

INSIGHTS FROM THE GLOBAL CONVERSATION SERIES

# Gender Equality and Social Inclusion in Market Systems Development

## Introduction

Over the past two decades, Gender Equality and Social Inclusion (GESI) in Market Systems Development (MSD) has shifted: from safeguarding against harm to integrating gender and positioning inclusion as a driver of systemic transformation. What began with a focus on women's access to credit and counting participation in training has evolved into deeper engagement with norms, power relations, climate resilience, digital transitions, and care systems.

The **Global GESI in MSD Conversation Series**, convened by the Canopy Lab in 2025, provided a platform for practitioners to reflect on this journey. Across three sessions, participants explored how approaches evolved (2012–2020), how they are being practiced under increasing pressure (2020–2025), and what is needed going forward. The series was particularly timely, coming in the wake of significant aid budget cuts and, in some contexts, explicit pushback against GESI and DEI agendas.

What stands out about this body of work is its scale and resonance, in addition to its timeliness. More than 400 practitioners from diverse backgrounds and lived experiences shared their insights. Despite differences in geography and context, participants voiced strong consensus on what works and what is needed to do this work well. This synthesis distills those discussions and draws on technical papers, developed for the series, that trace the evolution of approaches. This brief offers donors and development partners a set of 'non-negotiables' for GESI in MSD, along with recommendations to create the space and expertise needed to do more, and do better, in the years ahead.

## Why GESI in Market Systems Development Matters



Gender equality and social inclusion are central to the performance and resilience of market systems. Markets that exclude women, youth, people with disabilities, and marginalized groups operate below their potential, missing out on innovation, productivity, and demand. Inclusive market systems are better able to adapt to shocks, attract investment, and deliver sustainable growth.

Donor investment in GESI is a lever for scale and sustainability. Embedding GESI from the outset: into analysis, partnerships, and policy engagement, helps ensure that growth is broad-based, market actors are diverse, and benefits are more equitably shared.

## Looking Back: Evolution (2012–2020)

**Early integration of gender equality considerations in economic programs often treated women as beneficiaries, emphasizing participation through microcredit, skills training, and income-generation.** Over time, programs recognized that systemic barriers such as social norms, institutions, power relations were the real constraints.

Key shifts included:

- **From access to agency and voice:** Programs moved from counting women reached to measuring empowerment, decision-making, and negotiation power.
- **From add-on to embedded:** Leading initiatives embedded WEE objectives into core program logic, sector selection, and partnership models.
- **From mainstreaming alone to twin-track:** Programs began combining mainstreamed approaches with targeted interventions to address structural inequalities.

### Early MSD programs showed that embedding gender into strategies, monitoring, and organizational culture created durable change.

Rather than being treated as an add-on, gender equality became part of how market opportunities were identified, how success was measured, and how teams worked together. This integration shifted incentives and behaviors across whole portfolios, making it harder to roll back progress even when priorities shifted. Over time, such an approach not only improved outcomes for women and excluded groups, but also fostered organizations and systems that were more resilient, adaptive, and aligned with broader development goals.



**Yet application across programs and organizations was uneven, and critical gaps persisted.** Leadership engagement, in these cases, was often superficial. Some senior managers might endorse inclusion rhetorically, but without modeling commitment or allocating resources, teams struggled to move beyond compliance.

Organizational incentives were also misaligned; staff were rewarded for delivering quick wins or meeting output targets, while the slower, relational work of shifting power dynamics and norms received little recognition or support. At the same time, practitioner capacity frequently lagged behind ambition. Many staff members were enthusiastic about inclusion but lacked technical skills, confidence, or support systems to translate commitment into practice. These gaps undermined the quality, depth, and sustainability of programming, leading to uneven outcomes and, in some cases, reinforcing the perception that GESI was negotiable rather than central to effective market systems development.

## Looking Now: Practice Under Pressure (2020–2025)

**Shocks ranging from the COVID pandemic to major aid funding cuts have heightened tensions around GESI.** Rolling back commitments in some cases and, in others, expanding expectations without matching resources. In some contexts, rollbacks such as softened or even excised inclusion language, stripped references, or reduced staff have fueled disillusionment and burnout. Practitioners described feeling pressured to downplay GESI to preserve space to operate, even while committed to inclusive outcomes. This contradiction has left many feeling morally compromised.

