



The Donor Committee for Enterprise Development

Minutes of the 35th Annual Meeting

Netherlands Ministry of Foreign Affairs, 3-4 July 2013, The Hague, The Netherlands
6th September 2013

These Minutes are presented in chronological order, with the Thematic Discussion on 3rd July before the Business Meeting of 4th July. However, it should be noted that the Business Meeting (“Members’ General Assembly”) is important to the functioning of the DCED as it is the governing body, according to the [DCED’s Charter](#). A list of participants is attached as [Annex 1](#), distinguishing members from non-members.

I. Thematic Discussion: Working with and through the private sector for PSD

The 3rd of July was dedicated to technical discussions among donor agencies and guests from the private sector and civil society on the topic of **‘working with and through the private sector to promote private sector development (PSD)’**. The day started off with opening remarks by DCED Co-Chair and host Nathalie Olijslager, and a welcome speech by Mr Christiaan Rebergen, Deputy Director of International Cooperation at the Netherlands MoFA. Mr Rebergen highlighted the commitment of the Ministry to promote PSD, including through a growing interconnection between aid and trade, and continued support to the DCED. He noted the renewed interest across donor governments in PSD, and that there was a move away from the traditional donor-recipient relationship towards other types of investment. He applauded the DCED for bringing together donors, the private sector, NGOs and research institutes to take forward this agenda.

An academic and a practical perspective were then provided on the partnership theme: **Shannon Kindornay of the North-South Institute** presented key findings of her report [“Models for trade-related private sector partnerships for development”](#). Five different partnership models were presented, with donor-led programmes being the most widespread type. These seek to harness private sector funding, innovation and/or expertise through risk-sharing. When designing partnership initiatives, donors need to recognise that the type of results, scalability and replicability of different partnership models varies. Donors willing to support innovation also need to acknowledge that this comes with some risk, and develop programming accordingly through **appropriate incentives, clear guidelines on what is required from partners and sensible monitoring and evaluation systems**. She also encouraged the donors to move away from the ‘hero model’ of supporting individual, successful and interested private sector actors only. She recommended that to maximise the effectiveness of partnership approaches, donors should enhance efforts to avoid duplication of ongoing initiatives, and look to create systemic changes through linking partnerships to broader trade and development policy.

Zita Schellekens of Heineken then elaborated on how companies like Heineken together with donor agencies and NGOs could create ‘shared value’ in terms of commercial benefits and development results. She stressed Heineken’s commitment to achieving sustainable development goals but also the tensions that company staff may face in practice between such goals and profit maximisation. Incentives and rewards by senior management were considered crucial, as the support of donors by sharing risks and providing development expertise. Zita Schellekens recommended that companies and donors should recognise **the long time frames required for achieving sustainable development results and create a ‘safe space’ to allow for open dialogue and mutual learning between donors, business and NGOs.**

The following **panel discussion** also included Jan Maarten Dros of Solidaridad and Fazlul Hoque, President of the Employers Federation in Bangladesh and debated questions raised by the DCED working groups. Fazlul Hoque suggested that donors were moving in the right direction in partnering with businesses, **but a reduction in the paperwork and transaction cost would be very welcome**. Jan Maarten Dros highlighted the potential for donor support to companies before they were 'ready' to participate and enter partnerships in global value chains; he also noted the **importance of widening the scope of partnerships to include businesses from emerging economies**.

The afternoon sessions focused on further practical perspectives from two angles: on the one hand **partnering to promote global value chains and trade**, and on the other hand **partnering to promote small and medium enterprises (SMEs)**: On the first theme, **Esther Bosgra of the International Trade Initiative (IDH)** gave an overview of the multi-stakeholder coalitions facilitated by the initiative to enhance global agricultural commodity value chains. Interventions focus on promoting sustainable production methods and high-quality or certified exports. They are co-funded by IDH and private companies (typically international buyers), and involve NGOs as implementing partners as well as other governmental and non-governmental stakeholders.

The approach of this multi-donor funded initiative was then contrasted with an emerging area of potential donor collaboration with the private sector: **Hanne Melin of eBay International** explained that eBay had observed that small traders in developing countries increasingly use its online marketplace, often through mobile internet technology, to export manufactured goods and services internationally. **These new 'micro-multinationals' are potential drivers of economic growth, and represent an alternative model to the integration into global value chains**. She noted that trade costs on eBay are estimated to be about 60% lower for the private company and the consumer than in traditional trade. eBay is interested in collaborating with donors on options for scaling up this type of commerce and addressing its binding constraints, such as in the area of trade logistics.

