



The 41st DCED Annual Meeting, 11-14 June 2019, was hosted by ADA and UNIDO in Vienna. It was attended by 115 participants from 31 agencies, including 6 potential members (more information on the [annex](#) below). Presentations and other materials are posted on the [Annual Meeting web page](#).

Working Group Days, Tuesday 11th and Wednesday 12th June

Six Working Groups met on the Tuesday and Wednesday, including a number of learning sessions for all members as well as joint WG sessions to share lessons across Working Groups. These included a joint Working Group session on the role of Business Environment Reform and Market Systems Development in Economic Transformation; and a member clinic on how Sida's and UNIDO's PPDP approach could learn from market systems thinking. Full Minutes for the Working Group meetings will be posted on the respective [Working Group pages](#) shortly.

The [Private Sector Engagement Working Group](#) (PSEWG) met with 25 participants, chaired by Gunter Schall of ADA and Lars Stein of SDC. The meeting focused on Innovative Finance, including a 'mini crash course' by Björn Strüwer of Roots of Impact, member storytelling, and expert interviews. The group's achievements in 2018-19 include a [Practical framework on minimising the risk of negative market distortions](#); peer learning through three webinars and a workshop on co-creation; a [new DCED webpage on PSE training offers](#); and a [new Working Paper](#) and [two-pager on Donor Engagement in Innovative Finance](#). Plans for 2019-20 include expanding the webpage on PSE training; continuing the organisation of webinars and agency-based workshops; commissioning an introductory video on PSE; a short lessons paper on co-creation approaches and exploring the organisation of a design thinking workshop to address a shared challenge among members.

The [Market Systems Development Working Group](#) (MSDWG) met with 16 participants, chaired by Susanne Thiard-laforet of ADA, and Andrea Inglin of SDC. The main aim of the meeting was to agree detailed activities for the six MSD work-streams in the 2019/20 Work Plan. Mike Albu, Director of the BEAM Exchange, reviewed the previous year's achievements and plans. The group focussed in particular on addressing the needs of member agencies' staff for capacity-building / training in the MSD approach; the recent [BEAM Evidence Review 2019](#), and follow up activities, possibly with the BEWG, stemming from the current studies on Economic Transformation. Mike Albu and Matt Ripley also ran a half-day orientation workshop introducing new DCED members to the MSD Approach, which was attended by 26 people.

The [Business Environment Working Group](#) (BEWG) met with 20 participants. Andreja Marusic of WBG and Stefanie Springorum of GIZ chaired the meeting, which started with agency updates. The draft report on the use of new technologies in regulatory delivery was presented, and final revisions agreed before publication. A policy brief will be prepared. The draft report on promoting structural and economic transformation through Business Environment Reform was also presented and discussed; the report will now be finalised, taking into account comments submitted during and after the meeting. The BEWG webinar series was discussed, and plans made for quarterly webinars during the coming year. The Work Plan and Budget were discussed in detail, including further consideration of the conference proposed for June 2020 (in conjunction with the next Annual Meeting). Stefanie Springorum is moving on, and was thanked for her work as Chair; Andreja Marusic will continue as Chair.

The [Results Measurement Working Group](#) (RM WG) met with 24 participants. Each member outlined their ongoing initiatives in results measurement. The Secretariat and Helen Bradbury presented the DCED Standard for RM, currently used by over [150 projects around the world](#). The

Secretariat presented upcoming work on results measurement, including online results measurement tools, webinars, and a new toolkit on adaptive management. Rory Tews from Roots of Impact summarised a draft study for the WG into roles for the DCED in impact investing, based on experience with the Standard to date; the group discussed how the work might be taken forward. Finally, the RMWG discussed non-technical challenges with aggregating results across a portfolio of programmes at agency level; it was agreed that the Secretariat would draft a one-page summary as a basis for further knowledge sharing on the topic.

The [Women's Economic Empowerment Working Group](#) (WEE WG) met with 16 participants, and was co-chaired by Sebastian Gilcher of GIZ and Nathalie Wyser Vizcarra from SDC. The meeting started with a round of introductions and updates. The Co-chairs then presented the work of the group in 2018-19, including planning for a joint item with the GGWG on the role of women in green growth (presented by Katherine Miles), and the finalisation of the scoping study on [WEE in migration and forced displacement settings](#) and its [policy brief](#). The work plan for the coming year was discussed and two more work items were included: to explore gender-lens financing, and unpaid care-work in SMEs. The focus of 2019-20 activities will be on sharing knowledge on WEE and continuing to promote the group's experience, for instance through a webinar series. After the meeting, the Group held a workshop on "Getting beyond champions in WEE", with Helen Bradbury.

