



**DCED Annual Meeting
2024
3-6 June
Washington, DC**

Minutes

17 June 2024

The 46th DCED Annual Meeting took place in Washington, DC, 3-6 June, hosted by USAID, The World Bank and IFC. It was attended by about 90 participants across the four days, including representatives from 17 member agencies, potential member agencies, and thematic day speakers from research organisations, governments and the private sector. Presentations and other materials are being posted on the [Annual Meeting web page](#) as they become available.

Working Group Meetings and Open Sessions, 3-4 June

Detailed Working Group Minutes will be shared with participants in due course.

The [Results Measurement Working Group \(RMWG\)](#) met on the morning of 3 June with 20 participants, chaired by Rens Twijnstra, NL MOFA. After a round of introductions and member updates on results measurement priorities, Nabanita Sen Bekkers and Muneeb Zulfiqar presented on the evolution and work of the RMWG. They also introduced the [DCED Standard for Results Measurement](#), which is a widely used framework for improving the quality of monitoring and ultimately evaluation in PSD. This was followed by an interactive discussion, including on how future RMWG work can continue to help improve the quality of RM by members and implementing agencies. Work items topics in FY25 will include measuring system change, measuring the impact of green PSD, and preparations for an update of the DCED's existing [PSD evidence framework](#). In the final session, Dean Karlan, USAID's Chief Economist joined the group for a lively discussion on using experimental methodologies in research design to inform evidence-based policymaking. Dean explained how experimental research design can be adjusted to suit research objectives and contexts, including how it may be applied to look for the impact of systemic interventions. He emphasized the need to dedicate enough resources to evaluation and using it for learning and improving work.

The [Women's Economic Empowerment Working Group \(WEEWG\)](#) met all day on Monday 3 June. 37 participated in person and online across the day's sessions, which were chaired in the room by Ruta Aidis (USAID) and online by Karen Moore (GAC). The meeting began with an introduction to the WG's recent and current work items. This included a presentation of the findings from the WG's gender-lens investing workstream by Jessica Neumann (UNIDO) and a discussion on the role of donor agencies in training investors, as well as an update on the WEE and climate workstream from Ella Duffy (DCED Secretariat). An overview of the FY25 work plan was followed by a full round of member agency updates. Corinne Hart then presented on USAID's work at the intersection of gender and climate, including a focus on their new [Climate Gender Equity Fund](#). Discussions focused in particular on the risks of not incorporating a gender lens in climate finance. Colleagues from the World Bank and [CGAP](#) then led an interactive workshop, which included both methodology and practical case studies of considering social norms in PSD

policies and programmes. Participants were particularly engaged in discussions on the realities of implementing such methodologies given timeframes and budgets in their own agencies.

The [Business Environment Working Group \(BEWG\)](#) met all day, with up to 26 participants for some sessions (10 participants online). Simon White started the meeting with a presentation on the FY25 BEWG Work Plan and Budget, followed by member comments. The group then held a technical exchange on Data and Toolkits to guide and prioritise Business Environment Reform programmes. Valeria Perotti (World Bank) presented the Bank's new flagship report benchmarking the business environment and investment climate, [Business Ready \(B-READY\)](#). The report assesses the regulatory framework and public services directed at firms, and how efficiently they are combined in practice. Sylvia Solf and Silvia Muzi (World Bank) presented the World Bank Investment Climate Assessment 2.0 Policy Toolkit ("Enabling Productive Investment"). An additional technical exchange with JICA and J-PAL focused on Evidence to Inform Innovative Programs for SME Growth. JICA presented its PSD strategy while J-PAL shared evidence on business training and market access, as well as case studies from JICA's Africa Kaizen Initiative. The BEWG also continued its internal 'pause-and-reflect' discussions on how the group may adjust its ways of working to best serve its members' needs.

