

Market Systems Development Working Group

MINUTES

Tues 28th November 2023 at 13:00 UCT

Chairs

Margot Lobbezoo (CBI)
Pauline Baars (CBI)

Members attending

Alex Kucharski (BII)
Andrea Inglin (SDC)
Atsuko Toda (Mastercard)
Elisabet Montgomery (Sida)
Gun Eriksson Skoog (Sida)
Kristin O'Planick (USAID)
Marleen van Ruijven (MoFA NL)

Merten Sievers (ILO)

Nic van der Jagt (IKEA)
Pascal Fabing (LuxDev)
Patrick Oyoo (Gatsby Africa)
Rob Skidmore (ITC)
Steve Hartrich (ILO)
Susanne Thiard-laforet (ADA)
Yan Chen (GIZ/BMZ)

Observers

Ignacio Blanco (UN ESCAP)
Elena Meyer-Besting (UN ESCAP)

DCED Secretariat

Mike Albu, Isabelle Gore
Mike Klassen, Melina Heinrich

Apologies in advance

Andy Hunter (MFAT NZ)
Mariya Kaigai (JICA)
Rana Fakhoury (UNIDO)
Urkaly Isaev (IFC)

AGENDA

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|--|------------|--------|
| 1. Welcome & introductions | Chairs | 5 min |
| incl. approval of previous minutes & welcome for new members & observers | | |
| 2. Agency updates | | |
| All members are welcome to brief colleagues on latest news | ALL | 20 min |
| 3. Workstream activity updates | | 30 min |
| 1.2 Translating the MSD animated videos | Isabelle | |
| 1.3 MSD Leadership competencies & new Brief | Mike K | |
| 1.4 Markets-in-Crises website launch | Mike A | |
| 3.1 Bridging the Gap(PSD & Dev Finance) | Patrick | |
| 3.2 Youth Employment / MSD4E | Pascal | |
| 3.4 MSD in Fragile & Conflict-affected Settings | Gun | |
| 3.5 MSD & Trade | Rob | |
| 3.6 Putting systems thinking into practice | Pauline | |
| 4. Workstream 3.3 Greening MSD guidance | Yan & Mike | 10 min |
| 5. Workstream 2.2 Planning for DCED Global Seminar 2024 | Mike A | 20 min |
| incl. report back from members at MSS 2023 in Cape Town | | |
| 6. Closing remarks, ideas for next WG Meeting | Chairs | 5 min |

1. Welcome & introductions

Co-Chair Pauline (**CBI**) welcomed all to the 30th meeting of MSD Working Group. Two new observers Elena and Ignacio from UN ESCAP were invited to introduce themselves. No changes were proposed to the [September meeting minutes](#) and therefore approved.

2. Member agency updates

SDC

Andrea (**SDC**) had no agency updates to share, but announced her move to a new role based in Dar es Salaam. Members showed their thanks to Andrea.

LuxDev

Pascal (**LuxDev**) explained a very recent change in Minister responsible for Foreign Affairs & Cooperation, who is perhaps more keen that cooperation is transitional: leading to sustained system changes. The Greening agenda and a 'Just Transition' are also higher on the agenda.

CBI

Margot (**CBI**) noted the recent surprising Dutch election results. The largest party's manifesto was extremely anti-development co-operation, but she explained that it may take many months before a new coalition Government is formed. Meanwhile, 'we keep doing the good work we're doing'.

Margot also noted CBI have a new Programme Manual that include a statement of 9 Principles to inform all future CBI strategy.

MoFA NL

Marleen (MoFA NL) also noted the proposed cancellation of all budget for Dev Cooperation in the manifesto of the PVV party. Meanwhile, system change is getting more attention in markets and value-chain programming. For example the PADEO systems approach for locally-led development initiatives in low-income countries and the COMBITREX programme that is combining aid and trade issues in middle-income countries.

ITC

Rob (**ITC**) announced that ITC have released their [SME Competitiveness Outlook 2023](#) document about small businesses in fragile contexts. He explained that it tries to answer difficult questions about how to work with companies in very distorted, insecure business environments. Would love to hear feedback from members.

ILO

Steve (**ILO**) mentioned two updates. First, about the first of a series of meetings with colleagues in other UN agencies (FAO, UNIDO) to share ideas about overcoming the challenges of adopting flexible systemic approaches in rather bureaucratic organisations.

Second, about the publication of a major study: a [review of entrepreneurial ecosystem approaches](#), looking at evidence of results and making recommendations.

USAID

Kristin (**USAID**) mentioned the upcoming webinar about the [ex-post evaluation of Naatal Mbay](#) in French and the upcoming publication of a new ex-post evaluation of Ghana activity in the New Year. MSP is also working on a basic (1.0.1) explanatory brief about market systems which she is keen to share for WG comments.

