



Outcomes of the MSD Procurement Knowledge Clinics

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Summary

In 2020, the [DCED Working Group on MSD](#) published four short papers about designing and managing procurement processes for MSD programmes. The [MSD Procurement Papers](#) series was the tangible output of a participatory process which involved 19 senior leaders from donors, implementers, and consultants. They were brought together by the BEAM Exchange in a sequence of 'clinics' to examine common challenges in the procurement of MSD programmes, and document the knowledge co-created. The final peer-reviewed papers were publicised through a [BEAM webinar](#). The papers have been viewed over 2,500 times, with over 300 downloads.

In 2021, the BEAM Exchange team (which sits within the DCED Secretariat) conducted a follow-up study to understand how this initiative influenced the procurement practices of MSD programme donors and implementers. Two areas of organisational change were visible.

First, the key ideas published in the papers have been incorporated into leading MSD training curricula for donors. These include Agora Global's recurring online MSD training course for donors, and the Springfield Centre's upcoming MSD training course for Funders and Programme Managers in November 2021. This will give the papers wide exposure to a range of key staff, particularly from donors.

Second, six of the 15 organisations (40%) represented in the clinics have started or expanded internal organisational change initiatives in response to the MSD procurement papers. These initiatives are helping build internal relationships: connecting global headquarters with country offices and projects, and integrating technical MSD staff with operations, grants, and finance counterparts. The changes also support good practice through internal training, guidance notes and dissemination of common templates for private sector partner contracts and grant mechanisms.

The development challenge

Development projects and activities typically involve a collaboration between donors (who pay) and implementers (who do). These parties' interests overlap but are not identical. Procurement and contracting are used to reconcile different interests in a formal and transparent manner, but it can become an adversarial process. Antagonism, if it arises, discourages constructive relationships of trust. This, in turn, hinders the flexible, adaptive management needed if programmes that use the Market Systems Development (MSD) approach are to be effective in reducing poverty.

The 'clinics' initiative

In 2020, the DCED's MSD Working Group (supported by the BEAM team within the DCED Secretariat) convened a group of 19 senior leaders from donors, implementers and consultants who had deep experience designing and implementing MSD programmes. Participants were organised into four small groups based on common interests, and for four months each group met five to six times in 'clinics' with the BEAM facilitator to frame issues, explore solutions and pool knowledge. A further four months were spent synthesising these findings into the four procurement papers. In due course, the papers were published, and a webinar was hosted to reflect on the overall process.

Given the substantial investment of time and effort to drive the knowledge 'clinics' process, the DCED Secretariat wanted to explore the outcomes. It was important to know: did anyone read the papers beyond the participants? Did the initiative lead to noticeable change in any organisations?

The follow-up process

In January 2021, all 19 participants were surveyed by email to understand how their colleagues reacted to the papers, whether recommendations had been put into action, and if there were forthcoming opportunities to integrate the findings. We received ten full email responses. In another six cases, participants chose to share their reflections via phone interviews. Finally, there were two further phone interviews with non-participants who had read the papers.

Main outcomes

Key ideas from the papers are now embedded in training curricula for donors.

- **Agora Global** The new MSD training course for donors, incubated by the DCED MSD Working Group, has explicitly integrated key concepts from the procurement clinics, which has been confirmed by clinic participants who also were on the training course.
- **The Springfield Centre** The forthcoming MSD training course for funders and programme managers plans to integrate key concepts from the procurement clinics.

Implementing organisations are making or reinforcing organisational changes

- **ACDI-VOCA** have commissioned an organisational review of adaptive management processes to integrate learning from the BEAM procurement clinics with existing efforts to improve procurement processes and technical-operations integration.
- **DFAT** In Sri Lanka, DFAT have leveraged the procurement papers to support its goal of sectorally-focused decision-making by businesses, government and communities
- **Habitat Terwilliger Center (TCIS)**, which is the home of MSD technical leadership within the larger organisation, is globalised and is leveraging learnings from the procurement clinics to inform global operations.
- **Helvetas** has adapted organisational processes for RECONOMY, a large regional programme in Eastern Europe, and are developing an internal 'MSD and Procurement' working group to go deeper on project and organisation specific issues raised in clinics.
- **Mercy Corps** clinics reinforced the ongoing workstream between compliance and technical MSD teams globally and in country offices. Tip sheet on partnership mechanisms published and circulated; and clinic findings integrated into internal MSD trainings.
- **Palladium** codified adaptive contract structures developed in one MSD programme to become widely used across all MSD programmes.

Lessons about the knowledge clinics process

Highlighting donor perspectives on MSD procurement

Donor interviewees and survey respondents pointed out that the clinic process highlighted the unique requirements of donor staff who are learning to manage MSD programmes. This was highly valued and increased buy-in among donor staff and colleagues who read the papers. Overall, the initiative was strengthened by support from key members of the DCED MSD Working Group who invited colleagues to participate at the outset, and later disseminated the final papers to its member agencies.

Strong circulation in certain regional pockets with good networks/relationships

Readership of the Procurement Papers was highest where there was a critical mass of clinic participants of donors and implementers working together in the same region. In the two cases below, individuals were in separate groups, allowing them to speak freely while having a common experience in the clinics.

a. Australia/Pacific

Active participation from DFAT and Palladium's PRISMA programme strengthened Palladium-DFAT links (built on the PRISMA and MDF programmes). This led to wide readership and discussion as the papers circulated in both organisations.

b. Eastern Europe

Two clinic participants became the donor programme officer and implementer technical leader for a large regional MSD programme in Eastern Europe. The shared experience and deeper engagement with the knowledge clinics contributed to a strengthened relationship that has spurred on active network building for donor staff in the region.