The [Green Growth Working Group \(GGWG\)](#) met in the morning of Tuesday 4 June with 20 participants. Ella Duffy (DCED Secretariat) chaired the meeting, which began with an introductory overview of the history of the group, recent work, and modes of working. Florian Güldner presented updates on two ongoing workstreams from FY24 before the group moved to a lively discussion on current agency work and specific angles to be explored in the GG WG's two new workstreams for FY25: considering the role of trade and MSME development to drive a just transition, and considering the role of SMEs in the transition to a circular economy. Following a general round of member updates, the final session of the meeting spotlighted two pieces of ongoing work in UNIDO and USAID, on circular economy and green jobs, respectively. Q&A covered questions such as how to measure how 'green' a job is, and the importance of creating new green jobs that are also *decent*.

The [Market Systems Development Working group \(MSDWG\)](#) met on Tuesday 4 June morning, with 8 WG members and 3 observers, chaired by Mike Albu (DCED Secretariat). Members were introduced to the new acting Co-Chair Karen Kimami (Gatsby Africa). The first part of the meeting consisted of a review of the FY 25 Work Plan. Members discussed priorities in the light of an ExCo request to reduce the original budget as well as preparations for the DCED Global Seminar in October. In the second part of the meeting, members focussed in depth on plans relating to two workstreams: the MSD for Employment activities and the MSD for Trade follow up study. Mike Klassen (DCED Secretariat, online) responded to member questions and explained plans to collaborate with expert practitioners in the MSD4E community of practice. On Thursday 6 June afternoon, several MSD WG members also held a meeting with the leadership team from USAID's Markets Systems & Partnerships activity. Several iareas of collaboration were discussed: including knowledge management (relating to the BEAM Exchange), MSD tools library, ex-post evaluations and involvement in the DCED Global Seminar.

The [Private Sector Engagement Working Group \(PSEWG\)](#) met on 4 June with 14 participants (including 2 online) and was chaired by Tobias Zeller (GIZ). He started the meeting with a brief overview of the group's [operational framework for PSE](#) and ways of working. Melina Heinrich-Fernandes (DCED Secretariat) shared highlights from the group's work over the past few years

before Tobias presented key work items for FY25; these include developing an overarching theory of change on PSE, and an exploration of donor and DFI roles in mobilising private finance. During the following session, representatives from USAID's PSE Hub presented selected elements of USAID's PSE Modernize Reform Initiative, which targets critical USAID systems to enable more effective engagement with the private sector. The presentation focused on measures to elevate USAID's talent and capacity to engage, to improve the partner experience, and to enhance the effectiveness of USAID's engagement.

The first afternoon session (held jointly with the MSD WG) served to explore opportunities for **greater collaboration and learning between donors and DFIs**. Marcelo Cabrol of IDB Lab shared its approach to fostering early-stage innovation with a focus on technology and entrepreneurship. This was followed by a presentation from FMO (Dutch Development Bank) on its new Market Creation Platform which aims to combine building a pipeline of bankable projects for DFIs and impact investors in four sectors with strengthening the ecosystem in those areas. More details can be viewed in their presentation shared with members alongside this draft BTOR. FMO is keen to learn from, and collaborate with donors on this platform and welcomes any feedback on their plans.

Member consultation on USAID's new economic growth and trade policies. During the final session of the day - which was open to all DCED members - USAID invited reflections on selected elements of its new Economic Growth and Trade Policy strategies. This included evidence gaps in the areas of industrial policy, business formalisation and gender equality. DCED members were also encouraged to comment on the draft strategies when external consultation starts in mid-July.

Thematic Day, 5 June: The Future of PSD at the Nexus of Green and Digital Transformations

The future of PSD will be significantly shaped by climate change and the digitalisation of the global economy. This Thematic Day aimed to inspire and inform members, by showcasing current experiences, evidence and debates on how to manage risks and maximise economic opportunities linked to the green and digital transitions. It was moderated by Kate Warren, Executive Editor and Executive Vice President of [Devex](#). All speaker bios can be viewed [here](#). Presentations are being made available on the [DCED Annual Meeting web page](#).

