



DCED Global Seminar 2024

1-3 October 2024, Nairobi

Synthesis Report

30 October 2024

Introduction

The DCED has a long-standing track record in organising Seminars to learn from practical experience in Private Sector Development (PSD) and to define and inform effective practice. The last four Seminars focused on technical aspects of Results Measurement, complemented by an exploration of Market Systems Development (MSD) in cities in 2018.¹

The 2024 edition was the biggest DCED Seminar so far, bringing together 180 participants from 45 countries for three days; it was also the first Seminar explicitly designed to facilitate dialogue between donors and practitioners, with 40% of participants coming from donor agencies. In response to DCED member interests and trends in PSD, sessions were organised around six thematic streams, making it the most ambitious DCED Seminar to date:

- Systemic approaches in practice (including sessions led by Gatsby Africa)
- Employment and decent work
- Climate adaptation and environmental sustainability
- Innovative financing for systemic development
- PSD in fragile and conflict-affected contexts
- Effective donor-implementer relationships

In addition, every day featured in-depth discussions between small groups of participants on technical topics of their choice in dedicated *Micro Clinics*. Participants also had the opportunity to join various independent side events and training workshops on 30 September and 4 October.

Presentations and related materials can be accessed via the [Seminar's digital conference platform on Swapcard](#). It allowed participants to virtually engage with the agenda, make a total of 916 connections with other participants, and exchange a total of 630 messages as part of discussion boards and other chat functions. Additional resources will also be shared via Swapcard as they become available.

Keynote speech

Guest speaker Chukwu-Emeka Chikezie [launched the Seminar](#) with an impassioned call to embrace creativity. Tackling today's unparalleled global challenges requires improvisation and inner development alongside rational 'left-brain' thinking: integrating arts and science for sustainable development.

¹ The 2018 DCED Seminar was the first one organised jointly with the BEAM Exchange, its knowledge platform on MSD.

Systemic approaches in practice

[Plenary 1](#) facilitated a conversation about the meaning of ‘systemic approaches’ as an increasingly ubiquitous label. Panellists used three questions to interpret the systemic nature of six diverse PSD initiatives that work to achieve enduring impact at scale.

Other sessions in this stream focused on lessons learnt in the implementation and measurement of systemic approaches. Given that we have been working with systemic approaches for a long time, have we learned from each other on how to do it right? Not enough, was the conclusion of [Session 1B](#), because often we seem to be falling into the same pitfalls. The session brought together seasoned practitioners who emphasised the importance of accepting that we work in complex, uncertain circumstances; programmes therefore need to nurture teams and a culture of taking risks, being adaptive and building in honest reflection to learn and move past bumps along the way.

One expression of the demand for systemic approaches has been in the field of trade promotion. [Session 2B](#) heard lessons from a recent [DCED study about MSD and Trade](#) that examined efforts to achieve enduring and scalable trade outcomes using a systemic approach.

Finally, [Session 1E](#) discussed donor and practitioner experiences in assessing system change, including three key insights: 1) System change assessment can usefully combine a bottom-up approach to relate changes to specific interventions and a top-down macro approach to see how systems are shifting regardless. 2) Assessing systems change often requires a longer time frame than usually planned for. 3) Finally, systems change assessment can be used as a powerful tool by implementers and donors to manage programme and portfolio level changes and adjust to shifting political landscapes. Both parties need to work together to influence good measurement practices.

MSD in Fragile & Conflict-affected Situations (FCAS)

Growing interest in the relevance and feasibility of the market systems approach in FCAS was reflected in two interactive sessions organised by the [Markets in Crises](#) community of practice which included a variety of participants - some with a strong humanitarian background.

[Session 2L](#) featured two eye-opening case studies: [SAFE Sudan](#) used MSD thinking and private sector networks to create resilient seed systems in eastern Sudan. This proved invaluable later when full scale civil war cut off all supplies from the capital. Catholic Relief Services (CRS) in Haiti successfully innovated with food aid commodities to build resilient local food systems for fortified rice and locally-grown sorghum that are helping communities withstand the current violent societal breakdown. Neither were ‘conventional MSD’ initiatives, but both illustrated how MSD can be adapted to fragile contexts, and the profound benefits that a systems lens can bring to the delivery and outcomes of humanitarian activities.

[Session 3B](#) heard about the [humanitarian development nexus in action](#), with speakers from ILO and humanitarian agencies sharing their insights about using MSD approach to catalyse self-reliance for forcibly displaced people and host communities. This session reinforced the importance of flexibility in programme operations, and challenged assumptions about how refugees engage with the private sector. One speaker observed that “there is no such thing as ‘pure MSD’, it is always context specific.”

