



INCLUSIVE MARKET SYSTEMS DEVELOPMENT (IMSD) IN BRIEF

World Vision International

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This document summarises the World Vision technical practice area of Inclusive Market Systems Development (iMSD). This document is an introduction to the approach, points to key tools and resources to understand the iMSD methodology, and lays out the available technical support structure within the World Vision International Partnership.

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World Vision International, Livelihoods

Introduction

Inclusive Market Systems Development (iMSD) is the term given to World Vision’s approach to market development. iMSD has its foundations in the [Local Value Chain Development \(LVCD\) approach](#), which was designed in 2010 and is now an integral part of World Vision’s global approach to livelihoods – our core project model called [Building Secure Livelihoods \(BSL\)](#). World Vision Australia has led the development of iMSD within the World Vision global partnership, and since 2019 the approach has been formally integrated into BSL. The iMSD approach is focused on supporting the economic empowerment of parents/caregivers in order to provide well for their children. In addition to World Vision International’s Livelihoods team, iMSD is supported by World Vision’s Technical Support Organisation (TSO) and various World Vision Support Offices, including [WV US](#).



iMSD programming is now integrated in a number of World Vision projects in partnership with many different programming offices which have a life of award value in excess of US\$50 million¹. As an approach, Market Systems Development is recognised globally for raising the incomes of target households through achieving sustained, inclusive

economic growth as part of a sector- or economy-wide intervention within a geographic location. It is extensively funded by World Vision’s large institutional donors. The approach is regarded by the global development community as a key contributor to achieving the UN Sustainable Development Goals (SDGs), in particular [SDG 1: No Poverty](#)², [SDG 8: Decent Work](#) and [SDG 10: Reduced Inequalities](#). Additionally, many iMSD projects focus on Women’s Economic Empowerment (WEE), contributing to [SDG 5: Gender Equality](#)³.

What is iMSD?

The LEO (Leveraging Economic Opportunities) Project funded by USAID provides a useful framework for inclusive market systems, which are defined as: “those that involve and benefit a range of actors including poor and marginalised groups (such as women, youth, the ultra-poor and persons with a disability) who are often excluded – or even exploited – by traditional market systems”.

The nuances of MSD programming vary between organisations and projects. Some MSD practitioners call for implementing organisations to remove themselves completely from target communities and work only through market actors to effect systemic development change. On the other hand, a hybrid⁴ approach, consisting of reaching out/creating a pull by working through the market actors and lifting

¹ US\$50 million is the total project budget of the iMSD projects that are considered our highest priority. Not every budget line in these top projects is necessarily an iMSD activity but with some small projects being left out of the calculation, the figure is relatively accurate in terms of indicating the value of programming.

² The first indicator for SDG 1, No Poverty, is measured in terms of people living below the international poverty line (US\$1.25 per day), see page 1 Global Indicator Framework, available at: https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202019%20refinement_Eng.pdf

³ Referencing UNCTAD’s 2014 World Investment Report, the UN has called for more private sector investment in bridging the estimated US\$3 trillion funding shortfall to achieve the SDGs: <https://www.un.org/sustainabledevelopment/sg-finance-strategy/>

⁴ <https://www.marketlinks.org/library/framework-inclusive-market-system-development>

up/pushing communities enables projects to design intentional direct engagement with households to address harmful social norms as well as improve households' ability to interact with the market system.

World Vision embraces systems thinking and uses market forces to lead our programming approach. However, to accelerate inclusion outcomes, iMSD projects intentionally engage with communities directly to uplift the productive capacity of target beneficiaries so that they can meaningfully and efficiently interact with the market system.

World Vision embraces the household focused approach as a programming modality to ensure the poorest of households are not excluded from economic growth. This enables World Vision to work across this continuum of implementation, through partners as well as engaging directly with poor households. This also enables World Vision to work across many contexts, including the most vulnerable in thin markets or fragile settings. Our hybrid programming may involve providing technical capacity building on farming, entrepreneurship, soft skills and financial literacy – as well as promoting savings groups – implemented in parallel with systemic interventions through market actor partners.

Initially, the approach focused primarily on the market systems surrounding active agricultural producers in relatively stable rural areas. But more recently, it has been adapted to target non-agricultural markets, people living in fragile contexts, and those who are less economically active. Regardless of the exact modality, which varies between projects and contexts, the approach is much more cost effective than LVCD and can produce more sustained change for households and communities long after a project ends. It also supports behaviour change in market actors and communities reinforcing sustainable change, which equips them to be more resilient against future shocks and stresses.