Opening remarks

By Merten Sievers, DCED Co-Chair and Global Coordinator, Value Chain Development and Entrepreneurship, ILO and Meaghan McGrath, Global Head, Partnerships and Fundraising, IFC

Merten Sievers and Meaghan McGrath welcomed participants to the Thematic Day. Merten Sievers highlighted that the theme was chosen in response to the DCED member survey, in which Green Growth emerged as the top thematic priority of members agencies, while digitalisation was also shown to be of growing member interest. In addressing the twin green and digital transitions, PSD donors had the role of finding the 'sweet spot' where the inclusive, green and digital agendas meet market opportunities. Meaghan McGrath emphasised that seizing these market opportunities will require governments to mobilise private capital for the often high-risk and innovative investments

needed. She also highlighted that these two agendas don't just exist in parallel, but that particular opportunities exist in harnessing digital technologies specifically for the green transition.

Session I: Setting the stage: Future trends shaping risks and opportunities for PSD at the nexus of green and digital transformation

With Mekala Krishnan, PhD, Partner, McKinsey Global Institute; Annabel Farr, Engagement Manager and Research Fellow, McKinsey Global Institute; and PeiChin Tay, Senior Policy Advisor, Tony Blair Global Institute.

This session provided high-level insights into how climate change on the one hand, and artificial intelligence (AI) on the other hand, are shaping the future context of PSD in developing countries.

- *Mekala Krishnan and Annabel Farr* presented on the both challenges and opportunities linked to climate risks and the net-zero transition for developing countries. Developing countries face strong needs for adaptation, with workforce productivity severely impacted by heat and significant downstream effects of climate shocks for unprepared supply chain actors. In supporting global efforts towards mitigation and the net-zero transition, the priority for developing countries is not to decarbonise their growth but to set themselves up on a pathway for low-emission growth. Key entry points are their main emitting sector, starting with power generation and industry, followed by agriculture and land use. This will require substantial financial commitments (of about 10% of developing country GDP) while managing tensions (e.g., with respect to the affordability of 'low-carbon' farming techniques) and trade-offs (e.g., regarding financing needs for adaptation and other development goals).
- *PeiChin Tay* presented on the effects of artificial intelligence (AI) on the future of work. AI involves several high-level challenges for the developing world, including the need to bridge the growing digital divide and leverage economic opportunities linked to digitalisation; managing the energy intensity and climate risks of AI; and enhancing governance to manage AI and address potential negative effects. While AI tends to be mainly seen as a risk to high-skilled knowledge workers globally, PeiChin drew a more nuanced picture when it comes to effects on the labour market in developing countries. For example, AI can help improve job quality, replace dangerous work and improve the performance of lower-skilled workers. It can, however, also foster income and gender inequality, increase risks of workplace surveillance, displace jobs and lead to the creation of low-end service economies. Priorities for donors should therefore include workforce development to re-skill low-wage workers in particular, and promoting policies and regulations to promote rights and safeguards for workers.

Session II: Future-proofing business: Companies and entrepreneurs leading the green and digital transformation

With Aleix Megías Homar, Chief Operations Officer, Open Cosmos, Alhasan Islam Tarawally, Chief Executive Officer, Green Energy Charcoal Briquettes Enterprise (Sierra Leone), and Natalie Shemwell, Strategic Partnerships Manager, SME Climate Hub, We Mean Business Coalition

The session explored how individual firms have leveraged business opportunities linked to the green and digital transformation through innovative business models and/or adapted their approaches to the new challenges posed by digital and climate change.

- *Aleix Megías Homar* described how [Open Cosmos](#) is using satellite data and AI-powered data to support governments and other actors in efforts to address climate challenges and enable a green transition. Open Cosmos is in the process of building open-source satellite infrastructure and associated global data platforms, allowing public and private sector actors globally to access and process data. There is still a lack of awareness by governments of the value of satellite data in monitoring and addressing climate impacts, but also significant potential in its use going forward.
- *Islam Tarawally* shared perspectives from a developing country SME on adopting a circular economy business model. Based in Sierra Leone, Islam's business produces smokeless, efficient green charcoal briquettes from abundant agricultural waste. This has the potential to reduce deforestation and transform the energy landscape in Sierra Leone, where most people rely on firewood or expensive, imported gas for cooking. While his business has grown substantially in recent years, it requires finance to reach scale.
- *Natalie Shemwell* spoke about the [We Mean Business Coalition](#)'s programmatic efforts to support SMEs and catalyse policy action to halve emissions by 2030 and accelerate an inclusive transition to a global net-zero economy by 2050. The Coalition's recent survey of its 8,000 members highlighted several barriers SMEs face when it comes to reducing emissions, in particular access to financial support, government regulations that take into account the realities faced by SMEs, and knowing where to find practical guidance, training and other enabling resources.

