

Market Systems Development Working Group

Thursday 25th September 2025, Zoom Teleconference

Minutes

Participants

Chairs

Gatsby Africa
CBI

DCED Secretariat

Members attending

Sida
MoFA Netherlands
IKEA Foundation
LuxDev
ILO
SDC

AGENDA

- | | |
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| 1. Welcome & introductions
<i>incl. approval of previous minutes & announcements from Chair</i> | Chairs |
| 2. Agency updates
<i>All members are welcome to brief colleagues on latest new</i> | ALL |
| 3. Brief workstream activity updates | |
| 1.2 Translation of key MSD resources | Mike A |
| 1.2 Publication of MSA Toolkit | Mike A |
| 2.3 Francophone MSD Network | Pascal |
| 3.2 MSD4E dissemination activities | Mike K |
| 3.3 Green MSD task team | Steven |
| 3.4 Trade MSD task team | Marleen |
| 4. Workstream 3.1 Ideas re Building capacity of governments | Karen |
| 5. Proposed AGM and global seminar in June 2026 | Melina |
| 6. Cross WG activity on assessing systemic change at portfolio level | Nabanita |
| 7. Closing remarks, ideas for next WG Meeting | Chairs |

1. Welcome & introductions

The meeting opened with 12 participants representing various DCED member organizations and the Secretariat. The minutes from the June meeting in Geneva were presented and with no objections raised by participants, were formally approved.

2. Member agency updates

MoFA Netherlands

MoFA NL provided updates on significant organizational changes within the Ministry. A new colleague will be brought up to speed on DCED activities, with plans for him to have conversations with key DCED contacts including Nabanita.

The Ministry faces substantial budgetary constraints with cuts of €2.4 billion to the Netherlands aid budget. Despite these challenges, there remains strong attention on systemic change and market systems development within the country strategies. The [PADEO](#) approach will be mainstreamed in all Dutch MFA PSD partners as part of our new strategy with dual objectives to contribute to sustainable economic development and Dutch earning capacity. The focus will be on stable countries as well as the DRC and Palestinian territories. The approach emphasizes integrating systemic analyses and working on leverage points, maintaining the importance of this methodology even without the dedicated program structure. For lower income countries that are not part of the Combitrack programme MoFA are establishing a new trade and investment promotion facility.

SDC

SDC reported three key updates. First, SDC organized learning clinics on system change for national program officers and Swiss cooperation offices. Two sessions were conducted: in August for Anglophone offices and in September for Francophone offices. These generated high interest from field colleagues, emphasizing the importance of defining system change strategies with indicators and assessing annual progress toward system change. They have now delivered learning clinics this year and SDC offered to share the successful program format with interested members.

Second, SDC organized an “open mic” session on MSD for employment, which Steven indicated would be covered in more detail under item 3 on the agenda.

Third, regarding the planned update to the MSD Operational Guide, SDC explained that Terms of Reference for the revision, to be funded by SDC and ILO, are currently being consulted with the MSD WG task team.

IKEA Foundation

IKEA Foundation provided insights into their ongoing strategy review. The process is nearly complete, with all partners informed of the content implications and partnership changes. The Foundation is reducing partnerships while focusing more intensively on carbon emission mitigation work. Notably, the employment and entrepreneurship portfolio, under which DCED engagement previously fell, will disappear. However, this represents a strategic pivot rather than abandonment, with a new “building markets” approach that frames the work as making building markets work for emission reduction that benefits people and society.

Public sharing of the strategy will occur in October, and IKEA requested confidentiality until then. Significantly, IKEA Foundation will become a paying DCED member beginning next year, with payment coming from their MEL budget for organisational learning. The initial commitment will be for one year, with multi-year commitments evaluated subsequently.

Gatsby Africa Foundation

Gatsby Africa highlighted the Foundation’s close work with centres of government in Kenya and Tanzania. Most significantly, the Government of Tanzania approached Gatsby for support with benchmarking visits to Egypt and Vietnam, tied to their Vision 2050 document launched

in July. These visits, scheduled for October, aim to support Tanzania's business environment reform program by learning from countries that have successfully transformed sectors through business environment and investment climate reforms.

