

PRIVATE SECTOR ENGAGEMENT WORKING GROUP (PSE WG)

Teleconference, 25 April 2024

Minutes

26 April 2024

Participants

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| 1. Tobias Zeller, GIZ, Co-Chair | 12. Paul Wade, Norad |
| 2. Katie Garcia, USAID, Co-Chair | 13. Luca Etter, SDC |
| 3. Gottfried Traxler, ADA | 14. Irene Frej, SECO |
| 4. Hannes Bahrenburg, FCDO | 15. Andrea Lilja, Sida |
| 5. Nirosha Gaminiratne, FCDO | 16. Lara Vecchio, UNHCR |
| 6. Marie Fischer, GIZ | 17. Keith Dokho, USAID |
| 7. Brian MacDonald, IDRC | |
| 8. Githa Roelans, ILO | DCED Secretariat: |
| 9. Maeve McLynn, IrishAID | Melina Heinrich-Fernandes |
| 10. Rens Twijnstra, Netherlands MoFA | Holger Grundel |
| 11. Sabine Sleijffers, Netherlands MoFA | Harald Bekkers |

1. Finalisation of the Synthesis of PSE Portfolio Evaluations

Following a round of introductions, Tobias briefly summarised the objectives of this consultancy and then invited participants to provide feedback on the draft Synthesis Report and Executive Summary. The main comments were:

- Both documents still require editing before they can be considered ready for publication.
- This includes ensuring that the language is sufficiently clear and consistent so that the report cannot be misrepresented as questioning the efficacy of PSE.
- Large sections of the main report are too long, descriptive and not sufficiently analytical to extract key lessons and conclusions from the PSE evaluations the consultant has reviewed.

The WG agreed that additional written feedback by members can be sent to the Secretariat by 10 May. The Secretariat will then proceed with the agreed editorial adjustments, in consultation or collaboration with an 'editorial team' of interested WG members as required. Work on this will start after the Annual Meeting in June.

3. Review and approval of the draft Work Plan for July 2024 – June 2025

A draft work plan incorporating the main suggestions raised during February's WG meeting had been circulated prior to the meeting. The agreed draft version will be presented to the ExCo by the PSE WG Co-Chairs on 2 May. A minimum of three WG members should express interest in a work item

for it to go ahead. Members wishing to contribute to individual work items are free to decide how much time to allocate. At a minimum they should be available for periodic calls and reviews of outputs.

Following the discussion it was concluded that three items included in the draft work plan had sufficient support from WG members:

1. *Continued peer exchange on priority questions by members*
2. *Developing an overarching theory of change for PSE (Preliminary task team: BMZ/ GIZ, Netherland MoFA, SECO, ADA, Norad, USAID and FCDO)*
3. *Commissioning a short review of how donor agencies are positioning themselves vis-a-vis- DFIs in mobilising private finance (Preliminary task team: FCDO, SDC, BMZ/ GIZ, IDRC, USAID and Norad)*

For item 1, the group will remain flexible and select specific priority themes ahead of their future meetings. It was suggested to also include a possible exchange on innovative or effective PSE examples, and an exchange on defining elements of PSE (as opposed to PSD), to the preliminary options mentioned in the work plan.

For item 2, it was agreed that, as suggested in the original draft work plan, the first step of the assignment should focus on commonalities and differences between existing ToCs in member agencies.

For item 3, it was agreed to broaden the focus originally suggested, to not just focus on mobilising finance in fragile environments and thin markets, but do review more broadly how member agencies position themselves vis-à-vis DFIs in mobilising private finance.

4. Presentation of plans for PSE WG meeting in Washington

The draft agenda for the PSE WG meeting in Washington on 4 June was shared with the group. The day will include a presentation of USAID's PSE Modernize reform initiative. To ensure that this focuses on the issues that are of most interest to the WG, Katie and the Secretariat will share a doodle poll for members to select their preferred topics.

Another session will feature presentations from FMO and IDB to explore synergies between PSE and PSD initiatives and development finance institutions in developing a pipeline of investable projects and mobilising finance for early-stage, high-risk projects.

5. Brief presentation of PSE WG operational framework

Melina explained that during the recent WG meeting in Berlin, several members who joined the group relatively recently suggested a 'refresher' on earlier PSE WG knowledge products. Particular interest had been expressed in the PSE WG's Operational Framework - which was first developed in 2019 and updated in 2021 – because it offers a common language for the WG on what PSE means. She briefly presented the core elements of the Operational Framework and invited reflections from the group.

WG members welcomed the discussion and highlighted several areas where the Framework might be updated. The WG agreed to revisit this discussion later in the year.