



The 45th DCED Annual Meeting took place in Geneva, Switzerland, 19-22 June 2023, hosted by ITC, ILO, The Argidius Foundation, SDC and SECO. It was attended by 120 participants across the four days, including representatives from 18 member agencies, several potential member agencies, and thematic day speakers from the public and private sector. Available presentations and other materials can be viewed on the [Annual Meeting web page](#).

Working Group Meetings, 19 and 20 June

All six DCED Working Groups met on 19 and 20 June, including two joint Working Group sessions by the WEEWG and GGWG, and the BEWG and GGWG respectively. Full Minutes for the Working Group meetings including participants lists will be posted on the respective Working Group pages shortly (see hyperlinks in text). Brief summaries are included below.

The [Results Measurement Working Group](#) (RMWG) met in the afternoon of 19 June, with 27 participants. The meeting started with an introduction to the DCED Standard for Results Measurement, which is a popular framework for enhancing the quality of monitoring, and ultimately of evaluation in PSD. The group discussed whether and how the Standard has been able to influence the quality of results in the field and how this influence could be enhanced further. Two technical exchanges followed:

- Rens Twijnstra and Zoe Rouwhorst from The Netherlands Ministry of Foreign Affairs and Lidwien Sol from Netherlands Enterprise Agency (RVO) facilitated an interactive session on the challenges of assessing systemic change at the portfolio level.
- Matt Ripley and Merten Sievers from ILO presented on the main challenges in measuring job quality and how they could be addressed.

The group agreed that both are important topics for future exchange and guidance development. As such, the group requests an extra US\$30,000 from the DCED Trust Fund for a scoping study on measuring and reporting systems change at the portfolio level. An online meeting is planned for September to discuss concrete next steps. Rens Twijnstra expressed his interest in chairing the group.

The [Green Growth Working Group](#) (GGWG), also met in the afternoon of 19 June, with 23 participants. The meeting was chaired by GGWG Chair Mette Grangaard Lund, ILO. As part of the member updates session, participants took part in lively discussions on the state of green growth activities in their organisations. In the two sessions that followed, members learned from UNIDO about their green industrial policy portfolio of work, and from ILO on the Just Transition Guidelines following the recent International Labour Conference. Key issues discussed during the sessions included green mainstreaming, National Determined Contributions (NDCs) under the Paris Agreement, how to measure success in green industry programmes, and dealing with informality in a just transition. Discussions on just transition continued the following day with a joint meeting with the WEE WG on integrating gender into the idea of a just transition, and with the BEWG on environmental standards.

The [Private Sector Engagement Working Group](#) (PSEWG) met all day on 20 June, with 21 participants. It was chaired by Tobias Zeller, BMZ/GIZ, and Katie Garcia, USAID. The meeting started with a panel discussion on recent PSE portfolio evaluations and reviews in SDC, SECO, BMZ/GIZ, The Netherlands Ministry of Foreign Affairs and USAID. Panellists discussed factors driving PSE effectiveness, both at implementation and organisational level, highlighted areas of improvement in how agencies measure and communicate PSE impacts, and shared tips with participants on how to ensure a good quality evaluation. Members remained keen on the planned work item of a short synthesis of recent

evaluations, and agreed on key elements of the ToR. Melina Heinrich-Fernandes then presented interview findings and key options for updating the DCED's 2014 Guidelines on Demonstrating Additionality in PSE. This led to a lively discussion, with members providing feedback and volunteering additional inputs. Members also discussed new developments in the field of Responsible Business Conduct and possible implications for PSE. In the final session on agency updates, members highlighted recent innovations in their PSE work.

The [Market Systems Development Working Group](#) (MSDWG) also met all day on 20 June, with 25 participants. It was chaired by Margot Lobbezoo and Pauline Baars of the Dutch Centre for the Promotion of Imports (CBI). The meeting started with an interactive member update session, in which members shared successes and challenges in MSD. Key challenges highlighted included how to enhance capacity in embassies, field teams and partner organisations; using MSD in conflict-affected environments and during responses to shocks; and applying MSD in sectors other than agriculture. Task teams then met for planning and discussion of three work items: MSD and trade, MSD for employment and vocational skills development, and MSD and systems change. The afternoon discussions focused on the future of MSD in the context of desired global transitions and involving youth in programme design and implementation. The group confirmed the wish for a global event next year.