On the topic of partnerships to promote SMEs, **Gerard Voordes of Muta Sportswear** described how co-funding by the Netherlands' PSI programme had supported his company in setting up a new production facility in Pakistan. He encouraged donors to think about additionality not strictly in terms of whether the project would have happened anyway without donor funds, but whether **donor monies help to achieve development results at higher speed**. **Nadia Gombra of Interliaise** explained in more depth how the PSI programme operates and how it creates a multiplier effect. She distinguished the different characteristics and needs of SMEs in developed and developing countries, and the value of donors in bringing them together and creating an eco-system that facilitates collaboration. **Fazlul Hoque of the Employers Federation in Bangladesh** noted the challenges SMEs faced in Bangladesh in competing with larger companies and working with restrictive bureaucracies. He emphasized the value of donor support to bridge entrepreneurs and **build up SME capacity and knowledge**, which support he had received from the Netherlands Centre for the Promotion of Imports from Developing Countries nearly 20 years ago.

The thematic discussions were wrapped up with a [presentation](#) by **Melina Heinrich of the DCED Secretariat** on the DCED's own work on the theme of Partnerships for PSD, as well as future plans. Over the last three years, the DCED has developed a substantive knowledge base on partnerships for PSD on the [DCED website](#). This includes links to all major donor-funded partnership mechanisms (matching grant and challenge funds schemes), a directory for businesses, key research on the theme, and practical tools for

practitioners. In March 2013, a [DCED review of experience with partnerships for PSD](#) was published, highlighting that additionality assessment and results measurement (RM) are key areas for further work to improve donor knowledge and practice. Work has already begun under the Results Measurement Working Group to develop RM guidelines for challenge funds, based on the DCED Standard. The DCED work plan further includes the development of guidelines for additionality assessments, which could be supported and ultimately be endorsed by a task force of interested member agencies. Such a task force would represent a lighter mechanism than a full-fledged working group, although the format could be reviewed at the next Annual Meeting (AM). **Nine member agencies committed to joining such a task team** to further explore the issue of partnerships with the private sector for PSD – starting with good practice around demonstrating additionality and how to ensure we are delivering public value through the partnership. The Secretariat will follow up on this with interested members soon.

II. DCED Business Matters

These Minutes, below, follow the sequence of functions of the Members' General Assembly (referred to below as the Annual Meeting or AM), as given in Clause 3.2 of the [DCED Charter](#).

Election to ExCo

Executive Chairs and members of the ExCo serve for a two-year term; because both Chairs and two other members of the ExCo were elected at the previous Annual Meeting, only one ExCo position was open for election. **Anita Bhatia, IFC, indicated her willingness to stand for re-election and, as the position was uncontested, was re-elected to the ExCo.**

Applications for Membership of DCED

ITC's application for membership was submitted to the Annual Meeting. Jacky Charbonneau outlined the reasons for ITC's application, noting the value of sharing experiences and knowledge with the DCED (in particular for the ITC around results measurement and partnerships), and in joint promotion. The Annual Meeting accepted ITC's membership application by acclamation.

Strategy of the DCED

Following the decision by the 2012 Annual Meeting to develop a 3-year strategy, DCED Co-Chair Markus Pilgrim presented the [3-year strategy proposal](#). The proposal was developed by the Secretariat with strategic input from the ExCo, following a broad-based survey of DCED members. Members discussed the following issues:

- It was suggested that the target of 5 new members could be specified further, to include 1-2 'new donors' from Asia or Latin America. Currently DCED was one of the few fora where established donors could meet new donors to discuss PSD issues; this would also be important in the context of the post-2015 development agenda. However, it was also noted that this was not a straightforward task, and that there are still a number of EU and DAC donors that are not yet DCED members (and perhaps it would be more practical to prioritise them first).
- While a few members suggested that the DCED could adopt a new name (e.g. Development Partners Committee for Enterprise Development, or Multi-Donor Committee for Private Sector Development), others preferred maintaining the current name, as DCED had now become a 'brand'. Changing the name

to include “PSD” might also be problematic as private sector departments in member agencies are often different to the ones currently engaged in the Committee. According to the Charter, a name change would require a 2/3 majority vote at an Annual Meeting; it would also require a review process by member agencies’ legal departments. As a result of these considerations, no action on changing the name was agreed.

Some members expressed the need to further clarify the resource implications of the strategy, including the scaling-up of the Results Measurement work. The Co-Chair noted that the strategy could be achieved within the current budget.

