DCED PSE SKILLS WORKSHOP

Toronto
June 2018

FINAL REPORT

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DCED PSE Skills Workshop: Final Report

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This document summarizes the DCED Private Sector Engagement (PSE) Working Group workshop held on June 6, 2018 in Toronto; it analyzes the data generated by participants, and provides suggestions for next steps.

The Toronto workshop was designed to be a participatory event that would build on past meetings of the PSE Working Group. Members had previously agreed that improving PSE skills was a key priority for all member agencies, and requested that DCED organize a workshop to explore what could be achieved together. The day's agenda was designed to a) draw out the expertise of colleagues in the room; b) explore common challenges; and c) allow participants to jointly identify and prioritize collaboration opportunities.

This report contains:

1. Overview of workshop planning

The workshop was designed by the Working Group co-chairs together with the consultant. Workshop design started at the beginning of May; the three met regularly by phone to develop the agenda. The consultant also interviewed 13 members of the PSE working group to gather data and agency-specific perspectives which fed into workshop design. (The results of those interviews are presented in the pre-workshop Summary of Findings, which was distributed to working group members.) The DCED Secretariat supported the workshop planning and also provided general guidance for the consultant. The workshop was hosted by Mastercard Foundation at their headquarters in downtown Toronto.

2. Linking the mapping exercise and the workshop

The pre-workshop mapping exercise elicited many of the topics that were discussed in Toronto. As discussed in the Summary of Findings, there did not appear to be significant differences in

capacity-building needs based on the type, size or orientation of the member agency. Several issues that were frequently mentioned in interviews emerged, unsurprisingly, as top issues at the workshop.

A few issues that seemed important during interviews received less attention in Toronto: There was minimal discussion of tools and templates; participants did focus on them on the Marketplace list (included in Description of Workshop, Annex 1) but specific tools did not come up as a topic of discussion in the room.

Similarly, there were few comments about need for advanced training, beyond awareness raising and beginner-level skills. While this was an area of interest for a small number of agencies, it can be assumed that all members will have a need for more advanced training courses once their staff has moved beyond beginner status.

3. Participant-generated data
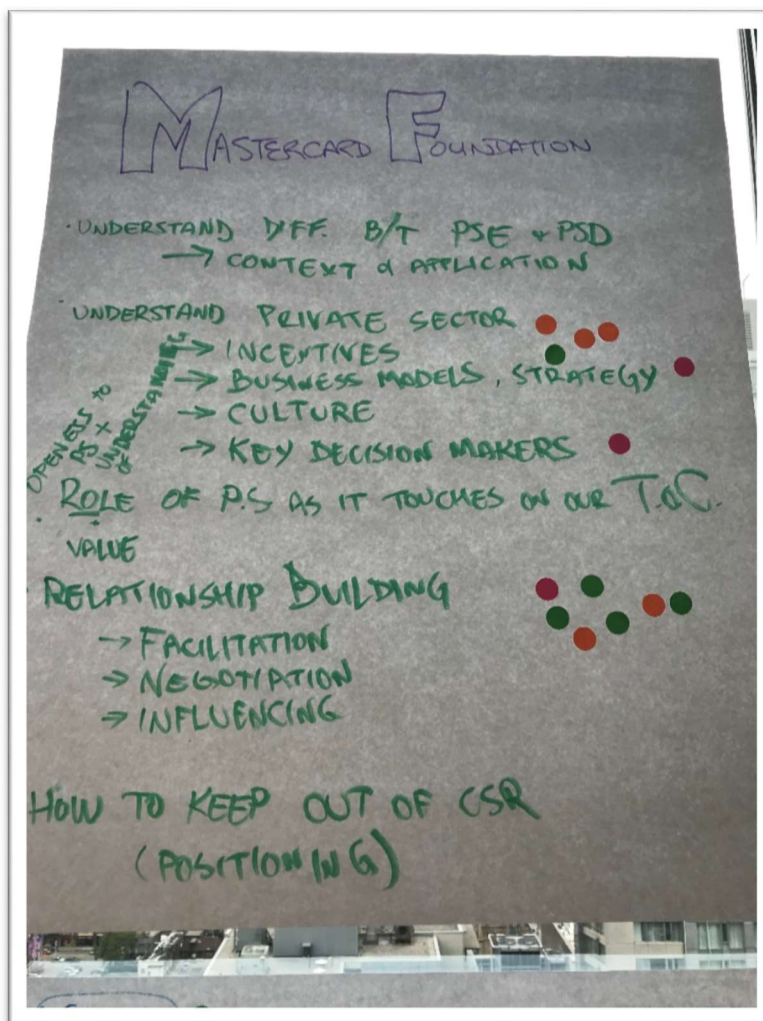
The workshop generated valuable information from participants, both hard data (missing skills) and creative solutions (ideas for collaboration). Because it was designed as a participatory event -- without lectures or panels -- workshop attendees had multiple opportunities to share ideas and opinions based on their agency experience and based on joint brainstorming in the room. Two sessions in particular generated information that merits close review.