BII

Alex (**BII**) flagged the major new UK Government [White Paper](#) on international development in a contested world. For **BII** there is a push for more investment in low income countries and FCAS – targeting 50% of all commitments by 2030. **BII** will focus on the most underserved markets in in Africa such as Somalia, Liberia, DRC, Ethiopia, where more investment is possible but DFI's struggle to invest.

3. Workstream activity update

Workstream 1.2 Translating the MSD animated videos

Isabelle (**DCED Secretariat**) noted that translations of the [MSD Introductory videos](#) are now underway in French, Spanish, Arabic and Portuguese – and will be published in the New Year.

Workstream 1.3 MSD Leadership competencies & new Brief

Mike K (**DCED Secretariat**) explained that we finished the first Brief on [MSD Leadership Pathways](#) in time for the MS Symposium in Cape Town, where Mike A presented it to around 70 delegates. It has two or three pages specifically about implications with recommendations for donors.

The work on defining and promoting MSD Team Leader capabilities, which will feed into a new module in the [MSD Competency Framework](#) has also progressed rapidly recently and should be completed early in 2024. Mike A (**DCED Secretariat**) noted very positive feedback he had received in Cape Town about the Framework from many different implementing organisations who reported using it to strengthen HR functions and staff capabilities.

Workstream 1.4 Markets-in-Crises website launch

Mike A (**DCED Secretariat**) announced the recent launch of the new [Markets-in-Crises](#) website, which supports the vibrant [MiC community of practice](#).

Workstream 3.1 Bridging the Gap(PSD & Dev Finance)

Patrick (**Gatsby Africa**) reported progress with the consultants ISA Advisors who have been supporting four FCDO and ITC programmes in Zambia, Mozambique and North Africa. All are in their inception phases, so there's been some interesting lessons emerging. Over the next few months Gatsby will be reaching out to DCED members to propose programs that are already in implementation phase. This will enable some real-time matching between Programmes and DFIs.

Also separately, Alex (**BII**) added that they are keen to follow up the first phase of 'bridging the gap' activities, particularly to look at specific case studies and examples where PSD / MSD programmes led to investment.

Workstream 3.2 Youth Employment / MSD4E

Pascal (**LuxDev**) reported that translation of the [youth unemployment Rough Guide](#) into French is now being reviewed to make sure it uses consistent terminology, and will be ready next month with help from **ILO** in publication.

The second activity is the MSD4E community of practice. Mike K (**DCED Secretariat**) reported that a second workshop at end of September had 40 people and a wide range of organizations were represented. It focused on technical topics such as job matching and labour market intermediation. Five examples of particular project interventions (some educational, some in the digital space) were used to ground the conversation about what MSD means for these type of objectives. In future, the conversations will rotate around other employment objectives such as job creation or job quality.

Meanwhile, the on-going landscape study will feed in the MSD4E sessions and there will be a newsletter coming out in the next couple of weeks. MSD4E also held a Deep Dive session in Cape Town. Elisabet (**Sida**) reported it was good format for discussing the issues – but it often seems to drift away from the MSD approach. Employment is such a complex topic, with many systems some market-based and others public-sector – although ultimately we come back to the need for sustained, enduring results at a large scale.

Workstream 3.4 MSD in Fragile & Conflict-affected Settings

Gun (**Sida**) reminded members that this workstream is not about preparing a new document, but building on earlier studies and recommendations with ILO/UNHCR, USAID and SIDA. Each organization set up their own internal working groups and activities who reported back at a meeting this autumn. Sida, for its part, had two major learning events, one jointly with ILO. Who also held a comprehensive workshop in Uganda. The plan is to continue this work into the spring and wind up the initiative with a final workshop at the DCED Seminar in Nairobi in September 2024.

Mike A (**DCED Secretariat**) added that he is in discussion with staff from FCDO's Ukraine office about similar support for nexus planning.

Workstream 3.5 MSD & Trade

Rob (**ITC**) and Steve (**ILO**) said there was not much to report yet from this task team, but they are planning to catch up before the end of the year.

Workstream 3.6 Putting systems thinking into practice

Pauline (**CBI**) reported that the task-team met early November, and the focus is still in the process of crystallising. The consensus was around pragmatic questions. One idea is to benchmark where organizations stand in applying a systems approach based on a variety of criteria. The MSD WG task-team is liaising closely with members from the Results Measurement WG who have similar questions and interests. The next meeting will be on Dec 4th. Rob (**ITC**) said it sounds extremely compelling right now, and will find a colleague to join.

Mike A (**DCED Secretariat**) added that the task-team's agenda is very pragmatic and practical. For example: looking at how member agencies work with budget flexibility, procurement, adaptive management and partnership in ways that enable programmes to be more systemic in approach. DCED and BEAM already have lots of resources related to these issues to draw upon.

