Market Systems Development Community of Practice

Monday 29th September 2026

Minutes

Participants

Chair

Gatsby Africa

Members attending

CBI
ILO
FAO
FMO
SDC

DCED Secretariat

Mike Albu, Mike Klassen
Isabelle Gore, Melina Heinrich

Apologies

FAO
MFAT NZ
IKEA Foundation
UNIDO

Agenda

1. Welcome & introductions
2. Election of new MSD CoP co-Chair
3. Follow up from Nairobi meeting (incl. approval of minutes)
4. Reflections on the DCED Global Seminar
5. Agency updates
6. Workstream 1.4: Updating the MSD Operational Guide
7. Workstream 2.1: Support for non-Anglophone practitioner networks
8. Workstream 3.1: Green MSD Clinics in new sectors
9. Cross CoP activity proposals
   - Systemic impact investment
   - Measuring systemic change
10. DCED Secretariat announcements
11. AOB, closing remarks

Papers will be found at:
https://sites.google.com/enterprise-development.org/msd-working-group-site/sep-26

1. Welcome & introductions

Gatsby Africa opened the meeting. Members welcomed back Pauline, who has returned after a six-month family trip.

The group is now called a 'community of practice' rather than a 'working group'. Melina **(Secretariat)** explained that the new name better captures what these groups are: communities with a shared vision and shared language around a particular approach or theme within PSD. The actual work largely happens in task teams, which often span several CoPs. The change is a nuance and does not alter how meetings or calls operate.

2. Election of new MSD CoP co-Chair

SDC's representative was confirmed as the new co-chair of the MSD Community of Practice, alongside **Gatsby Africa**. He was nominated at the Nairobi meeting, and members on the call endorsed him unanimously. He accepted with pleasure and said he looks forward to co-chairing.

3. Follow up from Nairobi meeting

Minutes of the June meeting in Nairobi were approved without corrections.

4. Reflections on the DCED Global Seminar

The Nairobi Global Seminar was one of the best-attended DCED seminars in recent years, with 220 participants from more than 40 countries. Donors, foundations, DFIs and implementing organisations were all represented. Half of the participants completed the feedback form, and 96% rated their overall experience 'very good' or 'excellent' across all sub-areas.

The top-rated thematic tracks were the FCAS stream and SME finance, with mutual benefits third. Many participants said everything was useful and commented more on format than on specific topics. The format was widely praised as an improvement on 2024, especially the interactive sessions that combined panel input with small-group discussion. Poster sessions were appreciated as a way to amplify voices outside the formal panels, but they were held too late in the day and turnout was low. Recurring suggestions were for more private sector voices, more government voices and more Asian representation.

Members reflected on the following themes:

- **Investment-ready ecosystems.** The key intellectual theme was the need for investment-ready ecosystems, not just investment-ready enterprises. DFIs and impact investors show growing interest in systemic approaches to market creation. The PSD/MSD and finance communities still lack a shared language, although progress was noted.
- **Grants and DFI capital.** Kristin said this was the only event she has attended in the past 18 months that was realistic about how grants and DFI capital depend on each other. The dominant narrative elsewhere is that donors should act as investors and that grants are obsolete. **Gatsby Africa** said the seminar pushed back on this by unpacking 'the pipes and the pumps' needed to make finance flow properly. Mike K

(Secretariat) relayed an insight from Alan (FMO): effective DFIs have built their programming on the assumption of a certain level of ODA, so ODA cuts also erode DFI risk appetite and effectiveness.

- **Repayable grants.** The workshop was well received and prompted lively discussion. Seminar feedback showed interest in sharing the outputs of the follow-up working groups more widely (see the FMO update under item 5).
- **Co-funding and collaboration between bilaterals and foundations.** Optimism was tempered by experience. The key insight was the need to understand why collaboration is organisationally hard, rather than assuming that putting people in a room leads to it. Mike K **(Secretariat)** is writing a follow-up blog post this week. The Green Growth CoP started a new task team on 28 September, looking at bilaterals and foundations with different mandates and organisational realities.
- **Innovation and scale.** One member warned of a current tendency to argue that, with capital scarce, all risk capital should fund innovation. USAID funded decades of innovations that went nowhere because they were not embedded in market systems. The Gates Foundation's position that scaling is 'not its job' was cited as a further example. If an innovation reaches no one, it is unclear what has been funded. Members saw this as another area where market systems concepts add value.

Seminar feedback showed demand for continued exchange. The top follow-up priorities were:

- access to seminar outputs (slides and summaries, already published)
- deeper work on finance and investment
- MSD's intersection with FCAS, finance and green growth
- minimum budgets for MSD programmes
- measurement and evidence
- continued cross-silo interaction: donors with DFIs and investors, donors with implementers, bilaterals with foundations
- potential regional events, in which there was some interest.