Missing PSE Skills

In the second session of the Toronto workshop, participants were asked to list, by agency, the specific PSE-related skills that their colleagues were missing. These lists were written on flip chart paper and placed together on a set of large windows. Ninety-nine missing skills were listed, based on photo records.

Each person was then given five dot stickers to use as votes as they reviewed the gallery of lists. A vote represented agreement that the listed skill was important. (See representative photo)

A small number of skills emerged as those most needed by DCED members in attendance. This list represents group consensus on top priorities; ideally it should be revisited regularly to make sure it remains valid. Seven skills received 4 or more votes from peers (listed in order of votes):

- *Relationship Building: facilitation, negotiation, influencing*
- *Change mindset*
- *Consultation skills (identify common interest, negotiate, be creative about solutions)*
- *How to translate "development" speak to business-friendly language*
- *Understand private sector incentives*
- *Unconventional / lateral thinking: entrepreneurial attitude, co-creation, mutual respect, curiosity*
- *Industry: opportunity identification; define industry; capacity at company*

The full list of skills also contains important data, and points to technical topics that could be covered in joint training / seminars / activities going forward. The larger group of skills was tallied and is grouped into categories. This breakdown appears in the table below.

Missing skills (ranked by number of extra votes; each idea = one vote)

Skills category	Number of ideas	Number of votes (ideas + peer votes)	Examples
Relationships with private sector	8	29	Active listening skills; language to talk to the private sector; negotiation; customer orientation; how to identify the right people
Mindset / attitude	15	30	Openness to private sector; creativity; risk-taking attitude; innovative mindset; confident, not arrogant
Financial / technical / business skills	25	35	Due diligence; understanding of business model; term sheet analysis; market knowledge; impact investing; how to analyze financial information
Strategy	12	20	Identify public-private sweet spot; connect development issue to business; how to identify a list of potential partners
Understand the private sector	10	20	Understand private sector key decision makers; partnership value; role of the private sector re our theory of change
Understand partnerships & PSE	11	14	Partnerships on shared values; understand what PSE is and what it isn't; how to grow the partnership

Navigating the institution / organizational change	3	6	How to change / adapt antiquated systems and processes (i.e. grant agreements, contracts, IP) to be more amenable to PSE
SDG advocacy	2	5	Make the business case for SDGs to private sector; advocacy skills re SDGs / 2030 agenda
Communications / presentation skills	4	5	Presentation skills (clearly communicate what we can offer)
Agency-specific / cannot categorize	9		

The lists and subsequent discussion confirmed a general sense that colleagues (especially those not currently working in PSE) see the private sector as a monolith, unknown and difficult to engage. This can reinforce existing skepticism about the private sector, and often serves to strengthen the reluctance to break out of established ways of thinking and working.

Given that reality, there is broad-based need for a training that will break down very basic issues about the private sector: how companies function, what motivates them, and how they make decisions. The related category of missing skills "understand the private sector" articulates needs like understanding private-sector decision-makers, profit-focused business models, private sector culture and incentives.

The category "Relationships with the private sector" includes missing skills like how to identify potential partners and have an initial conversation; how to identify shared interests; how to translate "development speak" into language that the private sector will not only understand but also find compelling; how to guide discussions toward a shared goal; and how to build and maintain productive relationships.

Such a training (or perhaps a more advanced follow-on session) might segment the private sector into different types of actors (companies, foundations, equity investors, impact investors, social business, inclusive business, even specific industries) and discuss the different styles of communication, messaging and collaboration appropriate for each.

This data shows that members see a strong need for a basic, bottom-line understanding of how business works; a better grasp of business basics would provide a foundation for partnering with companies: how do companies make money and make investment decisions; the basics of private finance and business models; and the ways in which the private sector both generates and uses financial data. Related needs were identified on how to conduct due diligence, assess potential impact against risk, and a host of other bottom-line issues.