4. Workstream 3.3 Greening MSD guidance

Mike A (**DCED Secretariat**) announced that the final working draft of the [Greening the MSD approach in agriculture guidance](#) was completed before the Cape Town Symposium, where the lead author presented to around 40 delegates. **ACTION: all members** to let Mike know if you have further feedback on this version.

Mike also explained that to support the Guidance a variety of short cases-studies and examples of Greening the MSD approach in practice will be published on the BEAM Exchange over the coming months on a [dedicated page](#).

Yan (**GIZ/BMZ**) announced that she is moving to a new role in GIZ, based in Bishtek. This workstream remains super-relevant here as it is a green economy project. She said everyone is discussing how to align social, environmental and economic objectives. It is a hot topic for programmes that are trying to go green.

However, in her new role Yan will not be able to participate in the Working Group (i.e. representing BMZ). So it would be best if GIZ/BMZ were not involved (as previously planned) in commissioning the Second Phase of this activity. Mike A (**DCED Secretariat**) added that the WG may request ExCo that IFC fund the activity instead as per the WorkPlan.

In response to a question from Merten (**ILO**), Yan suggested that her colleague Karin Wedig is now best point of contact for continued collaboration. Finally, members heartily thanked Yan for her engagement and support to this task-team over past two years.

5. Workstream 2.2 Planning for DCED Global Seminar 2024

incl. report back from members at MSS 2023 in Cape Town

Members first reflected on their participation in the recent [Market System Symposium](#).

Elisabet (**Sida**) remarked on the large number of (mainly) implementers attending (250+) and her honour at joining the opening Plenary panel. It was organised in a very flexible way, she said, with few long presentations but instead lots of panels and discussions. This kept things interesting. Sida programmes had a lot of visibility and topics included much on climate and environment, conflict and resilience. Overall, a good event.

Margot (**CBI**) reported that the online experience was not good. As the agenda shifted all the time, she missed panels and couldn't join sessions as planned. Some sessions are now being offered weeks later. If DCED offer online participation in the 2024 event, it has to be a good experience she opined.

Merten (**ILO**) said from a speaker's perspective the organisation had been tricky, with little information in advance. However, in the end it played out well. He was happy personally about ILO's role and participation in many of the sessions and he felt the Symposium covered a lot of ground.

With many USAID-funded activities represented, it was interesting to hear how USAID manage grant instruments so that procurement fits with an MSD approach. And it was encouraging to see how much the MSD approach is still used, ten or fifteen years since the field started.

Kristin (**USAID**) agreed that the online piece just didn't work. That said, the in-person energy was amazing: part reunion and part all these new people in the space - was really exciting. The diversity of participants was the best ever, with some really compelling local leaders. She was really happy the impact of MSP's sponsorship of scholarships. People are so hungry to be in-person; the connections in the casual conversations over lunch, between sessions and afterward were all very powerful.

Mike A (**DCED Secretariat**) had been involved in helping curate some of the content. He said he felt there were some missed opportunities, but in the end, the in-person agenda had worked well on the day.

Members then went on to discuss the planned DCED Global Seminar in 2024.

Mike A (**DCED Secretariat**) shared the latest information about planning for the Global Seminar. He emphasised that the vision is to maximise participation from staff of DCED member agencies – headquarters, regional offices and embassies. Ideally half of the estimated 130 - 150 delegates will be donors, and the Agenda will reflect their needs. This means the event should be very distinct from Vikara Institute's larger and more implementer-focused Symposium.

The venue and dates for the Global Seminar are now agreed, for October 1st – 3rd at the Serena Hotel in Nairobi. Thanks to support from Sida (via ILO) and Gatsby Africa for venue costs, the Seminar will not need to charge a registration fee. In addition, the Secretariat expect various training workshops to be offered by independent providers on Sept 30th or Oct 4th.

Mike said the DCED Secretariat aims to learn from Vikara's success in creating a space that is dynamic and conversational. It is also committed to very carefully curating the agenda content and inviting speakers around themes and in-depth sessions that respond to the practical needs and specific challenges facing DCED member agencies' staff.

The Secretariat's immediate priority is to begin informing and recruiting delegates from DCED member agencies. Mike asked for WG members support and advice in reaching out to their colleagues. **ACTION Mike A** to speak to members individually about best approach in their agency.

Merten (**ILO**) agreed with the Secretariat's approach and that DCED has a great opportunity to deliver a Seminar with well curated in-depth content relevant to donors.

Gun (**Sida**) fully agreed with the vision and approach. She was pleased to hear the Secretariat's plans and passion for this event. Training offers would also attract more people. She requested the Secretariat broadcast a save-the-date announcement as soon as possible.

6. Closing remarks, ideas for next WG Meeting

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 February.