



The Donor Committee for Enterprise Development

Market Systems Development Working Group

MINUTES

Monday 4th March 2024 at 13:00 UCT

Chairs

Margot Lobbezoo (CBI)

Pauline Baars (CBI)

Members attending

Alex Kucharski (BII)

Andrea Inglin (SDC)

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)

Steve Hartrich (ILO)

Susanne Thiard-laforet (ADA)

Observer

Ignacio Blanco (UN ESCAP)

DCED Secretariat

Mike Albu, Isabelle Gore,

Melina Heinrich

Apologies in advance

Urkaly Isaev (IFC)

Mike Klassen (Secretariat)

AGENDA

1. Welcome & introductions Chairs
incl. approval of previous minutes & announcements from Chairs
2. Agency updates ALL
All members are welcome to brief colleagues on latest news
3. Workstream activity updates
 - 1.2 BEAM Exchange: new translations & search function Isabelle
 - 1.3 MSD Leadership & new Brief (#2) Mike A
 - 2.1 BEAM Evidence Review 2024 Mike A
 - 3.1 Bridging the Gap (PSD & Dev Finance) Patrick
 - 3.2 Youth Employment / MSD4E Pascal
 - 3.3 Greening MSD Mike
 - 3.4 MSD in Fragile & Conflict-affected Settings Gun
 - 3.5 MSD & Trade Steve
 - 3.6 Putting systemic approach into practice Mike A
4. DCED AGM in June, Washington Melina
5. Workstream 2.2 prep for DCED Global Seminar 2024 Mike A
6. Workplan 2024-25 – initial ideas Pauline
7. Closing remarks, ideas for next WG Meeting Chairs

Papers will be found at: <https://sites.google.com/beamexchange.org/msdwg/mar-24>

1. Welcome & introductions

Co-Chairs Margot and Pauline (CBI) welcomed all to the 31st meeting of MSD Working Group. No changes were proposed to the November meeting minutes and therefore approved.

Pauline reminded members that she is taking maternity leave from June. Two members have already offered to step into her co-Chairing shoes and discussions with them are ongoing.

2. Member agency updates

MoFA Netherlands

Marleen (MoFA) notified members about a recent report summarising lessons and reporting progress from their work in 10 countries.

Sida

Gun reminded members of the substantial changes happening in Sweden's development cooperation policy, particularly the increasing focus on trade. That focus is partly on increasing levels of trade, but also on exploiting synergies between trade and development cooperation. One consequence is that most Country Strategies will be reviewed. Although there is uncertainty it looks like the role of economic development in poverty reduction is coming to the fore.

ILO

Steve advised members about some recent SCI research publications.

The first is called 'A 10 question pocket-guide to making MSD work for you' which test users found helpful for reviewing projects. The second is guidance on measuring job quality in MSD programmes. Finally, Steve recommended a report on designing and implementing market-led interventions in forced-displacement settings.

FAO

David explained that FAO is starting a new 3 year project called PISA (Programatic Impact through Systems Approaches), funded by Sida. It will be looking mainly at FAO's current projects and how to make them more systems-based e.g. gaps in staff capacity and institutional changes needed. It will also build links with ITC and ILO.

IKEA Foundation

Nic said he was looking forward to participating in the AGM and the Seminar. IKEA are doing a stock-take over next six months that will inform their next five year strategy. Nic thinks it is very likely to include more market system approaches in their refugee livelihoods, employment and entrepreneurship portfolios.

BII

Alex talked about the small portfolio of 'market-shaping' projects that BII has in Nepal, Ghana and other frontier (a.k.a. fragile) African markets (ARIA). These initiatives were met initially with much scepticism within BII. However a recent MEL 'outcome scanning' exercise is showing excellent results coming through in terms of unlocking investment bottlenecks, and the volume of investment made in very challenging markets as a result. In Nepal, for example,, the initiative has already led to three policy changes that are making investment easier. He hopes to share more at the DCED Global Seminar.

All of these projects involve local partnerships with donors, and BII is looking for a strategic partner to help expand the fragile / frontier market programme. **ACTION ALL** to contact Alex if interested to know more.

CBI

Pauline explained that CBI are now focussing on the challenges of scaling up results. They invited a consultant to help them organise three internal sessions and will share lessons from their process in due course. Margot (**CBI**) added that as part of their six monthly monitoring review, all CBI's 35 programmes are now asked to report on their performance in relation to the 9 'systemic' principles in CBI's recently adopted Programme Manual. This has really shifted people's thinking.

3. Workstream activity updates

Workstream 1.2 BEAM Exchange: new translations & search function

Isabelle (**DCED Secretariat**) reported that the [Rough Guide](#) to MSD for youth employment has been translated into French, with SDC now arranging a review so it should be published very soon. The work to complete translations of both BEAM's popular [animated introductions to MSD](#) into Arabic, Spanish, Portuguese and French is also nearly finished. She also noted there are lots of new translated resources in the BEAM library.

Isabelle also explained that the Secretariat is exploring feasibility of building a AI-driven search function (chatbot) for the BEAM Exchange so that users enjoy a more informative, tailored and interactive access to the huge number of resources.

Workstream 1.3 MSD Leadership & Brief #2

Mike (**DCED Secretariat**) reported a slight delay this month in completing the second MSD Leadership brief, which focusses on the rationale and best practices for supporting team leadership. The paper looks at how to address disincentives and create enabling conditions for a stronger pipeline to bring on new leaders. We expect the final draft out later in March.

Workstream 2.1 BEAM Evidence Review 2024

Mike (**DCED Secretariat**) explained that selection is now underway of a short-term consultant to conduct the 2024 Evidence Review – the first since the [2021 Review](#). The [ToRs](#) are on the WG micro-site, and the Review should be completed by July.