Session III A: Regional and international harmonization and cooperation for green and sustainable investment

With Antoine Kajangwe, Director General of Trade and Investment, Ministry of Trade and Industry of Rwanda, Claudia Locatelli (virtually), Counsellor, WTO Secretariat, and Roslyn Ng'eno, Senior Investment Expert, AfCFTA Secretariat; moderated by Ivan Anton Nimac, Global Lead for Investment Policy and Promotion, World Bank

This session focussed on the role of regional harmonization and international collaboration for green investment through agreements for investment facilitation and trade. *Claudia Locatelli* of the WTO took participants through an exploration of the Investment Facilitation for Development Agreement (IFDA), and how it can help in enhancing investment facilitation and the business environment for sustainable development. *Roslyn Ng'eno* then reflected on the provisions of the African Continental Free Trade Area Agreement (AfCFTA) as a catalyst for improving green intra-African trade and investment, such as by assisting country governments in simplifying business registration. Lastly, *Antoine Kajangwe* shared Rwanda's experiences in supporting and implementing such agreements, focussing on operationalising provisions on climate change and environment protection and the challenges of financing the green transition.

Session III B: Enabling systemic solutions to climate adaptation and mitigation: Perspectives from donor PSD programmes

With Steve Hartrich, Project Coordinator, Systems Change Initiative, ILO, Chris Roe, Lead, Entrepreneurship, Solutions and Ventures Cluster, EIT Climate-KIC and Patrick Obonyo, Program Manager, IKEA Foundation

This session featured two different donor-funded PSD initiatives that seek to facilitate systemic solutions for climate adaptation and mitigation.

- *Steve Hartrich* shared initial operational lessons from two green Market Systems Development pilot interventions in Ghana. Success factors included flexible funding from Sida to explore green MSD opportunities, and collaboration with ILO's Just Transition team in designing interventions. Demonstration projects and stakeholder dialogue were key in generating private sector buy-in for adopting more productive and greener practices. Quantifying environmental impacts remains a challenge, while the relatively small scale of expected emission reductions from agricultural activities may suggest bigger value for money in adaptation efforts. The pilot projects also suggest possible trade-offs between employment and environmental outcomes; where green MSD efforts risk displacing jobs, programmes may need to consider mitigating measures.
- *Chris Roe and Patrick Obonyo* shared their experiences in building entrepreneurial ecosystems that advance a transition to Circular Economy. They presented the economic and environmental impacts of a partnership with the government of Slovenia to catalyze a circular innovation ecosystem and how this experience is being adapted in India and Kenya. As switching to a circular economy generates both 'winners and losers', they echoed the need to demonstrate quick wins to generate stakeholder buy-in and to mitigate possible negative impacts. They also highlighted the importance of adaptive management and results measurement during implementation to build a portfolio of promising climate innovations.

Session IV: Regulating tomorrow: Shaping the future of innovation for competitive and green growth

With Karin Wedig, PhD, Sector Program Lead, Economic Policy and Social-Ecological Transformation, GIZ and Lukas Cavada, Executive Coordinator for International Affairs, Austrian Federal Competition Authority

Industrial policy and competition policy are two cornerstones of government efforts to accelerate the green transition: Industrial policy is focused on stimulating innovation and adoption of green(er) practices by key companies and sectors, while competition policy is preoccupied with preventing the market dominance of individual actors and facilitating the ease of market entry. Karin Wedig and Lukas Cavada presented on experiences at the intersection of these potentially symbiotic or conflicting policy tools.

- *Karin Wedig* explained that the case for green industrial policy in developing countries is particularly strong because of a combination of serious market failures, a high degree of technological uncertainty and the time pressure linked to the climate crisis. The political

economy in developing countries however involves heightened risks of government failures, from corruption to mis-allocation of resources; this requires support to careful management and monitoring of Industrial Policy. In addition to the green dimension, German cooperation promotes industrial policy that is also socially transformative, by actively counteracting negative distributional effects caused by structural economic changes. Karin highlighted practical examples of support, including through the Investment Climate Reform Facility.

