changes in India and Kenya. One grant launched last week at the ANDE annual conference in Accra. It is about making investments in smaller businesses in the waste sector, much more easy and lower risk. So together with ANDE, IKEA will do that for the next three years in Kenya and India.

Gatsby Africa

Patrick (**Gatsby Africa**) introduced himself including describing his background in Gatsby, his work in humanitarian contexts (DRC, Nigeria), and also in more stable situations in East Africa. Now currently just focusing on Gatsby's partnerships work. His update on Workstream 3.1 (Bridging the Gap) is minuted below.

3. **Workstream activity update**

    1.1   Analysis of BEAM Exchange website usage

    Isabelle (**DCED Secretariat**) presented three graphs comparing BEAM Exchange website usage in 2023 with previous year.   The figures are broadly similar with approx. 7000 users and 2000 resource downloads each month. The number of 'engaged users' (around 600 per month) is not directly comparable since we adopted a new Google analytics tool.

    1.2   Translating BEAM video animations

    Isabelle (DCED Secretariat) explained she has plans to add new translation for the two MSD introductory videos on BEAM, in Portuguese, Spanish & French. Also hopefully Arabic. ACTION: Pascal (**LuxDev**) offered to help with French translation.

    3.1   Bridging the Gap(PSD & Dev Finance)

    Patrick (**Gatsby Africa**) reminded members that Gatsby and BII have jointly commissioned ISF Advisors to provide technical assistance or advice to programmes looking to catalyse investments (linking development finance and private sector initiatives) following recommendations in the Bridging the Gap study.

    At present ISF Advisors are working with two CDO and two ITC programmes in their design phase. They aim to share some of the emerging insights and lessons in the coming month and we'll reach out to members of the group to see if there might be programmes within their portfolios that could be relevant to this work and could benefit from some of the strategic technical assistance and advice. Of anyone has any questions, please feel free to reach out to Arjun (**Gatsby Africa**) in the coming month.

    3.2   MSD for Youth Employment

    Pascal (**LuxDev)** and Mike K (**DCED Secretariat**) described the new donor/implementer community of practice (MSD4E), concentrating on labour markets and carrying forward momentum from the Rough Guide. The next meeting (on 27th Sept) will focus on labour market intermediation functions. ACTION: Pascal also mentioned plans to translate the Rough Guide into French, and asked if the DCED Secretariat had already subscribed to professional editing and translations platforms. As this doesn't seem to be the case, LuxDev with the support of SDC will translate the guide into French; editing and publishing will have to be done by a contractor.

    3.3   Greening MSD

    In Yan's absence, Mike A (**DCED Secretariat**) advised members that the consultant from Canopy Lab has begun work on completing the Greening MSD guidance. We expect to be able to launch it at the Market System Symposium in November. ACTION: Mike also noted that the task team will begin drafting ToRs for second phase of Greening MSD work.

3.4 MSD in Fragile & Conflict-affected Settings

Gun (**Sida**) explained that the work supporting adoption of our [MSD in FCAS policy briefs](#) with ILO, Sida and USAID teams is on-going. Activities have been happening at a variable pace in each agency, and a new [summary report](#) is available for members describing progress.

The task-team recently concluded that more time is required to achieve the activity's ambitions, so would like to extend the consultant's contract period. Ultimately, the plan is to convene a larger workshop to wrap up the process. This might coincide with the planned DCED Global Seminar next year.

3.5 MSD & Trade

Rob (**ITC**) and Steve (**ILO**) noted that the task-team are still are an early stage of developing this workstream's plan. ACTION: Steve is planning to present ILO's recent work on [cross-border value-chains](#) to members, and use this a starting point for exploring research ideas.

3.6 Putting systems thinking into practice

Pauline (**CBI**) also acknowledged that there were no updates to this workstream since the conversations that started in Geneva. ACTION: Pauline will contact task-team members, share notes from Geneva and initiate a follow-up session.

4. Workstream 1.3 Presentation of Team Leadership Briefs outputs

Mike K (**DCED Secretariat**) led a special session devoted to discussing contents of the first outputs (Policy Briefs) emerging from the 2023 Knowledge Clinics about **MSD Team Leader competencies**. He reminded members that this process involved 42 experienced participants from 20 organisations – a mix of donors, implementation managers and consultants – who met every month for six months.

He explained that the plan is to publish three in-depth briefs (plus an overarching summary) over the course of the next few months. He went on to present the main findings and messages from the first brief, which is about 'Where MSD leadership comes from?' and how donors and implementers can strengthen the leadership pipeline. [His slides are available here.](#)

Following Mike's 10 minute presentation, the members of the Working Group divided up into four virtual break-out rooms to discuss the findings and reflect for twenty-five minutes.

Returning to the plenary, the Chair Margot (**CBI**) asked members to forward any particular comments or reflections to Mike K for incorporation in the final version.

5. Preparations for DCED global seminar in 2024

Mike A (**DCED Secretariat**) then updated members about the Secretariat's plans and proposals for a DCED Global Seminar in 2024 – following up on the views and requests made in Geneva. He described his vision for this first such in-person DCED event since 2018, with an emphasis on high-levels of participation by donor agency staff and experienced MSD implementation managers.

The event would have various focal themes, including very probably 'employment', 'trade & investment', climate adaptation & resilience', 'gender and inclusion', 'work in fragile settings'. Currently, Mike explained, the Secretariat is considering late September 2024; a venue in east Africa (e.g. Nairobi, Addis Ababa or Kigali) – but asked ACTION: All members to make suggestions or raise any concerns regarding possible clashes with other events.

Gun (**Sida**) expressed her satisfaction that the event, long called-for by MSD WG members, is coming to fruition. She asked that there by training workshops alongside the main Seminar. Kristin (**USAID**) cautioned to avoid a date clash with the huge AGRA conference (in early September). Mike also noted that Vikara's MSS is likely to be in mid-November 2024, and emphasised that the Seminar vision is different in nature to the Symposium.

6. Closing remarks

Pauline (**CBI**) wrapped up the meeting by thanking members for the time and contributions.
 ACTION: Mike A (Secretariat) will poll members for a next date in late November.