Information on financial literacy and/or business basics would be relatively easy to include in a tailored DCED training or to procure from an external provider; there are also a wealth of online courses, including MOOCs, that could address these missing skills.

Regarding due diligence, it would be helpful for members to share their approaches, especially a) screening criteria and b) internal processes (approvals, hierarchy, how is final approval memorialized / disseminated).

Participants also want colleagues to be more strategic about PSE. In addition to more fundamental skills and knowledge, DCED members see the need for more strategic thinking around PSE and partnerships. They not only want colleagues to be able to talk with the private sector; they should also be able to talk about things that *matter*. Desired skills include the ability to analyze how development issues connect to business, how to shape the public good in a partnership that will benefit an entire sector, and how to define anticipated results.

(A related category, communications, also reflects a need for colleagues to be able to "make the case" to the private sector, and clearly communicate what donors can offer.)

A skills-building offering would thus need to include material on how to evaluate and prioritize collaboration opportunities, as well as strategic thinking and decision-making on partnership concepts. A fundamental question could be framed as, "What makes a partnership a good partnership to pursue?" Examples would be especially helpful to any training on this topic.

DCED members see a need for more creative thinking. Workshop participants expressed a common need for more a more open-minded approach among their colleagues; for more willingness to consider the private sector a legitimate development actor; and more recognition that private sector engagement can significantly advance development goals. There were many comments along the line of "the mindset has to change."

Working Group members also identified missing skills around creativity in general: innovative / unconventional / lateral thinking, risk-taking attitude, being more entrepreneurial.
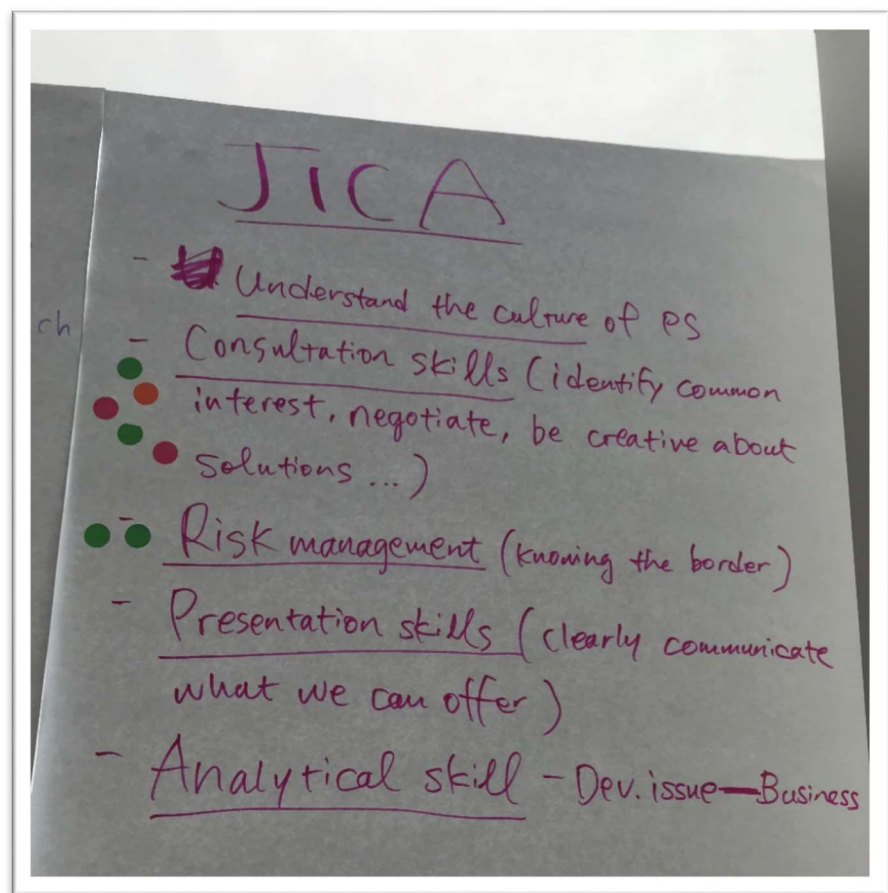
These two groups of missing skills may be linked: if colleagues do not recognize or agree that the private sector has a role to play in development, then they may be more resistant about an unusual or creative solution to a development challenge that indeed includes the private sector. Or they may not even consider the private sector at all when designing an intervention.