- *Lukas Cavada* shared Austria's experiences in introducing and implementing cartel and competition law that is better aligned with environmental sustainability goals. In particular, a sustainability exemption was introduced to cartel law, which, subject to certain conditions, allows companies to form cartels if these contribute to improved production or distribution of goods or promote technical or economic progress. Sustainability guidelines have been developed to help companies planning to enter into sustainability agreements to better understand the application of cartel law. One example is the joint distribution of goods by companies to save transport costs and CO2 emissions.

Session V: Regional experiences in Africa and Latin America: Barriers and opportunities in facilitating the green and digital transformations

With Manuel Albaladejo, UNIDO Representative for Uruguay, Argentina, Chile and Paraguay, Yuri Soares, Chief Impact Officer IDB Lab, and Marcio Cruz, Senior Economist, IFC

The session explored constraints, risks as well as opportunities faced by businesses related to the green and digital transformations as well as development partner approaches to respond to these. Manuel Albaladejo and Yuri Soares discussed aspects of the green transformation in Latin America, while Marcio Cruz focused on insights into businesses' digital transformation in Africa.

- *Manuel Albaladejo* reflected that the circular economy had become a mainstream element of green transition efforts globally but that circularity is actually low and on the decline globally (according to recent [The Circularity Gap reports](#)), with adoption even below global average in Latin America. This may be due to several factors; a lack of market demand (which could be stimulated by public procurement); lack of a broader enabling environment for circular business models; and relatively too much support to low-tech intensive recycling initiatives in comparison to more technologically advanced activities.
- *Yuri Soares* then described specific private sector challenges in climate tech adoption, including IDB Lab's efforts in nurturing an ecosystem for climate tech. While this includes direct funding for innovative, early-stage entrepreneurs, he also highlighted the need for better regulation enabling innovation in financial instruments, better integration of state-sponsored R&D and entrepreneurship support, and better measurement and standardization of environmental results including biodiversity.
- Shifting the focus to business barriers and opportunities linked to digitalisation, *Marcio Cruz* presented key findings from a recent World Bank report on [Digital Opportunities in African Businesses](#). The study highlights access to electricity and the costs of digital

equipment and software as key obstacles to digitalisation. It recommends investments in digital infrastructure, more systematic support for Africa's tech start-up sector and financing firms' adoption of digital technologies in order to unlock the economic potential of digitalisation.

Closing remarks

By Gillian Caldwell, Chief Climate Officer and Deputy Assistant Administrator, Bureau for Resilience, Environment and Food Security, USAID and Mona Haddad, Global Director for Trade, Investment and Competitiveness, World Bank

Gillian Caldwell highlighted the unprecedented challenges posed by accelerating climate change, in particular large-scale population displacement, the reversal of poverty reduction gains and the costs of climate-related disasters. Funding for climate change resilience needs to rise from currently \$50bn to \$300bn per year - and a large share of this will have to come from the private sector. She suggested that donors should focus on mitigation, eliminating fossil fuel subsidies, combating 'greenwashing' and investing in the core pillars of a low carbon future, in particular clean energy, nature conservation and new financial mechanisms to de-risk critical investments by the private sector. *Mona Haddad* highlighted that in the current context of stagnating growth, rising public debt and the urgent need for job creation, the role of the private sector is more important than ever. However, this sits against a backdrop of growing geopolitical tensions, accelerating climate change and unpredictable impacts from rapid technological change. She closed the day with a call for greater collaboration amongst development agencies to tackle these challenges together.

Business Day, 6 June

The Business Day started with a session of member updates on the latest development in PSD in their agencies. Presentations are being made available on the [DCED Annual Meeting web page](#).