**“We’re being asked to deliver inclusion, but without saying the word inclusion.”**

**Some donors provide crucial backing for inclusion, but their rising expectations, especially when it comes to social inclusion, are not matched by resources.** Their commitments serve as important anchors, signaling that inclusion remains a priority on the global agenda. However, these same donors are also raising the bar without increasing the financial or human resources needed to meet those expectations. During this period, the scope for social inclusion expanded to encompass youth, people with disabilities, ethnic minorities, and other underrepresented groups. This mismatch places programs in a bind: they are encouraged to be more ambitious on GESI but are left to do so within shrinking budgets, limited technical capacity, and short timeframes. The result is that inclusion risks being stretched thin, delivered in fragmented ways, or framed as a reporting exercise rather than a transformative practice, which in turn undermines the evidence and case for greater inclusion.

***“The pressure to do more across gender, disability, and youth keeps increasing, but the support doesn’t.”***

**These pressures are compounded by capability gaps.** Even when teams support inclusion, many lack the tools, confidence, or institutional backing to translate commitment into practice. Too often GESI champions carry the work alone, leading to strain, isolation, and diluted approaches where inclusion risks being treated as negotiable. Programs are adapting by sequencing ambitions, focusing on areas of greatest impact, and treating progress rather than perfection as the benchmark of success.

### Looking Ahead: What It Will Take

**Enabling inclusion is not just about commitment, but about building the hard and soft infrastructure that makes commitment real.** Hard infrastructure includes the systems, tools, and resources such as theories of change, budgets, and dedicated staff that ensure inclusion is built into decision-making and delivery. Soft infrastructure refers to the less tangible but equally critical elements: leadership that models inclusive values, organizational cultures that reward collaboration and accountability, and spaces where practitioners feel safe to raise difficult issues or challenge prevailing norms. Without this foundation, commitments often remain rhetorical, producing short-lived or surface-level results. When both hard and soft infrastructure are in place, however, inclusion can become embedded in the way organizations think and act, creating change that is resilient to political shifts and funding cycles.

To deliver durable GESI in MSD, three conditions are non-negotiable:



Visible leadership support



Integration across program systems



Dedicated resourcing

- **Leadership backing is critical, not just in name, but in visible, sustained support that grants permission to push boundaries and protection when resistance arises.** This kind of leadership helps legitimize GESI as core to program strategy, rather than a side effort. It involves resourcing, public endorsement, and consistent follow-through, particularly when inclusion work challenges power dynamics or faces political sensitivities. Hiring senior leaders with inclusive values was seen as just as critical as technical credentials. Donors play an important role here, both by enabling and by enforcing this backing. They can set expectations for leadership engagement, rewarding organizations that prioritize it, and withholding credibility when inclusion is sidelined.

- **Systems integration requires embedding GESI into design, staffing, MEL, procurement, and performance management.** Programs that succeed cultivate cross-functional buy-in, contextualize tools, and allow flexibility to adapt to political and social realities. They combine GESI frameworks and systems approaches into a single shared vision and that deliver higher-impact programmatic tools, instead of considering them side by side. Donors play a pivotal role in this process by setting expectations for integration across the program cycle, resourcing the technical depth needed to make it meaningful, and reinforcing adaptive approaches rather than rigid compliance. Their support can determine whether integration becomes a genuine driver of change or remains a box-ticking exercise.

- **Adequate resourcing means not only funding but also time, expertise, and flexibility.** Programs require specialized GESI staff alongside broader team capability so that responsibility is shared rather than siloed. They also need discretionary funds to respond to emergent opportunities, undertake the slow work of norm change, and investment in local leadership to ensure continuity beyond program cycles. Donors play a critical role in enabling this by setting expectations that are matched with



realistic budgets and timeframes and by allowing programs to adapt and reallocate resources as contexts shift.