The [Women's Economic Empowerment Working Group](#) (WEE WG) also met all day on 20 June, with 21 participants. It was chaired in the room by Ella Duffy, DCED Secretariat, and virtually by WEE WG Chair Karen Moore, GAC. The main aims of the meeting included learning from ILO colleagues on how gender fits into the concept of a just transition, to share member agency updates on WEE, and for task teams to update the WG on work item progress. The meeting also included a deep dive into feminist foreign policies, with presentations from BMZ/GIZ, Sida and GAC. The topic attracted rich discussion, including on how to deal with social norms around gendered separation in the care economy, the difficulties of programming in the context of changes in donor government priorities, and on how to deal with partner governments and partner organisations that do not share the same priorities around women's rights.

The [Business Environment Reform Working Group](#) (BEWG) met in the morning of 20 June, with 8 participants. It was chaired by Sylvia Solf, World Bank Group, and Moussa Traoré, USAID. The group confirmed their work plan and budget and reviewed recent work items. It also agreed on the continuation of the current Co-Chairs and thanked them for their support. Simon White presented the 2008 Donor Guidance on Business Environment Reform (BER) and subsequent Annexes; this was followed by a discussion on a possible process for revising the guidelines in a participatory manner. The meeting concluded with a joint session with the GGWG on the BEWG's work item on BER and Environmental Compliance.

In the afternoon of 20 June, Rens Twijnstra, Netherlands MoFA, organised an informal discussion with interested members on whether and how agencies are addressing the **decolonisation of aid**. Different aspects were discussed, such as how to create awareness of the colonial past and how this influences the present, and mechanisms for making policies and programming fairer and more inclusive. There was interest in bilateral follow-up exchanges on the topic.

Thematic Day, Wednesday, 21 June 2023, on SMEs: ~~The Missing~~ Transforming Middle

Opening remarks

Liliana de Sá Kirchknopf, Head of the PSD Division at SECO and DCED ExCO Co-Chair, and Mia Seppo, Assistant Director-General of the Jobs and Social Protection Cluster at ILO, began the day with welcoming remarks and scene-setting. Liliana highlighted the strong interest and participation in the 45th DCED Annual Meeting, indicating that the DCED is flourishing; it showed that the DCED, and the day's focus on SME development, remain very relevant. Liliana also pointed out that SME support needs to be complemented by an understanding of the larger picture, including market systems and

conducive framework conditions that enable all businesses to flourish. The DCED has working groups on these issues, too. Mia Seppo then summarised the challenges that donor and development agencies face in supporting and funding SMEs, particularly the deficit in decent work, social protection, and the overarching challenges associated with the climate crisis.

Entrepreneurs rising to simultaneously deliver social, environmental and economic impacts

Mary Mwangi (Argidius Foundation) interviewed Jane Maigu about her experience with launching and growing her macadamia nuts business Exotic EPZ in Kenya. From her early struggles to raise start-up capital to employing almost 200 people at the beginning of 2023, Jane highlighted some of her key lessons in navigating business and economic challenges, including:

- Businesses starting from an informal basis face significantly higher barriers to growth than companies in the formal sector;
- Business Development Services (BDS) can make a significant positive difference if provided at the right moment in a company's growth journey;
- BDS providers without practical business experience are unlikely to add significant value to the companies they want to support; and
- Donor programmes and other support agencies should be willing to support companies based on their growth potential and not just on past performance.

The value of specific support system dimensions: Business Development Services. Building markets of SME support proven to be effective

With Dean Karlan, IPA/USAID, Marnix Mulder, Triple Jump/ Dutch Good Growth Fund; Nicholas Colloff, Argidius Foundation; moderated by Rebecca Harrison, African Management Institute

This session explored viable support systems for SMEs. It was suggested that there is no evidence to suggest that Business Development Services, especially in the form of classroom training, are commercially viable or valuable. It is more effective and efficient to create support systems, which include persons with practical business experience, to help starting entrepreneurs overcome challenges (e.g., making them follow a 'reverse curriculum'). Such support can be embedded in financial instruments to cover costs and reduce risks.

The value of specific support system dimensions – Financial innovation for SMEs and the SDGs: new and renewed financial institutions and instruments tackling multiple challenges

With Joshua Bicknell, Balloon Ventures; Yofi Grant, Ghana Investment Promotion Centre; Dean Karlan, IPA/USAID; Naomi Ndele, Kenya Commercial Bank; and Josien Sluijs, SDG Impact Finance Initiative; moderated by Piers Cumberlege, The Ground Up Project

This session considered the barriers to effective financial intermediation for SMEs in developing countries. A wide range of barriers were cited, including the high perceived risks associated with SME lending, unwillingness by most financial institutions to lend against business potential rather than actual performance, and the apparent focus by donor programmes on 'trendy sectors' which risks leaving many SMEs in more traditional sectors behind. Amongst the many potential solutions proposed were greater investments in financial systems (e.g. credit ratings agencies), a call to pilot and scale up new approaches to SME lending based on experience from the microfinance sector, and more systematic cooperation between donors and DFIs to crowd in additional capital for SME lending and investments.