Liliana de Sá Kirchknopf (SECO, Co-Chair) welcomed members to the Business Session, in which 16 member agencies were represented. Melina Heinrich-Fernandes presented key elements of the DCED Work Plan for FY25 in response to the DCED member survey, which particularly include new activities

- to better understand and address member interests in the area of finance, focusing on elements not currently covered in other fora;
- to further digitalise the DCED's own work and enhance the DCED's knowledge offer on digitalisation and PSD; and
- to enhance cross-working group knowledge sharing and collaboration, especially on themes to be addressed in multiple groups (e.g., green growth, finance and results measurement).

Overall, all Working Groups are very active, with planned activities and budget requests having steadily increased over the last few years.

Anna Rykova and Andrei Leonov then presented the financial projections for the DCED Trust Fund. Overall, they considered the Trust Fund balance to be healthy and, thanks to substantial reserves, sufficient to cover the expected expenditures. Annual income from membership contributions

(both paid in advance for FY25 and to be received during FY25) is however lower than expected expenditures. The IFC will continue to monitor this situation. Merten Sievers remarked that the ExCo will also continue to reflect on what might be done to either increase income or reduce costs in the coming years; any suggestions will be run by members, possibly as part of the next member survey.

Member agencies approved the Work Plan and Budget by acclamation. They also proceeded to approve the annual DCED Progress Report by acclamation.

Liliana de Sá Kirchknopf announced that she will step down from her role as DCED Co-Chair after 6 years and move to a new position at the EBRD; she praised the DCED as a unique network with a collaborative approach. Merten Sievers warmly thanked her for her service and active support to the DCED. The following candidates were then elected or re-elected:

- Elisabet Montgomery, ExCo members since 2020 was elected as Co-Chair.
- Merten Sievers, ExCo member since 2019 and Co-Chair since 2022, was re-elected as Co-Chair.
- Rens Twijnstra, ExCo member since 2022, was re-elected as ExCo member
- Due to Liliana leaving and Elisabet standing for Co-Chair election, there was one ExCo vacancy. Meaghan McGrath, Global Head of Partnerships and Fundraising, IFC, was elected as ExCo member.

Elisabet Montgomery then proceeded to chair the remainder of the meeting.

- No member agency volunteered yet to host the 2025 Annual Meeting. The DCED Secretariat will follow-up with individual agencies to explore their interest in hosting the event.
- No new agency applied for DCED membership. Patrick Obonyo of the IKEA Foundation however highlighted the Foundation's possible interest in becoming a DCED member, pending internal approval. The IKEA Foundation is already active in several Working Groups and derives a lot of value from the exchange with other agencies. They also hope to share their own approaches and lessons learnt through the DCED. Should they be in a position to formally apply for membership during the year, ExCo will explore a non-objection vote by members by email in order to avoid waiting until the next Annual Meeting. Members approved of this approach by no-objection.

Under Any other Business, Merten Sievers and Melina Heinrich-Fernandes expressed their sincere thanks to Urkaly Isaev, Anna Rykova and Andrei Leonov of the IFC for their much appreciated efforts in managing the Trust Fund; Melina Heinrich-Fernandes further thanked USAID, the World Bank and IFC for hosting the Annual Meeting, and in particular Moussa Traoré (USAID) and Sylvia Solf (World Bank) for their efforts in organising the event. Elisabet Montgomery then closed the Business Session.

Annex: List of participants (voting member representatives, potential member representatives, ExCo and presenters) in the Business Session

1. Gottfried Traxler, ADA
2. Tom Sanderson, FCDO
3. Mika Vehnamaki, Finland MoFA
4. Karin Wedig, GIZ
5. Brian MacDonald, IDRC
6. Meaghan McGrath IFC
7. Anna Rykova, IFC

8. Andrei Leonov, IFC
9. Urkaly Isaev, IFC
10. Patrick Obonyo, IKEA Foundation
11. Merten Sievers, ILO
12. Maeve McLynn, IrishAid
13. Robert Skidmore, ITC
14. Jun Saotome, JICA
15. Rens Twijnstra, Netherlands MoFA
16. Hans Inge Corneliussen, Norad
17. Luca Etter, SDC
18. Liliana de Sá Kirchknopf, SECO
19. Elisabet Montgomery, Sida
20. Moussa Traoré, USAID
21. Kristin O'Planick, USAID