The [Green Growth Working Group](#) (GG WG) met with 14 participants, chaired by Alexandra Oppermann of GIZ. The meeting started with a round of introductions and updates. The group discussed current activities, including the recently-completed study on [green growth in fragile and conflict-affected settings](#), and planning for work on circular economy (presented by Annsofie Aronsson from Sida). In addition, Katherine Miles presented the initial work on the joint item with the WEEWG on the role of women in green growth. As part of the group's aim of sharing knowledge on green growth, Ozunimi Iti presented UNIDO's work on WEE in green industries, and Annegret Brauss presented ITC's work on climate resilience, resource efficiency and circular economy. The work plan for the next year will focus on disseminating knowledge on green growth through a webinar series. Alexandra Oppermann is moving on; the group thanked her for her work as Chair. Steffen Felix from GIZ and Ozunimi Iti from UNIDO volunteered (and were accepted) for the Co-chair role.

Two meetings were held that **straddled Working Group themes**. One was a joint meeting of the BEWG and MSDWG on the topic of Economic Transformation; the reports commissioned by the two WGs on the theme were presented, and synergies identified going forward. It was agreed that a DCED definition of Economic Transformation, taking into account the work carried out so far, would be useful.

The second was a 'member clinic', taking the case of Sida/UNIDO collaboration with Volvo through Public Private Development Partnerships. It asked the question: How could PPDP implementation benefit from taking a Market Systems approach? This question was explored through a lively and wide-ranging discussion.

Thematic Day, Thursday 13th June 2019: Private Sector Development in the age of digitalisation and the 'great convergence' of technologies

The Thematic Day was organised by ADA and UNIDO at the Austrian Chamber of Commerce (WKO) and featured inputs from the Austrian and Rwandan governments, UNIDO, as well as experts, companies and academics on *'Private Sector Development in the age of digitalisation and the 'great convergence' of technologies'*. It was moderated by Rita Isiba, Aphropean Partners.

Martin Ledolter, Managing Director, ADA, highlighted that digitalisation has a particularly profound impact on development cooperation in Africa, where innovations are adopted faster than the rest of the world and may create new jobs at scale; digitalisation may, however, also solidify inequalities. **Philippe Scholtès, Managing Director, Programme Development and Technical Cooperation**,

UNIDO, explained that UNIDO uses technical assistance strategically to facilitate skills development in digital technologies across all sectors to match future skills needs.

Liliana de Sá Kirchknopf, Co-Chair, DCED – ExCo, agreed that digitalisation has a disruptive effect on donor agencies as it may allow them to achieve their objectives more efficiently. In addition, partner countries increasingly ask for support in harnessing its benefits; this will need to include regulating technologies in the right way to harness their positive potential. **Mariana Kühnel, Deputy Secretary General, WKO**, noted that WKO has two strategic priorities: education, including strengthening digital skills; and a broadened concept of innovation, including research-based innovation as well as on social innovations that foster prosperity.

Jan Mischke, Partner, McKinsey, summarised key disruptions that businesses and governments will need to consider as a result of automatization, digitalisation and artificial intelligence. For example, profits are increasingly concentrated in a small number of ‘superstar’ firms, with the top performing firms in emerging economies demonstrating particular leadership in innovation and digital disruption. Skills needs are expected to shift towards more technological and social skills, as 50% of today’s tasks could be automated by 2030. For the future of development cooperation, Jan Mischke recommended that donors focus relatively more on services, as services will continue to become more important compared to goods trade; growth miracles based on low-skilled manufacturing will become less common.

Olga Memedovic, Deputy Director, Trade Investment and Innovation Department and Chief, Business Environment, Cluster and Innovation Division, highlighted opportunities for the SDGs, including a decrease in pollution, productivity gains, and increased quality of life, as well as challenges. These include the risk of a skills mismatch for employability, unequal access to digital technologies and the risk of further marginalisation of low-income countries. To be effective, development cooperation had to go hand-in-hand with technological change, for example in relation to technical standards promoted through PSD.

In a roundtable discussion, five panellists then reflected on **the impact of digitalization and industry 4.0 on PSD and DCED target groups**.

- **Lukas Schlögl, Institute of Political Science, University of Vienna** outlined three key challenges to donor agencies supporting PSD: a large share of jobs (even up to 80%) may fall away due to automatization; a growing, unskilled labour force in developing countries in need of employment; and a shift towards new patterns of economic transformation which have not been experienced by OECD countries.
- **Josse De Baerdemaeker, Division of Mechatronics, Biostatistics and Sensors, Faculty of Bioscience Engineering, University of Leuven**, argued that there are three key implications for agricultural development: increasing farm size, including to facilitate the use of new technologies; increasing agricultural productivity, including through technologies such as weather forecasting; and helping smallholders move out of agriculture. The first two options required training in the use of new agricultural technologies.
- **Elfi Klumpp, Head of Business Development Global Education, Festo Didactic SE**, highlighted that new job creation linked to digitalisation and automatization may limit the number of net jobs lost. A concern is that technology is moving faster than the ability of organisations to train people. Developing new skills will therefore require public-private collaboration to be effective and reach scale.
- **Tatjana Novakovic, Institute for Cryptoeconomics, Vienna University of Economics and Business**, reflected on the role of blockchain technology in helping in particular informal entrepreneurs and communities, to survive and thrive by enabling safe transactions. Blockchain also has great potential in disrupting the way in which data is collected and stored, thereby enhancing transparency and standards in global value chains.