Empowering the green transformation: Taking a systems approach or promoting green enterprises?

With Siri Lijfering, INCLUDE; Isaac Cowan-Gore, ILO; Kristin O'Planick, USAID; moderated by Mette Grangaard Lund, ILO

The session featured two presentations: Siri Lijfering shared her thoughts on the need to promote green enterprises, but also the need to take a systems approach in parallel. Isaac Cowan-Gore shared his experience with the market systems development approach, and the need to intervene holistically to achieve real impact. Kristin O'Planick was then interviewed by Mette, speaking on USAID's two-

pronged approach as laid out in their Climate Strategy. The following discussion focussed on the challenges around programming for long-term development when political priorities change with new government administrations, and the need to connect both systems approaches and support to individual SMEs.

Weaving together multiple support: Bringing together advances in key dimensions of SME Development to accelerate transformation

With Anne Mutahi, Presidential Advisor and FSDK board member; Peter McCullin, CACCI; Miguel Campo-Llopis, EC; moderated by Anne Chappaz, ITC

This session featured representatives supporting SMEs on behalf of a national government, chambers of commerce and a donor programme. They discussed the importance of creating a coordinated support system for SMEs that can cater to SMEs' different and changing needs during their growth journey. Different organizations can play different roles in supporting them. Sufficient coordination ensures that these varying needs can be met.

Transformation need scale – what is our best bet?

With Daan van der Meer, Netherlands MoFA; Gareth Davies, Tandem Consulting; Alex Kucharsky, BII; Tonderai Manoto, ILO; moderated by Andrea Inglin, SDC

Gareth Davies opened this session by synthesizing key lessons by PSD actors on scaling innovations, with case studies of both success and failure from Kenya. Tonderai Manoto then reflected on this with frank insights on the challenges of working with the private sector in Sierra Leone, while Daan van der Meer added a case study from the cocoa sector in West Africa. Alex Kucharsky talked on the need to bridge the divide between donors and development finance institutions. The discussion focussed on the need for coordination at the country level, and designing finance that targets women's needs.

Wrap-up

With Merten Sievers (ILO), Diepak Elmer (SDC) and Nicholas Colloff (Argidius Foundation)

Nicholas Colloff shared that he was excited by the enthusiasm of all participants around SME support, and invited DCED members to consider forming a working group specifically on SME development. Diepak Elmer shared his view on other opportunities for the DCED, such as to focus more on PSD in conflict-affected areas and to think about the role of the DCED and its working groups in the context of Ukraine's reconstruction processes. He suggested that this could include more joint action by DCED members, e.g., by setting up a system whereby a lead donor prepares an investment deal to which others can contribute to achieve greater scale and impact. Merten Sievers reiterated the challenge posed by climate change and the need for a just transition, suggesting that this could perhaps be discussed more at the Market Systems Development Working Group's 2024 Global Seminar.

Closing remarks and thanks to Jim Tanburn

Merten Sievers was then joined on stage by members of the DCED ExCo and informed the audience that a new contract for the DCED Secretariat had been awarded to the existing team. As part of some changes in the team set-up (see Business Session below), Jim Tanburn will step down as DCED Coordinator and take on the role of Senior Advisor to the team. On behalf of the ExCo and DCED members, Merten emphasized Jim's important role in growing the DCED into an influential and trusted network for members and warmly thanked him for his 19 years of service as DCED Coordinator. He then gave the floor to Melina Heinrich-Fernandes, incoming DCED Coordinator. Melina highlighted Jim's impact on good PSD practice, including through seminal work like the 2001 BDS guidelines and the DCED Standard for Results Measurement, and his outstanding contribution to the DCED's growth in profile and activities over the last two decades. With this year's unprecedented member participation in the Annual Meeting, she noted that members, with support of the Secretariat, will endeavour to continue taking the DCED from strength to strength in the coming years.

Members enthusiastically thanked Jim with standing ovations. Jim Tanburn then took the floor with thanks, highlighting that he believes that the DCED is in a strong state and will continue to have a lot of value in facilitating trusted dialogue among member agencies on effective practice in PSD.