Innovative Finance

Systemic approaches must include an understanding of commercial finance. Grant-based funding of innovative business practices remains highly relevant but, ideally, it can give way to more commercial funding to scale up promising business models or help a sector expand. However, the reality is that many small and growing enterprises run into the ‘missing middle’ in the finance market, which focuses on either micro or large loans. Typically, conventional banks have struggled to address this gap, leaving system facilitators frustrated about their risk aversion and rigidity.

Four sessions were organised to show that financial markets for SMEs are changing, and innovative SME financing is taking shape. Both financiers and PSD practitioners stand to gain from understanding each other better so that PSD can more often pave the way for commercial finance.

In [Plenary 2A](#), four finance professionals discussed challenges and potential solutions for key players in the emerging finance landscape: 1) Local banks need to learn to lend to SMEs, and require support in changing operations, staffing and risk management. 2) Private investors and local capital providers are less regulated than banks, and so can mould their operations to SME needs more easily. However, they struggle to make these innovative service models commercially viable. 3) Development Financial Institutions (DFI) can be instrumental in providing catalytic finance but require institutional reform in support of this. 4) Finally, market makers are essential to better align local finance, market information, and investors in support of more efficient local finance markets.

[Breakout Session 2A](#) zoomed in on DFIs organised in the Africa Resilience Investment Accelerator (ARIA). An update to the 2022 report [Bridging the Gap](#) on how to create synergy between DFIs and PSD was presented, and a panel discussed potential DFI reform to enable DFIs to play a more catalytic role in financing and work with smaller loan amounts. While institutional reform takes time, participants learned that practical measures such as PSD programmes and DFIs operating from the same office can be very helpful to create a shared understanding of business potential and risk.

[Session 2E](#) discussed practices to make more finance reach small and women-led enterprises - including the importance of standards, ways to manage the cost and risk involved in lending to small enterprises, and offering embedded services to enhance capacity. Finally, in [Session 2J](#), PSD practitioners and finance specialists broke out into small groups to discuss what could be done in practice to scale up PSD activities through commercial investment. A key conclusion was that PSD programmes should include formal business plan development and financial planning in their small enterprise support, and thus require financial skills in project teams.

Climate adaptation and environmental sustainability

While Green PSD is a top priority for donor agencies, donors and practitioners as a community are still on a learning journey to define what Green PSD is, and how it can be implemented and measured effectively. Four sessions aimed to sharpen participants’ knowledge on these issues and create a shared understanding of gaps and priorities for future actions by the DCED and others.

In [Plenary 2B](#), donor and implementer representatives frankly discussed their experiences in Green PSD through the lens of four key lessons: (1) There is lack of a common language, vision and expertise among embassies and implementers on green PSD. (2) Tensions and trade-offs exist between green and (socio-) economic outcomes in practice. (3) Large-scale green ambitions are often not matched by opportunities on the ground, in terms of market maturity and willingness of public and private actors to engage. (4) Finally, retro-fitting existing programmes with green objectives is doable but challenging, while green design from the start is likely to be more effective.

This point was also echoed in [Session 1F](#) on green jobs and the just transition, which concluded that funding priorities and programme design need to incorporate a just transition lens from the start. This may include targeting groups vulnerable to climate change and job loss through adaptation projects, and focusing on the development of new green sectors.

Based on new BEAM guidelines, [Session 1C](#) on [greening the MSD approach in agriculture](#) gave further sector-specific insights on the design and implementation of impactful programmes, on a spectrum from 'do no harm' to intentionally positive green outcomes. Participants discussed experiences in small groups, highlighting the need for programmes to focus on only a few green objectives and high-impact interventions, and the need for better collaboration with sector-specific green experts to identify the most impactful opportunities.

[Session 3C](#) - *Measuring green: what does this mean?* - introduced the DCED's draft Theory of Change on Green PSD as a possible step towards common language and vision around Green PSD. It then unpacked major green measurement challenges in PSD, such as how to define green PSD results and associated indicators; when to rely on (which) models; how to counter the risk of greenwashing; and how to find the right experts with green, PSD and MRM knowledge. Participants then discussed green measurement practices presented by four programmes, and possible ways to enhance them.

Employment and decent work

Sessions on employment and decent work addressed practical challenges which have emerged in the [MSD for Employment \(MSD4E\) Community of Practice](#). In particular, Sessions 1A on [Job Creation](#) and 2C on [Target Setting](#) created a space for practitioners to reflect on what is working in their programmes, an appropriate level of ambition, and how donors and implementers need to work together for better design and implementation.