- **Johannes Degn, Lynk¹, Kenya**, cautioned that an exclusive focus on ‘upskilling’ workers may not be effective given the rudimentary education infrastructure in LDCs. As a large share of workers will need to move out of the agricultural sector and job opportunities in the formal sector are limited, donors should increasingly focus on making urban informal markets work more effectively. There is also a need for better social welfare systems to balance inequitable outcomes of digitalisation.

Kampeta Sayinzoga, Director General, Rwanda National Industrial Research and Development Agency (NIRDA), illustrated how Rwanda takes part in the 4th industrial revolution and moves towards a digital economy through a range of sectoral strategies. One of NIRDA’s focus areas is to enable young industrial innovators and create an ecosystem for start-up enterprises. Two particular challenges include access to patient capital for start-ups and bringing women into technology.

Roland Ledinger, Deputy Director, Digitalization and E-Government, Austrian Federal Ministry for Digital and Economic Affairs, presented the Austrian two-pronged approach towards digitalization, including: improvement of framework conditions for digital innovation and technology transfer in the business sector; and coordination and implementation of e-government solutions for citizens, business and industry. The former includes a process for establishing laws and regulations for artificial intelligence, and placing Chief Digital Officers in each Government Ministry.

In the final session, participants formed two groups to reflect on **stories from DCED member agencies** on how they have embraced digitalisation and the 4th industrial revolution.

- The first group focused in particular on the story of M-PESA, the first mobile banking provider, which started its operation in Kenya in 2007 with support of DFID’s Business Linkages Challenge Fund. The model has since been replicated across the world, reaching millions of low-income users. The discussion revealed a number of success factors, including: A company (Vodafone Safaricom) that was keen to innovate, learn and adapt based on a thorough understanding of customer needs; a donor agency that focused on supporting innovation and was prepared to take substantial risk by providing a matching grant of £1m to a telecommunications company; and a gap in banking regulations in Kenya, as well as risk-based (rather than rule-based) regulations in countries where M-Pesa was replicated.
- The second group started with experience of an ILO project which invests in a platform that keeps track of master trainers who have been trained through ILO. To maintain their certification, the master trainers update their records on the platform, including for example how many people they train. The discussion was on how to make this a viable business model for future continuity. The next case involved computerisation of business registration in Serbia, which involved the World Bank Group; the challenges of obtaining buy-in from tax and other authorities were outlined and discussed. The third case described the experience of a UNIDO project introducing blockchain technology into the cocoa value chain in Ghana. This involved different actors: farmers, traders, manufacturers and the supplier of finished goods overseas. The discussion focused on ensuring that all actors benefit from the usage of such technology.

Liliana de Sá concluded that the DCED and the individual Working Groups should analyse in more detail how to best address the trend of digitalisation in their work, going forward.

Business Day, Friday 14th June

The first session of Friday included updates by each agency on their latest developments in PSD. Available presentations are posted on the [webpage for the AM](#). 18 members were represented at the subsequent Business Meeting, joined by several potential members as observers; it was chaired by Johan Veul, Netherlands MoFA and DCED Co-Chair, who noted that the DCED seemed to be working well and providing very good value for money.

¹ Lynk is an online platform that partners with Kenyan artisans to showcase and promote their products and services. Through these partnerships they strive to create a thriving online commerce industry.

Progress Report and Work Plan

Jim Tanburn, DCED Coordinator, presented a [summary of progress in 2018-19, and DCED plans for 2019-20](#), across the DCED. Members had received a draft Work Plan and Budget in mid-May, and since then, all of the Working Groups had met in Vienna. Several had agreed (relatively small) changes to their Work Plans and requested Budgets, so these proposed changes were highlighted in the presentation.

The 2018-19 Progress Report and Financial Statement, and the 2019-20 Work Plan and Budget (as amended), were then adopted by acclamation. A revised (and final) version of the Work Plan and Budget will be circulated to members in due course.

ExCo election

Anita Bhatia, IFC (who could not be present in person), stood down from the ExCo after an eight-year term. Simon Andrews, Director, Development Partners Relations at IFC, was elected to the ExCo by acclamation.