Business Day, Thursday, 22 June 2023

In the first session of Thursday, 17 agencies presented updates on their latest developments in PSD. Available presentations have been posted on the [webpage for the AM](#). 15 member agencies were represented at the subsequent Business Meeting. It was chaired by Merten Sievers (ILO and Co-chair).

Progress Report, Work Plan and Budget

The 2022-23 Progress Report had been circulated prior to the meeting and was approved with no objections. Similarly, the 2023-24 Work Plan and Budget had been circulated prior to the meeting. A few changes that had since emerged were presented to members:

- The adjusted Trust Fund cash balance has increased, due to Argidius signing the Trust Fund agreement in June 2023, thus formalising their membership approved at the 2022 Annual Meeting.
- The projected income to the Trust Fund for FY24 has also increased due to Argidius formally joining and Luxembourg MoFA having been left out of the projected income calculation by mistake.
- Green Growth Working Group: The requested budget for the work item on Nature-based Solutions increased by US\$5,000, to US\$50,000.
- Results Measurement Working Group: An additional US\$30,000 is requested for a scoping study on measuring and reporting systems change at the portfolio level (Task team: Netherlands MoFa, Mastercard Foundation, USAID, BMZ/GIZ).
- Market Systems Development Working Group: The Global Seminar is now planned as a self-financing event; no member contributions are currently foreseen.

While there small annual shortfall due to funding requests from the Trust Fund being higher than expected membership contributions, the overall situation of the Trust Fund is healthy, with a sufficient reserve to finance the current level of activities. Urkaly Isaev, Trust Fund Manager at IFC, then responded to a few questions by members about the Trust Fund situation. He noted that the reserve in the Trust Fund is also relevant to IFC from a budgeting point of view, allowing them to sign a three-year contract (extendible for up to two years) with the Secretariat and ensuring contractual payments. He also explained that it allows IFC to exert some flexibility in handling membership contributions, for example when payment delays arise for individual agencies; others have however paid their fee several years in advance, which can reduce the administrative burden for members.

The amended Work Plan and Budget were approved with no objection.

ExCo elections

Simon Andrews, IFC, has stepped down from the ExCo. Merten Sievers read out a statement by Kristin O'Planick, USAID, who could not join the meeting but is interested in ExCo membership pending approval from USAID's ethics committee. Kristin was voted in by acclamation – subject to confirmation by the ethics committee.

Elisabet Montgomery, Sida, stood for re-election (also in her absence). She was duly re-elected by acclamation.

Next Annual Meeting

No host for the next AM has been confirmed yet. USAID will however explore the possibility of hosting the AM in Washington, DC. Other agencies with a potential interest in co-hosting the AM are invited to get in touch with USAID.

Any Other Business

The General Assembly thanked Urkaly Isaev, IFC, and Anna Rykova, IFC, for their outstanding efforts in managing the DCED Trust Fund.

Merten Sievers noted that member representatives had previously been informed by email about the new contract for the DCED Secretariat, which has been awarded to the existing team, with two changes. Melina Heinrich-Fernandes (previous Deputy Coordinator) is taking on the Coordinator role, while Jim Tanburn will continue to support the team as a Senior Advisor. The team has been joined by Harald Bekkers, new Deputy Coordinator. Melina Heinrich-Fernandes introduced the team and invited Harald Bekkers to introduce himself to members. Harald brings twenty years of experience in PSD, including managing a multi-country programme in five fragile economies, with a strong focus on women's economic empowerment, inclusion, and knowledge management. Members warmly thanked Jim Tanburn again for his years of service as DCED Coordinator.

Merten Sievers thanked the DCED Secretariat team for their role in organising the 45th DCED Annual Meeting. Melina Heinrich-Fernandes thanked all hosting agencies for their efforts in organising a successful event.

Annex 1: List of participants (voting member representatives) in the DCED Business Session

1. Harry Devonshire, Argidius
2. Gottfried Traxler, ADA
3. Julika Breyer, BMZ
4. Urkaly Isaev, IFC
5. Merten Sievers, ILO
6. Robert Skidmore, ITC
7. Takafumi Ueda, JICA
8. Ernstine Kornelis, Luxembourg MoFA
9. Atsuko Toda, Mastercard Foundation
10. Rens Twijnstra, Netherlands MoFA
11. Helene Tullik Ystantes Føyn, Norad
12. Gisela Strand, Sida
13. Luca Etter, SDC/ Swiss Confederation
14. Liliana de Sá Kirchknopf, SECO/ Swiss Confederation
15. Tom Sanderson, FCDO
16. Andrew Nelson, USAID