Ideas for PSE skills collaboration

In one of the afternoon sessions of the workshop, participants generated ideas for activities that could be undertaken jointly. This activity built on prior sessions that focused on missing skills, and on the perspective of certain types of agency staff.

The results can be grouped into five buckets:

Build the Network

> **Participants saw a possibility to build the network of PSE champions** within the working group, identifying individuals and their particular expertise, and making it easier to connect on specific knowledge

- Champions in different teams
- Network directory (like LinkedIn)
- DCED hotline

Learn

> **Several ideas revolved around training**– focusing on different methodologies that could be taken up collaboratively and/or via the Secretariat:

- PSE training (live) and pilot
- Face-to-face training
- Use role-playing within training to better understand private sector
- E-learning / online course
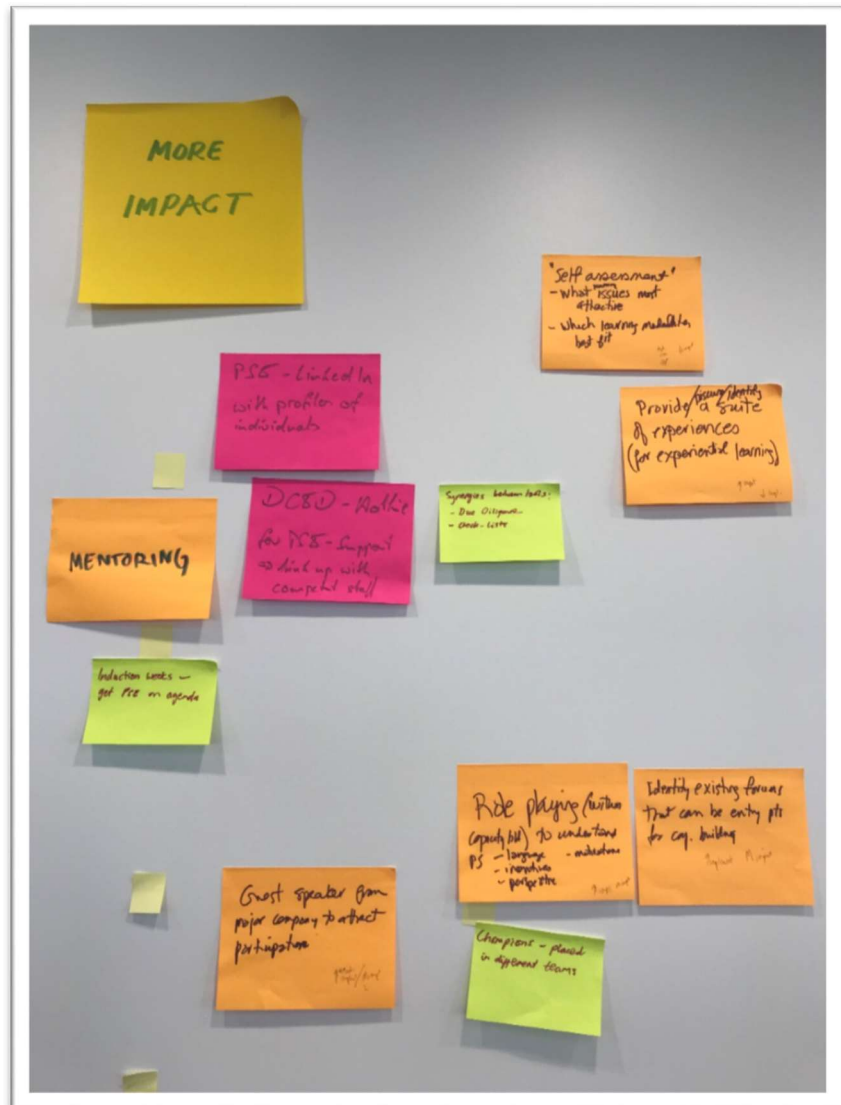
Inform & Inspire

Working group members want tools and materials that can help them **inform** others, **make the case** internally at their own agencies, and **inspire** colleagues (both peers and leadership).

- Best practices shared online
- Share best practices
- One-pagers for inspiration
- Brown-bag lunches (agencies help each other by presenting on PSE when traveling / visiting another agency or in the field)
- Guest speaker from private sector
- Seminars / sessions to share partnership experience ("how we did it")

Dive Deep

Some ideas emerged for more hands-on, direct collaboration between agencies and/or individuals.