Workstream 3.1 Bridging the Gap (PSD & Dev Finance)

Patrick (**Gatsby Africa**) reported that initial findings and lessons from the work by ISF Advisors was presented to a wider DCED group in January. They identified areas where PSD programmes can improve their approach to access to finance. The main lessons being that more detailed analysis is need in programme design phases, and that the role and qualifications of implementation partners needs to be better defined and articulated.

Workstream 3.2 Youth Employment / MSD4E

Pascal (**LuxDev**) noted progress on the French translation. He also remarked on the integration of this WG task-team with the MSD4E community of practice, which has made great progress with their 'landscape' study. They are thinking about organising a workshop to share preliminary finding with more donors in late March (probably 22nd).

ACTION Pascal to email further information

Workstream 3.3 Greening MSD

Mike (**DCED Secretariat**) reported that the final designed version of the [Greening MSD guidance](#) is now published on BEAM Exchange. A session about it is being prepared for the Nairobi Seminar. Developing terms of reference for the next phase of ambition will be linked to the 2024/5 Workplan process over next few weeks.

Workstream 3.4 MSD in Fragile & Conflict-affected Settings

Gun (**Sida**) advised members that there was little further to report on this workstream since November. The task-team are planning and hoping to re-employ the consultant after July for the relevant session at the Seminar in Nairobi, and further activities if proposed by members. Mike (**DCED**) noted the significant recent reporting on market systems work in refugee and forced-displacement settings, not least the [BEAM webinar](#) coming up on March 12th.

Workstream 3.5 MSD & Trade

Steve (**ILO**) reported that despite a slow start, the task-team is now in high gear, selecting a short-term consultant to undertake the assignment defined in the recently [published ToRs](#). The chosen consultant (10 have applied) will look at multiple trade-focussed initiatives that took a more or less systemic approach. And also review MSD programmes that had trade-related objectives. The study should be completed by July.

Workstream 3.6 Putting systemic approach into practice

Mike (**DCED Secretariat**) reported that there had been no significant further developments on this workstream since November.

4. DCED AGM in June, Washington

Melina (**DCED Secretariat**) updated members on plans for the AGM during 3rd – 6th June, hosted by USAID and the World Bank. Members should have received an initial information email already. Mon 3rd and Tue 4th are set aside for Working Group meetings. Weds 5th will be a 'thematic day' with some exciting external speakers, and the business AGM will take place on Thurs 6th.

5. Workstream 2.2 prep for DCED Global Seminar 2024

Mike (**DCED Secretariat**) updated members on preparations for the DCED Global Seminar in Nairobi. A [short flyer](#) was widely shared in February, and a detailed [provisional agenda](#) will be promoted this week. To date, 230 people have registered interest and 72 have applied.

As requested by members, the Seminar this time is focusing on facilitating constructive conversations among a diverse balance of participants representing DCED member agencies and implementers. With the exception of Sida, not many member agencies staff have applied yet, and **ACTION ALL** Mike urged members to do more to promote the event among their colleagues.

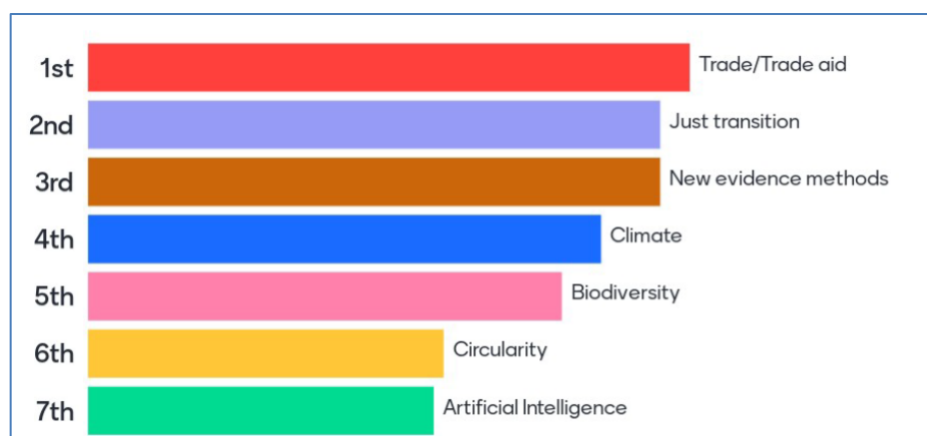
6. Workplan 2024-25 – initial ideas

Margot (CBI) then led a discussion about members priorities and ideas for workstream activities in the next annual WorkPlan, starting in July 2024. **ACTION ALL:** the WG needs to draft a new WorkPlan by end of April so it can be reviewed by the DCED ExCo in early May.

An interactive tool (Menti) was used to elicit feedback from members (full [results can be seen here](#)). Members mentioned various new policy themes that might influence MSD programming – see graphic.



When asked to prioritise these issues for the WorkPlan, members present voted:



And members shared several particular ideas they would like to explore further with others:

- Sprint methods for project development
Target action research as an alternative to conventional market-system analysis
- DFI-led market development programmes
Access to finance in coalition with national banks, guarantee funds and FinTechs
- MSD at the nexus of job quality and emissions reduction
- MSD in forced displacement settings
- MSD in the construction sector
- Assessing systems change with a focus on MEL specialists
- Evidence: impact evaluations and synthetic counter-factuals!
- Clear concise messaging on how MSD differs from business as usual

Margot emphasised that the various task teams in the WG need to move more quickly in next few weeks to draft proposed workstream activities and budgets for 2024/25

7. Closing remarks, ideas for next WG Meeting

Margot & 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 April.