**With this foundation in place, GESI in MSD can move from fragile to durable.** But building durability also requires looking ahead. As the scope of inclusion expands to disability, youth, LGBTQIA+, and intersecting exclusions, the field cannot rely on frameworks originally developed for gender equality alone. Participants emphasized that strategies must evolve, ensuring that programs draw on broader, intersectional approaches while still retaining the focus and rigor that gender work has helped to establish.

**“We’ve tacked on youth, disability, social inclusion to our gender strategy without rethinking the fundamentals.”**



## Implications for Donors and Development Partners

Donors have a pivotal role in shaping whether GESI is tokenistic or transformative. The series surfaced several clear implications:



### Protect and expand political space for GESI

Donor mandates are often the single most important factor that enables programs to keep GESI on the table when governments or contexts are resistant. By setting clear expectations, donors provide legitimacy and political cover that allows implementers to push forward. Australia and the EU were frequently cited as critical counterweights to rollbacks in policy and language. Beyond signaling, donors can protect space by rewarding programs that take calculated risks, backing leaders who champion inclusion, and offering psychological and political safety when GESI work challenges entrenched power.



### Invest in capabilities and culture

Programs succeed when GESI is embedded into organizational culture and capabilities rather than treated as a compliance exercise. This means funding specialized GESI staff while also equipping broader teams with confidence and practical tools to integrate inclusion into their work. Donors can enable this by supporting peer networks, cross-functional learning, and leadership development that reinforce inclusive values. As rule setters, they can also raise the bar by requiring visible leadership on GESI, ensuring incentives push beyond “tick-boxing” and holding programs accountable for progress on real outcomes.



### Prioritize flexibility, adaptive and long-term funding to support the slow work of norm change

Rigid Theories of Change, earmarked budgets, and inflexible procurement criteria often undermine responsiveness to real-world complexity. Programs need discretionary funds and adaptable structures to seize emerging opportunities, respond to political openings, and meaningfully engage marginalized groups. Donors have a decisive role as system-level actors: they set the rules that determine whether flexibility is possible, whether funding for slow norm change is safeguarded, and whether programs are rewarded for navigating complexity rather than sticking to the script. When donors pair ambition with adaptive funding and accountability for results, they keep space open for the long-term, often slow work of shifting norms that underpins sustainable change.

## Recommendations for Implementing Partners

Implementing partners are the bridge between donor ambition and on-the-ground change. Their role is to translate high-level commitments into contextually grounded strategies and practice. Drawing from the series discussions, several priorities emerged:

➤ **Anchor inclusion in core strategy and governance**

Position GESI as central to how sectors, partners, and investments are selected and managed, not as a separate stream of work. Build internal accountability by integrating inclusion metrics into performance systems and leadership reviews.

➤ **Invest in people and teams**

Develop GESI capabilities across all functions, technical, operational, and managerial, so responsibility is shared. Create peer learning spaces and mentoring opportunities for GESI champions to reduce isolation and sustain motivation.

➤ **Foster adaptive management and contextualization**

Apply frameworks flexibly to reflect local realities, political sensitivities, and shifting social norms. Use iterative learning and feedback loops to adapt strategies over time, documenting what works and why.

➤ **Model inclusive leadership and culture**

Ensure that managers at all levels visibly support GESI goals, model inclusive behaviors, and provide psychological safety for staff to raise challenges or experiment with new approaches.

➤ **Empower marginalized voices through facilitation and feedback**

Inclusion in MSD is not only about who benefits but who shapes the system. Facilitation processes, partnership models, and MEL systems should actively elevate the perspectives of women, youth, people with disabilities, and other underrepresented groups. This means involving them in diagnosis, strategy design, and feedback loops, ensuring that change processes reflect their lived realities.

## Conclusion

The Global GESI in MSD Conversation Series revealed both the resilience of inclusive practice and its vulnerabilities. Practitioners remain deeply committed, yet they are stretched by expanding mandates, limited resources, and political headwinds. The message for donors and implementing partners is clear: inclusion remains vital to thriving and resilient market systems and requires leadership that champions the work, systems that embed it, and resources that make it possible.

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