- Provide / identify a suite of PSE experiences for experiential learning
- Mentoring
- Secondment to other agency PSE teams

Spread the Model

Finally, a desire to do outreach on PSE to build / support the wider development community:

- Identify existing forums that can be entry points for capacity building
- Use existing regional networks to integrate PSE

4. The four ideas prototyped by participants

From this list of ideas, participants selected four to prototype. Following a list of questions designed to spark ideas, four small groups dug into the details and started to design a solution.

a. Online Training

Group one focused on prototyping an online training course, perhaps to be hosted on the DCED platform. The course length would be 3 – 7 days (done at user's own pace); the content would be modular but sequential. There would be no prerequisite, it would be designed for technical staff both in headquarters and in the field. Initial suggestions of topics included: introduction to private sector, PSE (especially in connection and in contrast to private sector development); PSE and SDGs; partnership case studies; other approaches like challenges and prizes. A quiz at the end of each module would measure content capture. This course could build basic understanding; overcome barriers; challenge staff pre-conceived ideas about business motivations.

The group thought that developing the content would be a time-intensive process. There was a discussion over cost and how much a consultant might charge to develop such a course (one estimate offered was less than £30,000).

Interested parties: IFC (can contribute content); Mastercard Foundation offered to have one staff member participate. Several other agencies indicated that they had content that would be useful.

IDRC & Dennis Haraszko, Mastercard Foundation.

b.   PSE Network of Champions

This idea focuses on connecting the PSE champions within DCED agencies, putting them in contact so that they can exchange ideas and resources. The network could share information on current activities and tools, and approaches that are helpful. Slack was suggested as a possible platform. An individual / organization could volunteer to curate the discussion. The goal is that a user would describe the network this way: "Thought provoking – it changed my work. I got practical advice." Participants in this group thought this network could be started quickly, and a rapid needs assessment among DCED members would point the way to initial discussion topics.

Possible volunteer coordinators: Lisa Burley,

c.   Coordinating field visits

Coordinating activities in the field was the focus of the third group, building on the idea that DCED members could work together more closely on PSE activities in specific countries. The objective of this kind of this coordination is to raise awareness and make the case for private sector collaboration among colleagues who may not yet be on board.

An example of the proposed collaboration would involve a visit to a PSE-related activity in a certain country. Colleagues from other DCED agencies could be invited to join, including leadership, to see the project in person and observe the benefits of private sector participation. This would give the joining agency (or agencies) a clear example of PSE from another donor's perspective. Depending on the location of the activity, the visit could be done within a day; for more remote locations, a short 1-2 day trip would suffice.

A secondary benefit of coordinating these kinds of field visits would be at the technical level -- sharing knowledge about a sector or specific type of program that involves the private sector. This kind of coordination would allow for direct, peer-to-peer knowledge transfer on technical areas, and sharing PSE approaches in the sector.

Both types of coordination could include post-trip follow-up, creating a network of specialists across agencies, including possibilities of mentoring and sharing information on technical areas. Success would be measured by number of beneficiaries reached; the results from the relevant projects.

There was a discussion on what would be needed to launch this. The request was made to DCED to act as a focal point when a location is identified or suggested. Coordination could then occur directly among the agencies who want to include their field-based staff.

d. In-country design thinking workshop

Group four chose the staff archetype of field-based management, and developed an idea for an in-country Design Thinking workshop; the outcome would be a solution to a local challenge that includes private sector participation and financing. The location example used was Uganda, but it could be held elsewhere; ideally the format could be replicated elsewhere by DCED members.

The workshop would be one day in length, and would include private sector representatives (with the incentive of a potential partnership with donors). Prior to the workshop, attendees would be given five problems to consider, and to prepare to discuss. The workshop would follow Design Thinking principles: analyzing the problem and generating ideas; deciding an area of focus; brainstorming activities and co-designing solutions.

The group's ideal was that the workshop be hosted / planned with in-country member agency management-level staff; and workshop facilitation provided or supported by DCED if possible.

Interested members: BMZ (potentially as task team lead), GAC, SDC, IFC

5. What wasn't chosen for prototyping?

The workshop day was designed to generate discussion, collaboration and multiple ideas for collaboration; by the afternoon, activities were structured to narrow the focus and dig deep into only a few concepts. These few (four) ideas were selected by participants and prototyped, as discussed above. There are three ideas that were not chosen for this intensive design phase that deserve mention and further consideration.