There followed a formal vote, with distribution of voting slips to each member agency. The proposed **three year DCED strategy was approved** by the 2013 Annual Meeting, with 19 votes for, and 2 against. Additional comments were made on voting slips in favour of: a focus on addressing additionality issues in partnership work; more flexibility for starting new WGs and exit strategies for existing WGs; an organisational name change away from referring to donors towards referring to development partners, and more work with other non-donor practitioners; the DCED reviewing how it measures its achievements (to focus more on outcomes and potentially use the DCED Standard on itself); new agency involvement, particularly from emerging economies, as a more feasible deliverable than their membership.

Working Groups: Formation and work programmes

WGs presented in plenary their achievements in the last year, and plans for the next year. WG presentations are online [here](#). Due to the limited resources of the DCED, clearer procedures for establishing new WGs around emerging areas of member interest and closing down less-active existing WGs would be valuable. WGs should also focus on developing tools and guidance for agencies, with overall quality assurance important. The three year strategy is valuable in providing direction to what WG activities can be funded by the DCED Trust Fund (TF). However further procedures should be reviewed for the next Annual Meeting. **In relation to work on partnerships, a task force will initially explore possible ways forward and if appropriate, a plan for a new WG will be presented at the next AM.**

The [Green Growth Working Group](#) performed a limited stock-taking of agency activities two years ago, and since then has developed fact sheets on certain topics based on existing member agencies’ activities, **worked on advocacy with events at Rio+20 and the International Business Forum**, researched on women’s participation in GG and held two expert meetings. To help focus its activities, a three-year strategy was developed over the previous year with a long-term vision and medium-term focus on **knowledge sharing and supporting programme implementation**. During 2013-14, the group proposes to perform a more in-depth stock-taking of agency GG activities; organise an expert meeting on mainstreaming within member agencies; and, with the Business Environment Working Group, develop a paper, and potentially guidance, on how donors can support the development of enabling environments for GG.

The [Results Measurement Working Group](#) highlighted that **agencies are increasingly under pressure for effectiveness and reporting results**. In this context, the DCED has developed a Standard for good practice in RM based on the logic of each programme, comprising the minimum elements to generate credible numbers. The Standard is widely seen as good practice, and significant supporting documentation has been developed. During 2013-14, further guidance will be developed (for instance on results measurement in

challenge funds), 10 audits will be carried out, an event will be held in March 2014 and continuing support will be given to members. A hired consultant team will map users, aim to stimulate the training 'offer' and provide technical summaries on key measurement aspects. The WG will further look into harmonising indicators.

The [Business Environment Working Group](#) (BEWG) serves as a platform for professional peers to **share information and knowledge on development partner-supported BER in developing countries** and to identify, promote and support good practices in this field. It has been active since 2002, and in the previous period published an Annex to the DCED's Practical Guidance for Development Agencies on Supporting BER focused on Industrial Policy, with a background paper on how IP can be used to stimulate BER. A draft annex has also been developed on Measuring BER Results, and a technical report on quality infrastructure for products prepared. During 2013-14, the BEWG will further its measuring BER results initiative, formulate a guidance note on support to quality infrastructure, produce a concept note on the business environment for inclusive business, further explore use of IP, and engage in discussions on indicators for public-private dialogue.

The [Conflict Affected Environment Working Group](#) was formed in 2008 with the strategic aims of **demonstrating the value of PSD across all aspects of peace-building and PSD in CAEs**, to develop guidelines and tools to inform implementation and to develop a training programme to support practitioners. In 2012-13, it expanded an online library of relevant resources, created a new website section on available guidance, published guidance for RM in CAEs (for which two case studies have been drafted) and developed a training course. Its focus in 2013-14 will be on disseminating DCED materials, including potentially a launch event for the RM guidelines; printing a Reader of the group's publications; and exploring the potential for a third case study on RM. The training course will be rolled out, with the next current planned session in October at the International Training Centre, with further requests as well. **Having accomplished many of its aims, the group will also consider if it remains as a formal WG or operates more akin to a community of practice.**

The [Women's Entrepreneurship Development Working Group](#) aims to **harness the knowledge and expertise of DCED member agencies to overcome some of the major obstacles to WED**. In 2011-12 it published an in-depth mapping on DCED members' work in WED and in 2012-13 it drafted a literature review of household-level indicators and impacts of WED. During 2013-14 it aims to promote the key arguments for integrating household level indicators in PSD projects; focus on the lessons learnt from 1-2 projects to make recommendations on household level indicators and measurement systems for projects; and foster further collaborations between DCED members.

