

## > A business approach to Market System Development - the Élan RDC story

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The Donor Committee for Enterprise Development



# Lessons Learnt from Implementing MSD in the DRC

Élan RDC  
(2014-2021)



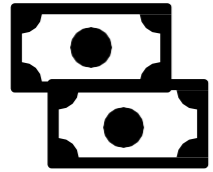
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# About Élan RDC

- Élan RDC, part of £100+ million UKAID PSD program in DRC - 2014-2021
- Pioneered PSD in DRC - one of the most difficult countries to do business in
- 3 sectors: Agriculture, Energy and Finance.
  - Cross-border trade, Transport
  - “Markets in Crisis”, and “Gender Equality and Social Inclusion”.

# Programme Dashboard

## KEY RESULTS

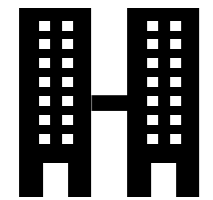


**\$52.7M**  
INCREASED INCOME



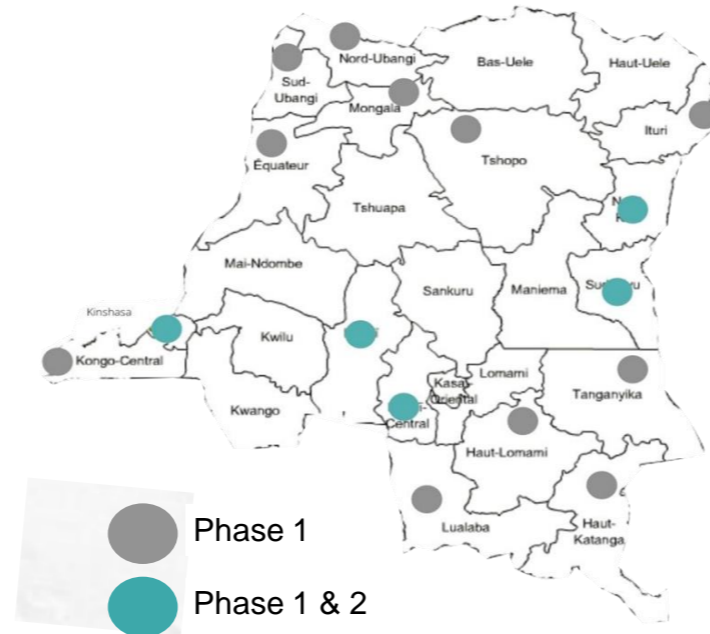
30% 70%

**979,791**  
PEOPLE REACHED



**1.3 M**  
PEOPLE WITH IMPROVED PRACTICES

## OUR PRESENCE

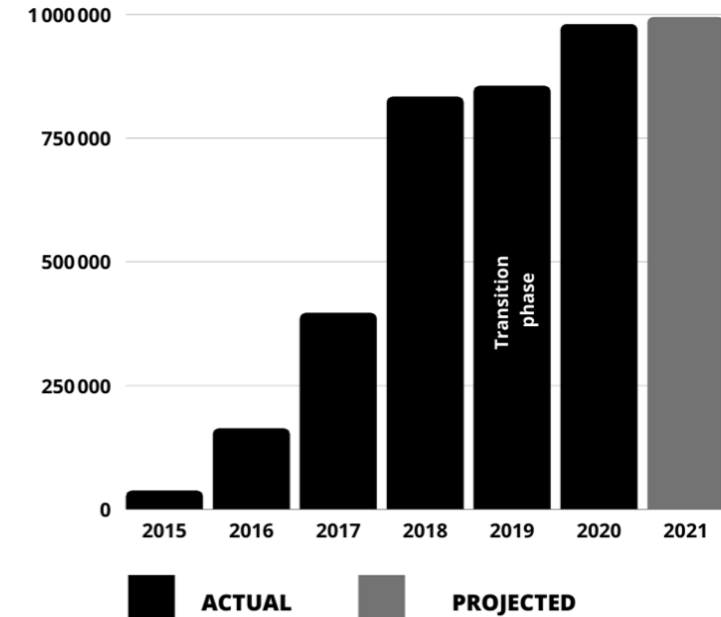


## CONSTRAINTS

- Low levels of access to mains electricity
- Poor access to agricultural inputs and support services
- Lack of consumer trust in mobile money and digital financial services
- Absence of financial products suitable for SMEs
- Difficult business operating environment
- Heavy tax and harassment burden

## IN NUMBERS

People experiencing income change



## INTERVENTIONS

- Development of the renewable energy market
- Cash- and credit-based sale of seeds and agricultural inputs direct to farmers
- Development of sustainable mobile money agent networks
- Facilitating cross-border trade through B2B meetings
- Private sector advocacy for an improved business environment
- Strengthening private-sector associations

***After 7 years, over 100 partners, 200 interventions and a collaborative effort of 100 staff, how did Élan approach an MSD program in a thin and challenging market?***

- Case studies
- Approach

#### **4 Themes:**

- Partnerships - how did we interact with partners?
- Timing – at what points did we interact with partners?
- Monitoring – how did we measure progress?
- Finance - how did we engage financially?