A live PSE training can address a majority of the missing skills that were identified during the workshop. An in-person training, led or organized by DCED, was a frequent suggestion during the

pre-workshop interviews. While it was not chosen for prototyping in Toronto, it is covered in the suggested activities at the end of this report.

Knowledge management is an opportunity to build skills and learn from the repertoire of approaches used by DCED members. The "idea matrix" session of the workshop produced several ideas around PSE and/or partnership examples that could both inform and inspire colleagues;

and help make the case to PSE skeptics from leadership to the wider organization. DCED members are already engaging in PSE; a knowledge management approach could capture, distill and share these examples. This is also covered as a suggested activity, below.

Leadership and PSE deserves attention; collaborative action is unclear. The workshop group appeared to unanimously agree that leadership matters. Specifically, agency leadership that does not support PSE will be an obstacle to robust private sector collaboration, potentially making skills-building ineffective or moot. This could be a difficult topic for DCED to tackle, given the individual nature of a leader's approach, as well as the nature of political appointees and shifting policies. The best approach may consultations between members on tactics that have proven effective. (See webinar idea under suggestion action items.)

6. Next steps: ideas and suggestions

Below are ideas and suggestions for DCED actions over both the short term (next 6 months) and the medium term (6 to 18 months).

Short term (next 6 months)

1. **Support the DCED Network of Champions (both implementation and provision of content)**. The DCED Secretariat should consider supporting / sanctioning the implementation of the Network of Champions idea that was prototyped at the Toronto workshop. This will likely require relatively few resources and will provide a platform to address many of the identified needs. If volunteers are still willing to set up the network and curate the discussions, this would mean little to no lift for the Secretariat itself.

In addition to supporting its implementation, DCED could also choose to provide content to the network. As mentioned above, in Toronto multiple members said they wanted short PSE examples (like one-pagers) that highlight collaboration examples and help make the case for PSE. These kinds of PSE examples could be collected from members (existing materials) or generated at DCED; the Network of Champions would be an effective way to disseminate these. An easy way to start would be to follow up on the "needs" and "offers" that were listed on the marketplace sheets in the Toronto workshop room.

2. **Pilot a short, in-country live training based on existing member assets**. An in-country training would address many of the needs that emerged in Toronto, and could be relatively easy to launch. Two Working Group members already have short (2- or 3-day) trainings: SCD and USAID. If one or both agencies would allow DCED to review and use their existing training material, including slide decks, then crafting a pilot training to address the suite of basic needs (business fundamentals, understanding the private sector, strategy) could be a relatively easy task. The two trainings appear to be complementary, although a review may show that they would be more effectively used sequentially (USAID training first; SCD training as a hands-on practicum, or for more advanced colleagues?)

A pilot training would allow DCED to see if the material meets the needs of member agencies, or whether completely new content and/or pedagogical approach is needed. It could also gauge interest and participation for future offerings. A more tailored DCED training course could be developed over time from this field input.

3. **Consider one-day follow-ons to training pilot.** Depending on interest and location, one-day follow-ons to a pilot training could be offered. Specifically,
   a. Design Thinking workshop (as prototyped in Toronto) which includes the private sector. This would ideally be accompanied by a short (2-4 hour, at least) training on the Design Thinking methodology.
   b. Innovation approaches in development, including things like Human-Centered Design; prizes and challenges; and co-creation. In 2017 USAID developed and piloted a short innovation course.

These focused courses would serve to build the kind of creative thinking that members identified as a significant gap across agencies, and would naturally build on the information provided in the PSE pilot training.

4. **Pilot a DCED webinar series.** A webinar for DCED member PSE-focused staff could cover many of the needs identified at the workshop. Webinars are fairly easy to run, and could be offered on a regular basis (monthly / quarterly). They would provide technical information, build on discussions or problems raised through the Network of Champions, and could test content for the online course. USAID can provide information on the regular webinars offered by their partnerships team. DCED may need additional support to develop this service.

5. **Explore approaches to coordinate field visits**. The idea of joint field visits to PSE-related activities in the field was prototyped in Toronto. This seems like an effective approach that would primarily require coordination among members and event / logistics planning for the trip itself.

Medium-term actions (6 to 18 months)

Several activities that would address the collective PSE skills gap are included here. These activities may intrinsically require more time; alternatively, they may be categorized as less urgent based on workshop discussions.