5. Agency updates

SDC

SDC reported that as part of the preparation for the proposed next bill for Switzerland's International Cooperation 2029-2032, the Swiss government has given SDC and SECO a mandate for:

- The reallocation of CHF 330 million per year from development cooperation to humanitarian aid
- A sharper focus on priority countries, themes and partner organisations

In terms of MSD, this will likely imply the closure of MSD programs in countries where SDC country programs will be closed.

ILO
ILO reported that restructuring is under way and staff have more clarity after 18 months of uncertainty. MSD work is unaffected, and a new 'enterprise development systems' unit is a positive signal. ILO co-hosted a well-attended webinar that week.

Three new publications:

- Systems thinking meets human thinking:
  MSD and social protection in Jordan (Estidama++), of potential interest to the MSD-for-employment community.
- Build it right: Policy, procurement and decent work in Mozambique:
  MSD combined with policy and procurement in Mozambique .
- Can digital services help tackle the extension service dilemma?
  digital extension services in Mali.

FMO
FMO reported on five areas:

- **Operational strategies.** Updated for financial inclusion, agrifood and forestry, and energy, aligning market creation with investment priorities. Four pathways are defined: progression; client-led; ecosystem development; and learning, convening and influencing.
- **Repayable grants.** A first working group of practitioners has met; a second, with donor representatives, is planned for early November. The session will be repeated for OECD netFWD's philanthropic members on 30 September. Anouk invited suggestions on sharing the content with CoP members.
- **Growth Finance Alliance.** A joint event is planned for February 2027.
- **Gates Foundation.** Under a new two-year partnership, FMO will screen Gates-supported companies, targeting at least one investment, and provide pre-investment TA to those not yet investment-ready.
- **TechnoServe.** The 8+ year partnership (CASA Plus) shows MSD and finance complementing each other; long-term, trust-based relationships are what make this work. Anouk suggested future conferences showcase such partnerships.

Action: FMO to post the repayable grants question to the group email so that absent members can contribute.

CBI
CBI has secured a five-year commitment from the ministry, with the systemic approach embedded across its programming. Marlene has moved to the Dutch embassy in Ivory Coast; the ministry is seeking a replacement CoP representative.

Gatsby Africa
Gatsby Africa reported on three areas:

- **Sector transformation.** Remains Gatsby's focus as a route to inclusive growth.
- **Economic Transformation convening.** With Ezrah Charitable Trust, Gatsby is convening a small group of philanthropic funders on supporting economic transformation in Africa. A first conversation in October will test appetite for collective learning, collaboration or co-investment.
- **Government capability.** Work helping government prioritise and coordinate productive sectors in Tanzania and Rwanda continues; options to scale it are under discussion.

Action: Gatsby Africa to report back on the first Economic Transformation Series session at the next meeting.

FAO

FAO reported on the Sida-funded PISA project (Programmatic Impact through Systems Approaches), which ends in 2026:

- **Internal community of practice.** About 300 members across headquarters and the field; it has helped demystify the 'systems approach' within FAO.
- **Systems Change Labs.** Ten projects took part in two prototype Labs combining group sessions with one-to-one coaching, which proved more effective for depth. Teams in Somalia, Nigeria, Zambia and Jordan report meaningful shifts in approach. Continuation as a corporate learning programme is uncertain.
- **Report for senior management.** Covers institutional barriers to systemic working, notably donor reporting on outputs taking priority over outcomes, and will set out a pathway for change.

The Labs' work was flagged as a strong candidate for a future BEAM Exchange webinar.

6. Workstream 1.4: Updating the MSD Operational Guide

SDC reported that the writing team has produced an advanced draft, described as a strong successor to the 2015 guide. The team is now incorporating comments from the technical advisory group.

Content that is new since the 2015 version covers donor guidance, gender, fragile and conflict-affected states, environmental issues, political economy analysis, rules guidance, and field examples and 'confessions'.

Timeline and formats:

- **PDF version:** due end of October 2026.
- **Online interactive version:** due end of 2026. It will be integrated into the BEAM Exchange website, replacing or supplementing existing guidance pages, with the layout adapted accordingly. It will include more on cross-cutting themes and more examples than the PDF.

- **Webinar:** a DCED / BEAM Exchange webinar to present the updated guide is planned; the date is not yet confirmed.
- **Translations:** ILO is financing French and Spanish translations, and the Arabic translation is funded from the MSD CoP budget. **Steve (ILO)** will try to cover design and translation for further languages, pending internal approvals.