Multiple sessions highlighted the scale of the job creation challenge, particularly in Africa, given the lack of job vacancies and demographic trends. Speakers argued that incremental change is not enough to reduce poverty or create jobs at scale. Instead, structural transformation is needed. But what does this entail? This question was picked up in [Session 2F](#) - *Are we being ambitious enough* - where Gatsby Africa presented examples of structural transformation from their work. However, challenges remain in applying this in a typical donor-funded project; sector transformation requires much higher risk appetite, longer timespans, more resources and advanced skill sets. Donors need to be clear about these implications before aspiring for structural transformation.

[Plenary 3A](#) painted a broader picture of why traditional approaches to labour markets have failed to achieve sustainability or scale, and how a systemic approach might address some of these pitfalls. Speakers reflected on what is different about engaging with labour markets compared to product markets for agriculture, for example. The MSD4E landscape assessment highlighted the diversity of existing work, including MSD interventions focused on job creation, job quality and access to jobs. Practical examples from ILO and Sida demonstrated how an MSD approach can tackle job quality (e.g., safety of construction workers) and the time it takes for programmes to evolve from direct skills training to a full-fledged MSD4E approach.

A key takeaway for donors is the importance, at the design stage, of developing clarity on target groups, employment objectives and overall ambition (sector transformation vs. influencing labour market systems).

Effective donor-implementer relationships

A cross-cutting theme focused on the role of donor-implementer relationships in facilitating systemic approaches. [Session 2K](#) explored the realities of donor policy implementation, and the importance of local embassies and missions proactively interpreting policy in ways that further their existing strategies. An interesting yet strongly debated trend highlighted here was donors deciding to partner directly with the private sector (bypassing implementers) under certain conditions.

[Session 2G](#) focused on the investments being made by implementers in their staff and leadership pipelines, given the critical importance of highly skilled teams to actually realise a systemic way of working. Internal champions shared examples of action research, structured programming and flexible networks used to amplify and promote local staff into positions of leadership. Speakers raised the ongoing challenge of retention, exacerbated by implementers poaching from each other, and the importance of a shared vision for a collective talent pool, regardless of whether staff stay in one organisation or move between them.

[Plenary 3B](#) addressed the core relationship between donor ‘programme managers’ and implementer ‘team leaders’ and its critical importance for adaptive management. Panellists unpacked what needs to change (“programme managers can’t simply ask 1,000 questions” and “team leaders need to communicate exactly what’s different about MSD”) and the layers of organisational support needed to make this a reality. Particular emphasis was placed on the role of embassy leadership in creating an enabling environment for new programme managers, for whom it can be a challenging, risky and even ‘scary’ prospect to embrace an adaptive approach. The panel also affirmed the importance of team leaders who are technically adept, politically savvy, able to grow the skills of their teams and bring their donor counterpart on a learning journey. These skills are codified in BEAM’s forthcoming MSD Team Leader Competency Framework.

Participant Feedback

About half of the audience (86) filled in the online feedback form shared during the final session of the Seminar (see a [full summary of feedback here](#)). All respondents indicated that the Seminar had fully (77%)

or partially (23%) met their expectations. 85% considered the quality of content as excellent or good overall, while 95% rated logistical arrangements as excellent or good.

All streams received positive feedback, with the most appreciated elements including the Innovative Finance Stream, Micro Clinics, the Climate and Environment stream (including in particular the green measurement session), and sessions on Donor-Implementer Relationships. Small group discussions were highly valued, with respondents recommending even more interactive elements in a future Seminar.

In terms of next steps, follow-up actions on green PSD were by far the top priority, followed by more work on donor-implementer relationships and results measurement. Respondents would welcome a variety of online and in-person formats (e.g., webinars, online discussion platforms, smaller regional events, another Seminar) to continue the discussions, alongside written knowledge products.

The DCED will explore next steps on these priority themes and specific discussion topics (e.g., bridging the gap between donors and DFIs) in collaboration with the DCED's Working Groups, and share more details as they become available.

Some specific feedback included:

Well done DCED team. I have thoroughly enjoyed this Seminar. Loved the calibre of people here. Loved the topics and the variety of types of workshops.

Keep it up. The momentum and energy coming out of this conference feels different than most.

Really exceeded my expectations. Best conference I've been to in a while.

Great networking. Good participants. Well run event. Good venue.

Very valuable for networking and for consolidating this active community of practice.

Well done team! Thank you for the good and open discussion climate.

I loved the networking opportunities - so valuable! It felt like the right mix of implementers and donors to really have good opportunities on both ends.

Great job, inspiring event! Keep up the good work!

With special thanks to the Seminar Co-Sponsors

