

## Market Systems Development Working Group

Thursday 26<sup>th</sup> February 2026, Zoom Teleconference

### Minutes

#### Participants

##### Chairs

Gatsby Africa  
CBI

FAO  
MoFA  
IKEA Foundation  
LuxDev  
ILO  
SDC

##### DCED Secretariat

Mike Albu,  
Mike Klassen  
Isabelle Gore  
Melina Heinrich

##### Members attending

ADA  
CBI  
Sida

#### AGENDA

1. Welcome & introductions  
*incl. new members, approval of previous minutes & announcements from Chair*
2. Agency updates  
*All members are welcome to brief colleagues on latest new*
3. Brief workstream activity updates
  - 1.1 BEAM CMS migration & launch
  - 1.4 Updating the Operational Guide
  - 2.1 Benin MSD Network
  - 3.2 MSD for employment activities
  - 3.3 New Green MSD assignment
4. Global Seminar & AGM in June 2026
5. MSD Working Group Work Plan for 2026/27  
*Sharing initial thoughts re activities next year*
6. Closing remarks, ideas for next WG Meeting

## 1. Welcome & introductions

The meeting opened with 15 participants representing DCED member organizations and the Secretariat. The minutes from the November 2025 meeting were presented and with no objections by participants, were formally approved.

## 2. Member agency updates

### MoFA Netherlands

**MoFA NL** reported a significant milestone with management approval for mainstreaming PADEO systems approach across all focus countries. This represents an expansion from the current eight pilot countries to encompass all stable development countries and two conflict areas, including Palestinian territories. The approach will integrate four key elements: the systems approach itself, learning sessions, the online toolset they have developed, and sprint weeks for coordinated portfolio development with partners.

**MOFA NL** also updated on preparations for the Global Seminar, where they will present a session on the Netherlands' experience combining the agent trade agenda, using the northern corridor global gateway as a case study. They are planning breakout sessions with a specific focus on integrating MSD approaches in trade corridors.

### IKEA Foundation

**IKEA Foundation** announced that the Foundation has finally become a formal paying member of DCED, with an agreement about to be signed with IFC's trust fund. He reported on their finalized new strategy, documented in a [two-page strategy document](#) available on their website.

The strategic shift involves moving away from engagement through employment and entrepreneurship portfolios toward focusing exclusively on climate mitigation issues, with enterprise development and market development serving as levers toward those climate goals. Their geographic focus will continue in East Africa (Kenya, Uganda, Ethiopia) and India, while adding Brazil and Indonesia. Future expansion in one to two years may include other high-emitting, growing economies.

### SDC

**SDC** reported that they will finance a case study about 15 years of the Alliances Caucasus Program (ALCP) in Georgia, which he noted is potentially the longest-lasting MSD program currently active in the world. The study will focus on three key elements: assessing system change and identifying key success factors; analysing the program's transition from a non-green to green approach; and examining the shift from a women's economic empowerment approach to a gender equality approach, including challenges encountered.

The study will be financed jointly by SDC and the project itself (which is co-financed by SIDA). Initial findings are expected to be presented at the Global Seminar in Nairobi.

### ILO

**ILO** reported on two significant initiatives. First, ILO has published a low-cost ex-post evaluation of a project in Afghanistan that ended around 2021, examining what remained five years later despite COVID and the Taliban takeover. The methodology was designed to be affordable (approximately \$10,000-12,000) to reduce barriers for similar studies. Results showed that one of three interventions examined still showed strong signs of persistence and had even adapted and spread, encouraging new female entrepreneurs, while two interventions showed no remaining signs.

Second, ILO is conducting a broader value-for-money analysis collecting data on approximately 55 MSD projects with publicly available results, relating impact indicators (jobs created, private sector investment, beneficiary income) to project costs. While acknowledging the exercise is incomplete and imperfect due to varying data quality and measurement credibility, the goal is to provide evidence-based guidance for target setting and budget planning.