The delegation includes senior Tanzanian stakeholders, and **Gatsby** encouraged combining government-to-government visits with sectoral perspectives involving both government and private sector engagement. In Egypt, the focus will be on electronics, textiles and apparel, aquaculture, and Special Economic Zone/Export Processing Zone models. Vietnam visits will examine similar sectors plus commercial forestry. These activities align with **Gatsby's** organizational commitment to enhancing Tanzanian government capacity and aligning policies with global best practices.

ILO

ILO described a new ILO paper titled [Traction Through Action](#) addressing why MSD projects experience lags between analysis completion and action implementation. The paper shows how action research can accelerate intervention piloting during inception phases, helping staff become more comfortable with partner engagement while gathering additional information.

ILO is hosting an event on October 30-31 in Geneva focused on market systems and just transition, with 85 registered participants including approximately 25 from ILO and 60 external participants. **ILO** extended an open invitation to DCED members and encouraged circulation to colleagues within member organizations.

Sida

Sida described internal capacity building efforts, including training sessions for staff unfamiliar with MSD approaches and will continue training sessions for more experienced colleagues covering MSD from a lens of private sector collaboration and trade, also sessions addressing MSD implementation hurdles. **Sida** is also conducting sessions for the Finance Department staff, to target guarantee colleagues to increase their MSD familiarity. These efforts are to increase internal capacity around systems change and that it needs long-term commitments.

LuxDev

LuxDev noted trends moving from private sector engagement MSD toward financial instruments, connecting with other DCED working groups launching around this topic. This shift relates to the impact finance environment in Luxembourg. Current focus is on building narratives to address the gap between pilots and deployment at scale.

Others

Former USAID colleagues are working to preserve knowledge assets through self-publishing efforts, providing a [link to scaling community resources](#) for potential member interest.

3. Brief workstream activity updates

Workstream 1.2 Translation of key MSD resources

Secretariat reported completion of consultants work translating eight MSD resources into three languages. While all translations have been submitted, significant layout and formatting work remains, with two documents completed and twenty more requiring processing. The publication process will continue gradually.

Workstream 1.2 Publication of MSA Toolkit

Secretariat announced publication of the [Market Systems Analysis Toolkit](#), originally commissioned by USAID's MSP Activity. After the USAID shutdown pre-empted the planned website launch, Secretariat collaborated with the lead author to produce a comprehensive PDF version. Informally called the "Good Enough MSA Toolkit," it addresses analysis paralysis by helping organizations move from research to interventions and actions. Mike encouraged members to promote and share this resource with implementing organizations and colleagues.

Workstream 2.3 Francophone MSD Network

LuxDev reported progress on support the MSD platform in Benin and connecting it with work in other French-speaking countries, particularly ILO initiatives. Draft ToRs have been prepared with Secretariat input, and are expected to be finalized soon. The hiring process requires individual consultants per IFC procedures, with Pascal having two candidates in mind but needing a third for proper consultation. **ACTION:** He requested suggestions for knowledgeable bilingual English-French experts and planned to share the ToR with the task force to identify synergies with other ongoing initiatives.

Workstream 3.2 MSD4E dissemination activities

Secretariat provided updates about consultants work on tailored individual sessions with WG members. The approach extracts relevant messages from the original study for particular organizations at specific strategic moments. The first session with **SDC** on September 16, featured good engagement through breakout rooms and chat questions. A notable outcome was learning that **SDC** are designing an ex-post evaluation for a Market Makers intervention in Bosnia and Herzegovina that had been featured in the study.

Confirmed future sessions include **Sida** on October 23rd (focusing on job creation and skills development with possible program officer participation from Ethiopian and regional programs) and Luxembourg in November (integrating internal evaluation findings and policy research). Potential sessions with **FAO**, **MasterCard Foundation**, and **FMO** are under discussion. One implementer webinar is planned with **Helvetas**.

The consultant's contract runs through calendar year end, with space remaining for one or two additional organizations. **ACTION:** Any members interested to contact **Secretariat**.