Approval of annual work program, budget and expenditures of DCED and Working Groups

The DCED's history and vision, its overall progress and financial report for FY 2012-2013, and work plan and budget for 2013-2014 were all presented to the meeting; the presentation can be viewed [here](#). The DCED has significantly expanded its activity over the last year. Its outreach has expanded through a 15% increase in website visits and 25% increase in mailing list subscriptions, while events have been held on Making Markets Work for the Poor (M4P), partnerships, results measurement, green growth (GG), and entrepreneurship and management training. The Work Plan for FY 2013-2014 aims to further enhance the activities of the DCED in alignment with the three-year strategy.

Members noted the value of the IFC Trust Fund facility; IFC's work on this was much appreciated. A few had however had difficulties in paying money into the TF, and ways of facilitating this will be reviewed. Each WG has or will have a Child Trust Fund (CTF) to finance its activities. This is preferable to WGs being financed from the overall TF, as each CTF will be managed by a member of the IFC active in the specific WG, who will be better positioned to authorise payments, than the overall TF administrator. Further, funds not used, if necessary, can be transferred back to the overall TF. Members can note their preferences for additional contributions beyond basic membership fees when making contributions; they agreed however to avoid 'hard' earmarks.

Following the discussion, members approved the 2012-13 progress report, 2013-14 work plan and associated financial documents by a show of hands.

III. Agency updates

Most participants provided updates about recent developments in their agencies. Associated presentations (where available) are posted on the [DCED website](#).

IV. Next Annual Meeting

No venue was confirmed for the next AM in July 2014, ExCo and the Secretariat will look into possibilities and report back on a proposed venue by the end of the year. It was suggested for future AMs that WG meetings be held on the first day, followed by business on the following day and thematic discussions on the final day. **A more formal agenda structure with key decision points will be established for the business day.**

The AM ended with a warm thank you to Dag Larsson, Norad, for his many years of participation in the DCED.

Annex 1 List of participants – Member agency staff

	First Name	Surname	Organisation
1	Corinne	Abbas	NL MFA
2	Jason	Alferink	AusAID
3	Matthias	Altmann	European Commission
4	Marc	Banzet	Canada
5	Anita	Bhatia	IFC
6	Lisa	Burley	IDRC
7	Jacky	Charbonneau	ITC
8	Steve	Cumming	Mastercard Foundation
9	Jan	Eriksen	Norad
10	Fulvia	Farinelli	UNCTAD
11	Jean-Christophe	Favre	SDC
12	Jack	Glen	Independent Evaluation Group (IFC)
13	Mirjam	Hansen	NL MFA
14	Gerbrand	Haverkamp	NL MFA
15	Farid	Hegazy	ILO
16	Jos	Huber	NL MFA
17	Arnold	Jorge	AusAID
18	Irma	Keijzer	NL MFA
19	Dag	Larsson	Norad
20	Lasse	Møller	Danida
21	Manjur	Morshed	GIZ
22	Lilia	Naas	ITC
23	Kim	Nguyen Van	GIZ
24	Ola	Nilsmo	Sida
25	Nathalie	Olijslager	NL MFA
26	Ben	Petrazzini	IDRC
27	Irene	Petri	CBI, NL MFA
28	Markus	Pilgrim	ILO
29	Juergen	Reinhardt	UNIDO
30	Armand	Rioust deLargentaye	AFD
31	Gunter	Schall	ADA
32	Birgit	Seibel	GIZ
33	Eugenia	Serova	FAO
34	Casper	Sonesson	UNDP
35	Johanna	Speer	BMZ
36	Adrian	Stone	DFID
37	Reem	Sweiss	IFC
38	Florence	Tartanac	FAO
39	Susanne	Thiard-Laforet	ADA
40	Kim	Tran	NL MFA
41	Mika	Vehnmäki	Finland MFA
42	Marcel	Vernooij	NL MoFA
43	Henrik	Vistisen	Danida
44	Lindsay	Wallace	Mastercard Foundation

45 Sophie Willems NL MFA

Other participants (not from member agencies)

46	Esther	Bosgra	IDH
47	Joep	Bremmers	Facilitator
48	Yves	Dricot	Belgium
49	Jan Maarten	Dros	Solidaridad
50	Nadia	Gombra	Interliase
51	Fazlul	Hoque	Bangladesh Employers Federation
52	Shannon	Kindornay	North-South Institute
53	Nicholas	Klissas	USAID
54	Hanne	Melin	eBay
55	Zita	Schellekens	Heineken
56	Lucas	Schneller	SECO
57	Viola	van Waaij	IDH
58	Gerard	Voordes	Muta Sports
59	Ashley	Aarons	DCED Secretariat
60	Melina	Heinrich	DCED Secretariat
61	Russell	Miles	DCED Secretariat
62	Jim	Tanburn	DCED Secretariat
63	Simon	White	BEWG Consultant