### Sida

**Sida** reported challenging circumstances with significant budget cuts and program phase-outs due to governmental decisions. Sida is undergoing reorganization into a new department and seeking to establish relevance in related areas. They are exploring synergies through collaboration with teams working on guarantees and private capital mobilization, as well as the “Team Sweden” approach linking trade and development cooperation.

### Gatsby Africa Foundation

**Gatsby Africa** shared an update on the cross-WG task team session (MSD WG & Business Environment WG) on building government capability for sector transformation. The session drew on Gatsby’s work in Tanzania (NPC/PO-PI) as an anchor case and brought together colleagues from GIZ, ILO, ITC, Sida, and JICA, with IKEA sending apologies on the day. The discussion explored what state capability means in practice for sector transformation (including the challenge of executing industrial policy) and the implications for how external actors can support government delivery without substituting for it. Next steps are to circulate the deck to the task team for comments, revise it with Growth Teams if necessary, and then share the final version with the wider MSD and BE Working Groups.

### FAO

**FAO** noted the global trend for reduced spending in the multilateral space, including donors pulling back from global systemic change initiatives, and shifting toward more country-level work. However, FAO continues internal work on coherence and measuring systemic impact, moving beyond results-based management toward more adaptive monitoring, evaluation, and learning approaches, drawing lessons from UNDP portfolio approaches. She emphasized the opportunity for the network to share stories of measuring systemic impact to support multilateral agencies in adopting such approaches

## 3. Brief workstream activity updates

### Workstream 1.1 BEAM CMS migration and usage statistics

**Secretariat** reported successful completion of the BEAM website migration on January 14, 2026, to a new Wagtail CMS platform that is easier to manage and more stable. The site features a new look and a rewritten “Learn” guidance section.

A significant milestone was achieved with 55 translated resources now live, covering the most important and popular BEAM reports in Arabic, French, and Spanish. Isabel welcomed feedback on functionality and requests for additional translated MSD documents for the resource library.

### Workstream 1.4 Updating the Operational Guide

**SDC** announced that DevLearn has been selected and contracted to produce the third edition of the MSD Operational Guide, with a team including Adam Kessler, Gareth Davis, and Tom Hilton. The selection was made by the working group task team after reviewing four proposals.

A Technical Advisory Group of six experts has been established, including Rob Hitchins (main author of previous versions representing M4P tradition), three experienced team leaders (Shahroz

Jalil, Golden Mahove and Helen Bradbury), Alison Hemburger (bringing fragile and conflict-affected states expertise), and Kristin (representing donor perspective). The group is balanced in terms of gender and includes expertise from the global south.

Community engagement includes a [survey for improvement ideas](#) and [online consultation webinars](#) scheduled for March 10, 2026. The timeline calls for a complete first draft before the Global Seminar, with the seminar used for consultation and initial presentation, followed by wider community consultation and finalization in September 2026. An online version will also be produced, now possible due to favourable Swiss franc exchange rates.

### **Workstream 2.1 Benin MSD Network**

**LuxDev** reported that ToRs were prepared, approved and a consultant selected for supporting MSD dissemination in French-speaking countries through work with an emerging MSD network in Benin. However, the project is currently delayed due to IFC procedural issues with contracting the Switzerland-based consultant, requiring a workaround through another country. Work is expected to begin by mid-March with elements ready by June.

The initiative will focus on network organizational structure, and developing communication products for three target audiences: public institutions, the donor community, and private companies.

### **Workstream 3.2 MSD4E dissemination activities**

**Secretariat** reported completion of the contract with Ambit Strategies, with all webinars for DCED members and implementers concluded, including a final session with Helvetas in January 2026. Three blog posts are in development: "Apples and Oranges" has been published focusing on distinguishing between job creation numbers, access to jobs, and job quality; a second post on employer incentives in MSD for employment is nearing completion; and a third on the need for more ex-posts in the employment space is planned for late March or April.

Eight to nine new intervention summaries have been gathered for addition to the MSD4E interventions library, including some focused on MSD employment and climate intersections. Mike noted positive trends in the MSD4E Community of Practice, with donor participation increasing to 20% from historically around 5%, attributed partly to the dissemination work with bilateral agencies.