# Case studies

- Access to energy
- Access to finance

# A2F Case Study: Interoperability

- **Background.** Low financial inclusion. Need for a thriving digital ecosystem with interoperability.
- **Partnerships.**
  - Multiple : Market study, partnerships with many private actors, discussion platform (the Digital Working Group)
- **Timing.**
  - 2015 to 2021, mix of short and medium term.
  - Finca and Vodacash : developing, launching and critically reviewing the results of a digital savings and loans product. Market ready but partners not aligned.
  - Digital Working Group sessions on key topics of interest (incl. on interoperability)
  - Supporting aggregators on inclusive digital payment solutions.



# A2F Case Study: Interoperability

- **Results Monitoring was very critical.**
  - Finca and Vodacash: result monitoring failed
  - Fintechs: very close monitoring
  - DWG: regular monitoring (CB especially)
- **Finance: small and bigger budgets, always some form of co-financing.**
  - Larger for Finca and Vodacash (but spread over several workstreams).
  - Digital Working Group, mainly expert days and logistical costs. Here the lobbying side was more important.
  - Aggregators (smaller actors) needed strong direct and indirect support



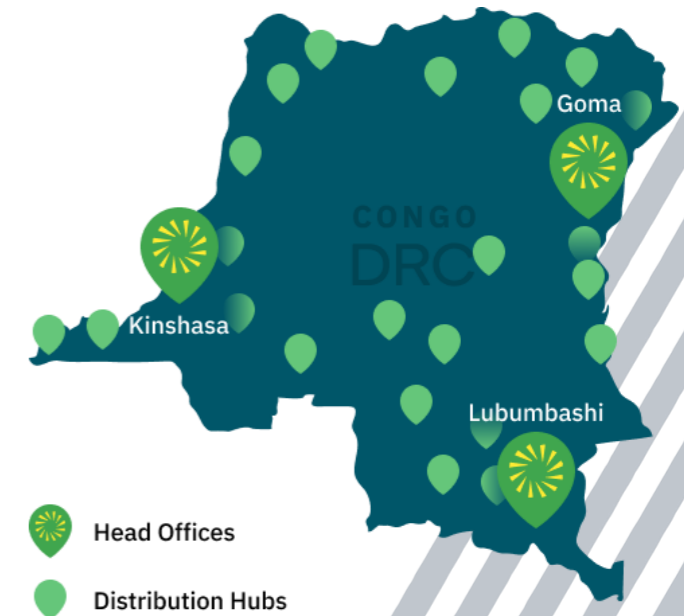
# A2E Case Study: Altech

- **Background**
- Altech is a renewable energy company founded by Washikala Malongo and Longwa Mashangao; two friends that grew up together in a refugee camp in Tanzania and driven by their vision to create impact at home, founded Altech in 2013 to address DRC's energy deficit.
- **Partnerships.**
  - Élan RDC worked with Altech between 2015 and 2021
  - Altech's strategy was very well aligned with Élan's
  - Élan RDC could offer core support to Altech in business models, partnerships and technology development
  - Focus on avoiding mission drift for Altech at all costs



# A2E Case Study: Altech

- **Timing.**
  - Élan RDC and Altech worked on 7 different projects between 2015 and 2021
  - This included new business models, scaling and digitization projects
- **Results Monitoring.**
  - Altech and Élan RDC produced large impact figures: over 100,000 solar products sold
  - The partnership produced other results that supported Élan RDC's overall strategy, specifically household expenditure and behaviour
- **Finance.**
  - Élan RDC's financial support to Altech ranged from \$5k dollar to \$200k three years later
  - Acted as an objective partner towards int. investors and donors
  - Continuously invested in long-term partnerships to realize significant sectoral and national impact



# Approach

- Partnerships
- Timing
- Monitoring
- Finance

# Partnerships

- Work within the strategy of companies
- Support strong players to build the market

NB: Hire well-connected industry insiders

# Timing

- Test rather than analyze
- Iterate and build
- Sometimes solutions are good ideas, but the market isn't ready

# Results Monitoring

Focus on execution:

- Business KPIs - first
- Impact and replication - later

# Finance

- Think as an investor
- Adapt to company/market, opportunity/risk, partnership stage

***We mirrored Élan RDC to look like a business.***  
*We needed to have a diversified portfolio and do lots of different stuff to withstand the shocks. Some will fail, some steady, and some moving forward... Make the right decisions and be as quick as possible.*

“

# Panel

- **Amy Stenoien**, Deputy Director, Economic Growth Office, USAID
- **Laura Norris**, Economic Adviser, FCDO
- **Alex Elphinstone**, Africa Project Director, ASI

# Thank you

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