Workstream 3.3 Green MSD

SDC explained that following June discussions on green MSD activities, a task team was formed to identify relevant activities. The first meeting is scheduled for September 29th, with one proposal being to promote testing and uptake of Green MSD guidance recently published by Canopy Lab. This guidance helps mainstream environmental concerns in development programs and assists conservation practitioners in designing systemic solutions to environmental problems. **ILO** suggested that their October event could contribute through a working session identifying key issues holding back MSD application to green and just transition work.

Workstream 3.4 Trade & MSD

MOFA NL explained that personnel changes meant focusing on bringing new colleagues up to speed and engaging management rather than leading new initiatives. Despite general DCED membership interest in trade topics, the MSD working group struggled to find momentum for this specific work stream.

Secretariat observed the dilemma between broad member interest in trade and difficulty finding working group leadership with sufficient time and energy. After discussion involving **LuxDev**, **ILO** and **Sida** noted other DCED working groups address trade-related topics (particularly the PSE working group's focus on domestic trade interests), the consensus emerged to (**ACTION:**) pause this workstream rather than continue without genuine momentum.

4. Workstream 3.1 Building government capacity for sector transformation:

Gatsby presented updates on workstream, which generated strong interest following the June presentation to the MSD WG. The focus addresses improving how funders and implementers engage with governments to ensure greater ownership in long-term sector transformation. The common challenge identified was fragmented, overly technical government engagement led by donor priorities rather than government needs.

The approach builds on existing “thinking and working politically” frameworks with potential connections to the Business Environment Reform Working Group and trade facilitation work, particularly regarding state-led systems change. Verbal support has been received from ILO, Gatsby Foundation, and other agencies.

ACTION: **Gatsby** plans to organize a kick-off call in October to develop Terms of Reference and identify specific deliverables, whether case studies or practical experiences. She noted that the Tanzania benchmarking visits could provide relevant input.

LuxDev mentioned bringing a Vietnamese government delegation from Ho Chi Minh City to the ILO October event, representing an interesting parallel case where MSD approaches are being considered for agricultural sector transformation toward more sustainable crops and practices at the government policy level.

5. AGM and Global Seminar in 2026

Secretariat presented tentative plans for combining the AGM with the Global Seminar into a single large event, tentatively scheduled for the first week of June 2026 in Nairobi. This would represent DCED's largest event to date. The goal is to avoid participation fees through member agency sponsorship, requiring confirmation of co-sponsors and funding structure before announcing specific dates and locations.

The combined agenda would integrate Global Seminar content areas where participants wanted more depth (such as green private sector development and results measurement) with Annual Meeting discussions about the changing global aid context and implications for both donors and practitioners. **ACTION:** **Secretariat** expected to provide more concrete information within a month.

6. Cross WG activity on assessing systemic change at portfolio level

Secretariat updated members about collaboration between the Results Measurement and MSD WG regarding measuring system change at the portfolio level. The work addresses two

objectives: developing guidance for donors on assessing systems change beyond individual programs, and examining evidence from multiple programs targeting specific systems for long-term change.

Stage one has been completed with consultations with eight member agencies: **IKEA Foundation, Gatsby Foundation, ILO, GIZ, Netherlands Ministry of Foreign Affairs, FCDO, Swedish Sida, and SDC**. The first draft report revealed interesting findings, including that foundations and **ILO** tend toward more programmatic approaches with specific pillars or portfolios using different instruments to influence systems, while bilateral agencies operate more de-centrally, depending on individual programs to take systemic change approaches without necessarily having systemic change visions at portfolio levels.

Plans now include a dedicated meeting or webinar bringing together interested members from both working groups to discuss findings and identify DCED's potential contribution.

7. Closing remarks, ideas for next WG Meeting

The Chair thanked all participants for their contributions and updates.

Summary of Action Points

Secretariat will send a poll for the next working group meeting in late November

Gatsby Africa will organize the government capacity building kick-off call in October

LuxDev will finalize consultant Terms of Reference for the Francophone network

Secretariat will coordinate the cross-working group thematic exchange on portfolio-level measurement.