iMSD, Financial Inclusion, WEE and links to other development outcomes

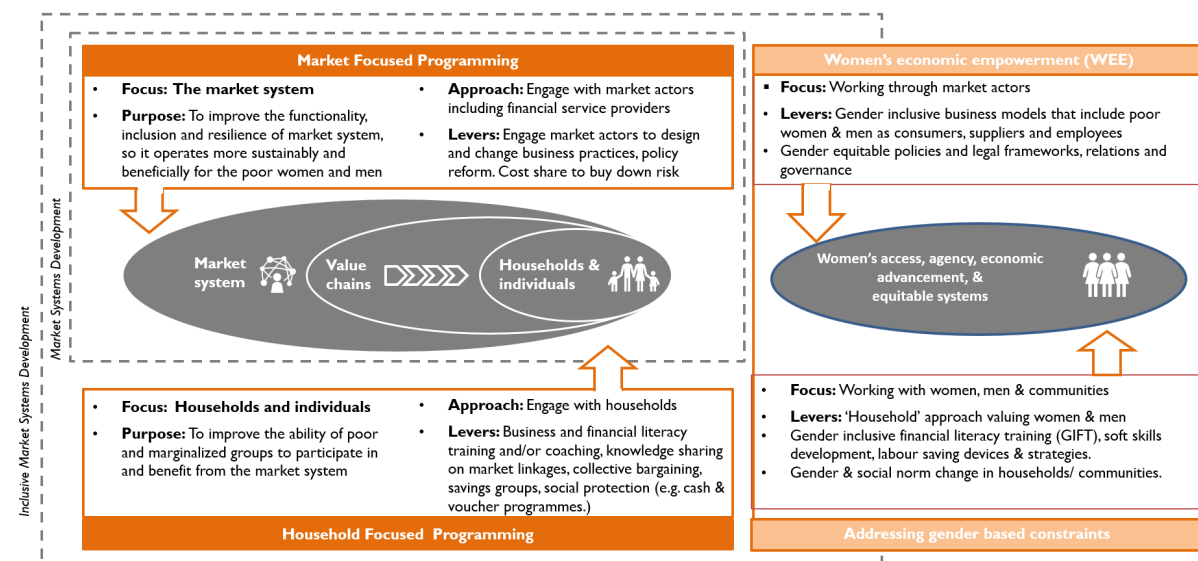


Figure 1, World Vision's iMSD, Financial Inclusion and WEE approaches⁵

In 2022, World Vision released [a new WEE framework](#)⁶ with a holistic definition of WEE, including economic advancement, access, agency and equitable systems. In iMSD projects that have prioritised gender equality and WEE, World Vision has worked to promote WEE outcomes, including intentionally programming to achieve holistic WEE domains across the project cycle. Consistent with

⁵ Including a World Vision iMSD project example was beyond the scope of this brief overview. But a thorough orientation to one of our strongest iMSD projects is available on the [BEAM Exchange MORINGA Project Microsite](#).

⁶ For more information on the approach and to view a video explaining it, please visit World Vision's WEE website: <https://www.wvi.org/our-work/economic-development/womens-economic-empowerment>.

the iMSD approach, this can be done at two levels. First, projects implement gender inclusive approaches that include women as producers, consumers and employees. This contributes to women's increased access to new opportunities, resources and services.

Second, projects implement activities directly with women, men, households and communities to address the specific barriers faced by women compared to men. For example, World Vision has incorporated gender transformative activities into projects to address harmful social norms and unequal gender relations. These activities include, for example, [Gender Inclusive Financial Literacy Training \(GIFT\)](#) for couples, which aims to increase financial management skills as well as women's financial decision making. By removing barriers to WEE at multiple levels, women are better able to participate in and benefit from more inclusive market systems.

In addition to promoting WEE, our iMSD approach has also been successfully combined with other technical areas including financial inclusion, environmental safeguarding, climate finance, nutrition sensitive agriculture and disability inclusion, all of which have strengthened the achievement of child wellbeing outcomes.

iMSD technical guidance and support

On behalf of the World Vision International Partnership, World Vision Australia is currently developing a guidance suite⁷ to standardise the organisation's approach to iMSD. The central set of guidance tools for iMSD currently consists of the [World Vision iMSD Toolkit](#)⁸ and the [iMSD PQAS Guidance Note](#). Other leading agencies in this field have also produced MSD [operational guides](#) for implementers and there is a growing body of [evidence](#) that it works, along with many strong [examples](#) that have been widely published⁹.

World Vision's guidance seeks to draw on existing materials, considering World Vision's approach to inclusion and common target groups and contexts. It highlights key differences between iMSD and LVCD. LVCD is currently being programmed across the World Vision partnership, funded through child sponsorship and grants. It is supported by a range of [operational guidance documents](#), and given its relative simplicity, can be designed into a workplan and picked up by a Technical Programme or integrated into a grant.

In contrast to LVCD, iMSD is a way of thinking that requires local implementing teams to have the ability to identify the unique systemic constraints and relevant opportunities in their context and broker local partnerships to address them. Project teams co-invest in testing solutions and establish incentives for the market system to scale up the change. An iMSD project design document can only ever be the starting point for a successful iMSD project; it must be managed adaptively – responding to feedback loops from the market system it is attempting to influence.

Therefore, the resources and technical support provided by World Vision are only intended to guide practitioners. While some projects within the current iMSD portfolio have the potential to become flagship projects showcasing best practice, others will require step by step adjustments as we encourage traditional practitioners to move away from direct delivery towards market based approaches.

In 2022, World Vision International launched the organisation's new [WEE Framework and Program Quality Assurance Standards \(PQAS\)](#)¹⁰, the development of which was led by World Vision Australia.

⁷ The [iMSD Toolkit](#) and a [policy position](#) are already publicly available. Further guidance material is available on the World Vision Livelihoods team webpage.

⁸ The toolkit was commissioned by World Vision US and World Vision Australia, with the work carried out by Vikara Institute (formerly [Eco Ventures International](#)).

⁹ For a full list of international aid agencies that support private sector development, follow this link to the [Donor Committee For Enterprise Development \(DCED\)](#).

¹⁰ The full list of WEE related resources including the briefing paper, implementation note, full manual and M&E guidance is available in the [Livelihoods Technical Library on wvi.org](#).

The framework and standards apply to the spectrum of livelihood programming approaches, including LVCD and iMSD. However, they primarily focus on iMSD as the programming model to strive towards.

