



The Donor Committee for Enterprise Development

**Private Sector Engagement Working Group (PSE WG)
Washington, 04 June 2024
Minutes**

11 July 2024

Participants:

1. Tobias Zeller, GIZ (Chair)
2. Gottfried Traxler, ADA
3. Mika Vehnamaki, Finland
4. Jun Saotome, JICA
5. Ryo Miyamoto, JICA
6. Kiyataka Miyazaki, JICA
7. Tanaka Satoko, JICA
8. Brian McDonald, IDRC
9. Maeve McLynn, IrishAid
10. Luc Poveromo, Luxemburg MoFA (online)
11. Pascal Fabing, LuxDev (online)
14. Paul Wade, Norad (for part of the time)
15. Luca Etter, SDC
16. Liliana de Sá Kirchknopf, SECO
17. Virpi Stucki, UNIDO
18. Keith Dhoko, USAID
19. Amy Davenport, USAID
20. Temi Ifafore-Calfee, USAID
21. Mandeep Jangi, USAID
22. Meghan Majorowski, USAID
23. Susan Ross, USAID (online)
24. Jason Seuc (online)
25. Anne Ytreland, USAID
26. Melina Heinrich-Fernandes, DCED Secretariat
27. Holger Grundel, DCED Secretariat

1. Welcome and intro session

The meeting started with a brief overview of the group's operational framework for PSE and ways of working, followed by highlights from the group's work over the past few years. Tobias Zeller then presented key work items for FY25; these include developing an overarching theory of change on PSE, and an exploration of donor and DFI relationships in mobilising private finance.

WG members discussed potential topics for knowledge sharing and collaboration during FY25. Ideas included the impacts of new RBC rules and legislations on producers in developing countries, progress with mobilising private finance for the SDGs and the role of PSE in the context of skills migration on both developing and donor countries. As in previous years, the DCED Secretariat will continue to facilitate discussions within the group to narrow down concrete knowledge sharing opportunities for the group.

2. PSE Modernize PSE Reform Initiative, USAID

During this 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 with business, to improve the partner experience, and to enhance the effectiveness of USAID's engagement.

This was an interactive session during which the responsible leads from USAID's PSE Hub gave insights into the challenges and achievements from the multi-year Modernize initiative and shared with WG members some of the tools and internal support mechanisms USAID is putting in place to reform how PSE is done in practice. The USAID team also shared practical experiences from Nepal and the EDGE Fund which has been created to improve the effectiveness of PSE in the agency. In his summary, Keith highlighted the importance of flexibility, simplicity of processes and mechanisms, and consistent internal and external communication as key ingredients for the success of the Modernize initiative.

3. Donor-development finance synergies (joint session with MSD WG)

This session explored opportunities for greater collaboration and learning between donors and DFIs. Marcelo Cabrol of IDB Lab (the innovation and venture arm of the Inter-American Development Bank) shared its approach to fostering early-stage innovation with a focus on technology and entrepreneurship. There are many opportunities for collaboration with donors that are also active in this area. This was followed by a presentation from FMO (Dutch Development Bank)¹ 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. Through the Market Creation Platform, FMO is moving closer to traditional 'donor territory' and is keen to both learn from donors and collaborate with them through the Platform.

The Q&A session raised several important challenges, including the trade-offs between incubating new ventures and achieving scale, the appropriate mix of investment capital and grant support, and how to balance support for specific companies/projects and strengthening the wider business environment.

The DCED will continue to explore synergies between DFIs and donors, including as part of upcoming work items in the PSE WG and MSD WG.

¹ The presentation can be shared with interested DCED members on request.