7. Workstream 2.1: Support for non-Anglophone practitioner networks

Mike A **(Secretariat)** presented an update from Lux Dev on a practitioner network for Francophone West Africa. There is general concern that MSD uptake in the region lags other regions, because of structural barriers as well as resource constraints. A study last year by our consultant identified barriers to adopting systems approaches in the region. A French-language webinar already held showed strong enthusiasm there for material and knowledge.

LuxDev have drafted terms of reference for a new consultancy assignment. The Benin MSD learning platform would be the anchor. It has been active for 3-4 years and involves the Dutch embassy, Swisscontact, Helvetas, TechnoServe and others. The Swiss embassy has asked the BeniBiz project to host a symposium in spring 2027, which may be run by the organisers of the Market Systems Symposium in South Africa.

The consultant's scope covers seven areas:

1. Finalise the structure of the Benin platform and develop a shared regional framework on the value of the approach
2. Map MSD and related private sector development initiatives in the region
3. Contribute technical input to the spring 2027 symposium and present DCED's work there
4. Develop at least four case studies from West Africa
5. Run two French-language webinars in 2027
6. Act as focal point for the region, engaging with ministries and institutions when asked
7. Assess whether a Francophone CoP or another form of ongoing dialogue can be established

The assignment is about 28 days of work in total, mostly remote, with at least one visit to the region for the symposium. It will be contracted in the usual way through IFC.

8. Workstream 3.1: Green MSD Clinics in new sectors

The Green MSD Clinics assignment, delivered by Tom Hilton and The Canopy Lab, has been officially closed and signed off, although final wrap-up activity is still ongoing.

- **Partners.** Some candidate partners dropped out during the process. The final cohort was Durrell Wildlife Conservation, Trócaire, HEKS and BirdLife International. The

Trócaire and Durrell clinics were completed in July and August 2026, and the consultants are finalising work with the other two organisations.

- **Key lesson.** The budgeted level of effort was right, but the duration needed was underestimated. Building understanding and securing buy-in from organisations and their staff takes longer than anticipated.
- **Outcomes so far.** The effect on partners has been very positive. They have incorporated MSD into project and organisational strategies, and into fundraising plans for larger-scale green MSD work.
- **Feedback on the Green MSD initiative.** The clinics showed how green practitioners think about scale and sustainability, and how this differs from MSD practitioners' assumptions. They underlined the importance of the intersection of people, climate and nature impacts as part of a just transition. They also showed how green MSD might be applied on a shoestring budget or introduced mid-programme.

The full draft report is due at the end of October 2026. It will be presented to the group in November, with a BEAM Exchange webinar to follow.

9. Cross CoP activity proposals

Systemic impact investment

DFIs and impact investors, including Acumen, show growing interest in adopting systemic MSD approaches. Note Ben Taylor's presentation at our Nairobi meeting. **SDC** has spoken with several DFIs and selected impact investors, all of whom were interested in DCED doing something to promote systemic approaches among investors.

A task team may form. Interest was confirmed from SDC, FMO and BII. Acumen are already engaged as an observer in the SMD Finance CoP. Steven floated ideas for what a task team could do:

- Commission a consultancy to identify, from the investors' perspective, how donors could support them to apply systemic approaches. Examples are financing MSD training or TA, co-financing market analysis, and suggesting market-building organisations in specific countries.
- Develop case studies that demonstrate a business case for investors to adopt more systemic approaches.
- Map existing initiatives, approaches and tools that promote systemic investing across the investment cycle.

FMO is happy to think along. Anouk stressed the need to identify the most effective tool or approach rather than defaulting to any one format. **Secretariat** proposed a next step. The topic will be included in a forthcoming member update on pipeline work items across CoPs, to gauge broader interest. A DCED-wide session would then narrow down what members want to work on collectively. No task team has been formally established yet.

Action: Secretariat to circulate the member update on pipeline work items across CoPs, including member interest in systemic impact investment.

10. DCED Secretariat announcements

Secretariat announced that the DCED member survey, run every two years, launches this autumn. We will hold brief calls with most members to take stock of what is working well and where DCED can improve.

11. AOB, closing remarks

There was no other business, the meeting closed on time

Summary of Action Points

- FMO will post the repayable grants knowledge-sharing question to the group email, to gather input from absent members before it becomes a future agenda item
- Secretariat will circulate the member update on pipeline work items across CoPs, including member interest in systemic impact investment, to gauge appetite for a DCED-wide session
- Gatsby Africa will report back at the next CoP meeting on the first session of the Economic Transformation Series