### **Workstream 3.3 Green MSD dissemination**

**Secretariat** reported that the Green MSD workstream has gained momentum following the ILO Geneva event in autumn. Terms of reference have been approved for taking systems thinking to conservation, biodiversity, and climate organizations while learning how these organizations interpret and use systems thinking. Tom Hilton, who wrote the original Green MSD guidance for Canopy Lab, has been contracted without complications, and work is expected to begin immediately with Conservation Measures Partnership organizations.

## **4. AGM and Global Seminar in 2026**

**Secretariat** provided comprehensive updates on preparations for the Global Seminar. Over 100 applications have been received, with the website being continuously updated with session details across three to four streams. Two training workshops are confirmed for Friday afternoon: Advanced Market Systems Development offered by DevLearn and Assessing Systems Change, with calls out for additional training providers.

The DCED's [Swap Card event portal](#) will launch soon for evolving agenda updates. Given capacity constraints, there will be limited seats for participants without speaking roles, making early notification essential. Two poster sessions are planned at the end of seminar days to profile programs that don't fit the core agenda, facilitating potential co-sponsorship and co-funding opportunities.

**Secretariat** noted that he will lead the stream on the changing funding landscape, with plans to share working drafts with this group and potentially engage members as co-facilitators for donor-specific breakout sessions.

The event benefits from generous support from co-sponsors Netherlands, Luxembourg, and FMO, enabling free participation.

## 5. MSD WG Work Plan for 2026/27

**Secretariat** outlined the context for developing the next year's work plan, noting budget constraints that limit each working group to approximately \$45,000, significantly reduced from previous years when over \$100,000 was available. However, Melina noted that funds may be reallocated from underspending working groups, allowing for tentative work items subject to additional funding availability.

The timeline requires draft work plans by late April/early May for Executive Council review, with final circulation by early June, three weeks before the annual meeting.

### Proposed New Activities:

#### Trade corridors and Global Gateway integration

**MoFA NL** proposed exploring integration of MSD perspectives in European donors' work on Global Gateway trade corridors, noting the geopolitical relevance and current momentum. **Sida** expressed interest but noted challenges in identifying concrete engagement opportunities.

**Secretariat** suggested this could be attractive as a cross-working group initiative to broaden appeal beyond European focus.

#### Systemic approaches in impact investment

**SDC** proposed documenting cases where systemic approaches in impact investment generated better development and financial impact. He outlined the problem that most impact investors prioritize financial returns with narrow development impact views, assessing impact only at individual enterprise level without considering displacement effects, additionality, or market system analysis. The proposed study would demonstrate the business case for systemic approaches by showing how they can generate more social impact and better financial performance while reducing risks through addressing key bottlenecks.

**FAO** expressed interest in collaboration, and **Secretariat** noted potential overlap with the new DCED Working Group on SME Finance.

#### Value for Money and ex-post evaluations

**Secretariat** proposed two connected initiatives that wouldn't require consultant funding: continuing conversations on MSD budgeting practices building on **ILO's** value-for-money study, and developing a clinic on ex-posts in MSD, recognizing the central importance of sustainability evidence to MSD's core narrative.

## 6. Closing remarks, ideas for next WG Meeting

The Chair led a warm farewell to **CBI** who is stepping down as co-chair, with plans to return as a regular member in September 2026. She endorsed the co-chair role as rewarding, offering knowledge enhancement and organizational insights with minimal time commitment, and urged members to volunteer for the position.

The Chair thanked all participants for their contributions and updates.

### Summary of Action Points

- Members interested in proposing work plan items to submit 2-paragraph descriptions with backing task teams to Secretariat
- MoFA NL to circulate paragraph on trade corridors initiative to broader membership for interest mapping
- SDC to develop precise proposal for impact investment study and arrange Ben Taylor presentation
- All members are invited to complete the Operational Guide [survey for improvement ideas](#) and participate in the [online consultation webinars](#) on March 10<sup>th</sup>.
- All members wishing to attend the [DCED AGM & Global Seminar](#) to confirm participation.
- All members are invited to apply for the MSD Working Group Chair vacancy