Next Annual Meeting

Peter Beez (SDC) proposed SDC as the host the DCED's 2020 Annual Meeting, in Bern, Switzerland. The invitation was gratefully accepted by the members. SDC and the ExCo, with support from the Secretariat, will liaise on dates and a possible theme, and will come back to members in due course with more information.

Annex - List of Participants for the Thematic and Business Days, 13-14 June 2019

Member agency staff

| | | |
|---|------------|-----------------|
| ADA | Lukas | Hecke |
| ADA | Martin | Ledolter |
| ADA | Gunter | Schall |
| ADA | Susanne | Thiard-Laforet |
| Australia DFAT | Kayte | Davidson |
| Australia DFAT | Julie | Delforce |
| Belgium Federal Public Service, Foreign Affairs | Fabrice | Leysens |
| BMZ | Thomas | Cieslik |
| Denmark Ministry of Foreign Affairs | Henrik | Vistisen |
| DFID | Kerry | Johnstone |
| DFID | Alessandra | Lustrati |
| DFID | Michelle | McKenna Stewart |
| European Commission | Matthias | Altmann |
| FAO | Siobhan | Kelly |
| Finland Ministry for Foreign Affairs | Laura | Desmoulin |
| GIZ | Steffen | Felix |
| GIZ | Linda | Gabel |
| GIZ | Birgit | Seibel |
| Global Affairs Canada | Marc | Blanchette |
| IDRC | Arjan | de Haan |
| IFC | Simon | Andrews |
| IFC | Alan | Lukoma |
| IFC | Patrick | Luternauer |
| IFC | Andreja | Marusic |
| ILO | Gun | Eriksson Skoog |

| | | |
|---|----------------|------------------|
| ILO | Steve | Hartrich |
| ILO | Merten | Sievers |
| ILO | Aatif | Somji |
| ITC | Anders | Aeroe |
| ITC | Iris | Hauswirth |
| JICA | Toru | Homma |
| JICA | Saki | Ito |
| MasterCard Foundation | Meredith | Lee |
| MasterCard Foundation | Olga | Morawczynski |
| MasterCard Foundation | Nafis | Muntasir |
| Netherlands Ministry of Foreign Affairs | Johan | Veul |
| Norad | Mehraz | Rafat |
| SDC | Peter | Beez |
| SDC | Selina | Haeny |
| SDC | Andrea | Inglin |
| SDC | Lars | Stein |
| SECO | Liliana | de Sá Kirchknopf |
| Sida | Kåre | Johard |
| Sida | Anne-Charlotte | Malm |
| Sida | Elisabet | Montgomery |
| UNIDO | Conan | Doyle |
| UNIDO | Vincent | Fournier |
| UNIDO | Florian | Iwinjak |
| UNIDO | Juergen | Reinhardt |
| UNIDO | Philippe | Scholtès |
| UNIDO | Virpi | Stucki |
| UNIDO | Noriko | Takahashi |
| World Bank | Catherine | Masinde |

Potential members – observers

| | | |
|---|-----------|--------------|
| Argidius Foundation | Nicholas | Colloff |
| Gatsby Africa | Georgina | Duffin |
| Gatsby Africa | Justin | Highstead |
| Iceland Ministry for Foreign Affairs | Ásdís | Bjarnadóttir |
| Ireland Department of Foreign Affairs and Trade | Neil | Gannon |
| Ireland Department of Foreign Affairs and Trade | Chris | Somerville |
| Luxembourg Min. of Foreign and European Affairs | Thomas | Lammar |
| USAID | Anastasia | de Santos |
| USAID | Rana | El Hattab |
| USAID | Jed | Leonard |

Presenters & other participants

| | | |
|--|----------|----------|
| Aphropean Partners | Rita | Isiba |
| Aphropean Partners | Cornelia | Klepeisz |
| Austria Ministry of Foreign Affairs | Silke | Pinter |
| Fed. Ministry for Digital and Economic Affairs, Vienna | Roland | Ledinger |
| FESTO Didactic SE | Elfi | Klumpp |
| Lynk, Kenya | Johannes | Degn |

McKinsey
NIRDA Rwanda
Roots of Impact
UNIDO
UNIDO
University of Leuven
University of Vienna
Vienna University of Economics and Business
WKO

Jan
Kampeta
Rory
Juan Pablo
Olga
Josse
Lukas
Tatjana
Mariana

Mischke
Sayinzoga
Tews
Davila
Memedovic
De Baerdemaeker
Schlögl
Novakovi
Kühnel

Organisers

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Isabelle
Simon
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Tanburn
Albu
Heinrich-Fernandes
Sen Bekkers
Kessler
Bertelli
Gore
White
Schrenk
Uzakbai Kyzy