- **Develop an online training course**

  This is clearly an idea of strong interest (it was prototyped at the workshop) but would take a significant amount of time to develop and test; a good deal of review by members is also anticipated. Planning should begin now, with costs and timeline investigated and presented to members and the Secretariat.

- **Explore ways to share knowledge internally**

  A knowledge management approach, even a loosely-defined one, would help Working Group members learn from each other. The Network of Champions and the webinar will get things started; other approaches should be explored. Members have a wealth of knowledge and experience to share with each other that is not currently fully utilized.

- **Investigate creative ways to deliver training on basics of business and finance**

  Examples: Guest speakers in webinar format; coordinated use of MOOCs with regular member discussions.

- **Use the live, in-country pilot to develop a tailored DCED in-person training**
- **Consider a series of PSE courses (beginning, advanced, expert), as well as experiential learning**
- **Investigate the possibility of inter-agency secondments / rotations to PSE teams at more advanced agencies**
- **Track and share information on PSE-related training and courses: impact investing, blended finance, finance for development.**

Annex 1: Description of workshop

The one-day workshop agenda was organized around six interconnected sessions.

Vision: PSE ideal state

Participants were asked to use large flip-chart sheets to draw the PSE "ideal state" at their respective agencies. What would their agencies look like if colleagues had increased PSE skills? These concepts had to be conveyed using visual methods (participants were asked to use no more than five words); participants were provided markers and fun stickers (stars, arrows, emoji). The Working Group co-chairs wanted to encourage outside-the-box thinking and creativity; this first activity was designed to set the tone for the day.

Mapping missing skills

Next, the group was asked, "What skills are needed to get from the status quo to the vision just expressed in the last activity?" Each agency made a list of PSE-related skills that are missing among their respective staff. The lists (on large paper) were put up, gallery-style, on the windows, and each participant was given five dot stickers to vote on the skills they felt were most important among all agency lists. This provided a visual "heat map" of the common skills gap.

Who needs PSE training?

Using modified Human-Centered Design methods, the group analyzed five archetypes of agency staff: headquarters management, headquarters technical, field management, field technical and headquarters administrative (this final category was a suggestion from the group). They were asked to consider questions like, "What does success mean to this person? How does PSE fit into their existing responsibilities? Who are their most important constituents?" Ideas were written on sticky notes and placed on the archetype image.

Generating ideas

In small groups, the participants focused on one of the staff archetypes, and were asked the following questions: "How might we collaborate on PSE skills building for people like this?" and "What are ideas for specific capacity-building activities?" Each group generated multiple ideas, which were written on large sticky notes and then plotted on a very large graph on the wall (the "idea matrix"), defined by x and y axes of "impact" (more vs. less) and "ease of implementation" (harder vs. easier).

Prototyping solutions

The group was then split into four new teams, and each selected from the wall graph an idea to prototype. They were asked to dig into the details of how to implement the chosen activities. A list of questions was provided to spark discussions, including questions such as, "Where will this activity take place? How long will it last? Are there prerequisites?"

Pitching the four ideas

As a final activity, each of the four teams presented their idea for collaborative skills-building. The group was asked if there were volunteers for leading each effort, or for participating or offering resources.

Marketplace

While not used in a workshop session, the marketplace sheets that were up in the room all day provided an opportunity for participants to both offer PSE resources, and ask for specific tools. The "offer" sheet provided a spot for each agency to let others know what they could share; the "needs" sheet became a list of PSE tools that were desired.

Annex 2: Quick Start

Five Ideas to Launch Now

1. **Survey members in July regarding planned field trips in the last quarter of calendar year 2018**.

   This information could help to identify a location for multiple activities: a coordinated field visit; piloting a short, in-person training; a Design Thinking workshop.

2. **Launch the Network of Champions in early September**

   Confirm or find volunteer(s) to moderate and curate; consider consultancy to support if members cannot take this on.

3. **Test webinar concept by presenting one in September**

   Webinars can be produced fairly easily. The approach could be tested in a one-hour webinar available to members; there are multiple topics among member PSE activities and approaches that could be presented.

4. **Pilot a 2-day, in-person basic PSE course in October or November**

   Pending concurrence from SDC and/or USAID regarding their existing course materials, a short (2-day) course could be put together relatively quickly. Use information from the pilot (was it effective?) to revise the next offering; add new content where needed, set a calendar for future sessions.

5. **Plan now for design and launch of online training in 2019**

   The online training will take time to produce. A timeline for design, development and production should be started soon.