



The Donor Committee for Enterprise Development

## Business Environment Working Group Meeting (Teleconference)

### MINUTES OF MEETING

Thursday, 4 December 2014

3:00PM Central European Time

[Minutes approved by email circulation on 23 January 2015]

#### Present

Farid Hegazy (ILO) Chairperson	Maria Campo Perfecto (EC)
Iris Boutros (IDRC)	Alexandra Oppermann (BMZ/GIZ)
Tim Green (DFID)	Gayle Barnett (Canada)
Lasse Møller (Danida)	Marc Blanchette (Canada)
Juergen Reinhardt (UNIDO)	Rick Meis, Netherlands
Liliana de Sá Kirckknopf (SECO)	David Weber, Canada
Mohammad Saeed (ITC)	Kees van der Ree (ILO, for part of the time)
	Jim Tanburn and Melina Heinrich (DCED Secretariat)
	Simon White (Consultant to BEWG)

#### Apologies: None

#### 1 Welcome, introductions and confirmation of the agenda (3:05PM CET)

Farid Hegazy (ILO), Chairperson, welcomed everyone to the meeting and facilitated introductions by all participants.

#### 2 Business arising from the last meeting

There was no business arising from the minutes of the last meeting.

#### 3 Reports on Current Work Items

##### 3.1 Up-date on the discussion regarding the BER-related target of the Post-2015 Frameworks

Tim Green (DFID) provided an update on the discussion paper he posted on options for establishing BER-related target of the Post-2015 Frameworks. He thanked the Secretariat for their help with this and indicated that there had been some useful on-line discussion on the paper. He asked the BEWG members for advice on the next steps to be taken.

During the discussion it was recognised that the UN Secretary General would be releasing a report on the Post-2015 Frameworks this day.

There appeared to be most interest among members in developing a composite indicator.

**AGREEMENT:** *It was agreed that members would take the time to visit the DCED website and comment further on the posting, while the SG's report will be reviewed.*

Please go to: <http://www.enterprise-development.org/page/post-mdg-be-indicator>

*Tim Green will continue to focus on this topic and will come back to the group with advice on future actions.*

### **3.2 Cooperation with the Green Growth Working Group**

Kees van der Ree (ILO) provided an update of the Green Growth Working Group's efforts on business environment reform for green growth. He indicated that a revised TOR would soon be sent to BEWG members for comment.

He indicated that the next stage of this work would focus on two lead questions:

- I. What are some of the good examples in which reform of the business environment was undertaken with the objective to support "green" private sector development?
- II. What is the evidence so far that national and sectoral green growth strategies do incorporate the reform of the business environment as an area of focus, and what are the results so far?

The scope of the work would include a detailed analysis of the set of instruments following the BER functional areas focusing on the following instruments:

- Integrated permitting and licensing schemes
- Integrated reporting
- Business case; communicating benefits of greening; performance indicators
- Institutional requirements; property rights enforcement;
- Business registration and formalisation

Members expressed a strong interest in good examples (i.e., case studies) of where business environment reform has been undertaken to achieve green growth outcomes.

**AGREEMENT:** *It was agreed that Kees would circulate the revised TOR to members for comment by 12 December 2014 and members would submit any comments they had in early January 2015. The work will begin in mid-January 2015.*

### **3.3 Up-date on the Sector-specific BER work**

Juergen Reinhardt (UNIDO) provided an update to members on this work and apologised for not circulating a revised TOR in September. He confirmed that UNIDO would be supporting the examination of business environment assessments and reforms in the pharmaceutical sector, while BMZ/GIZ would support this work in the renewable energy sector. He was hopeful that Canada would support this work in the mining sector (i.e., minerals, not extractives and not jewellery). The work will involve two stages. The first is the preparation of a background paper on current practices. The second is the organisation of a meeting of sector experts to discuss the paper and distil key lessons. Ultimately, it is envisaged that this would lead to a new annex to the Donor Guidance.

During the discussion it was noted that FIAS is doing some business environment reform work related to agri-business, which may be useful to consider. Similarly, the World Bank has developed a website on business environment and extractive industries.

A budget of \$60,000 has been allocated to this work, with contributions from UNIDO, BMZ, UNCTAD, and Canada (through the DECD Trust Fund).

**AGREEMENT:** *It was agreed that Juergen would circulate the revised TOR to members for comment by 12 December 2014 and members would submit any comments they had in early January 2015. The work will begin in mid-January 2015 with the first draft report anticipated in March 2015.*

### 3.4 Inclusive Business Support

Gayle Barnett (Canada), replacing Marc Banzet, provided an update of this work item. The Task Team for this work is comprised of Gayle Barnett (Task Team Leader), Alexandra Oppermann (GIZ), Iris Boutros (IDRC) and Fulvia Farinelli (UNCTAD). The purpose of this work is to better understand the business environment dimension to promoting inclusive businesses. A consultant will be engaged to prepare a scoping paper on this topic, which would lead to a new Donor Guidance annex on this topic.

A concept note on this item has previously been prepared and circulated. A revised note and TOR were circulate the day before the meeting. Consultant deliverables:

- Literature review on current frameworks, policies and research that promote improved business environments for inclusive business
- Analysis of these policies in terms of impact to business growth and poverty reduction, including their inter-relationship with other elements of promoting inclusive business growth
- Lessons learned and best practice, as well as, any pitfalls for donors
- A practical typology of inclusive business models

Once the TOR had been revised, the process of commissioning a consultant will begin. GIZ has information to share with Gayle on this topic.

Members expressed their general support and interest in this work item.

**AGREEMENT:** *It was agreed to do the annex as a separate item. Thus, the first piece of work will be the scoping paper, which will be followed by an annex. The TOR will be revised accordingly and the original amount of \$20,000 for this work will be applied. Aim to have a draft for the next BEWG meeting.*

### 3.5 Measuring BER Results Indicators

Lasse Møller (Danida) provided an update on this work item, which included a historical overview of the work that has been achieved. A final draft of the Indicators had been circulated to members a week prior to the meeting. Lasse suggested this would be the final version of the document, which would be uploaded to the DCED website.

There was strong support for this document during the discussion. Representatives from the Results Measurement Working Group (RMWG) expressed their support and appreciation for this work and both Netherlands and Danida spoke of how they had been using this information and found it helpful.

It was noted that the IFC and the RMWG were working towards the harmonisation of existing PSD Indicators. A consultant is currently being recruited to perform this work.

**AGREEMENT:** *It was agreed that the Indicators be accepted as the final version, which should be uploaded to the DECD website in PDF and Excel formats.*

**4 Any other business**

Farid Hegazy raised a concern regarding the problems with the contracting of Simon White as the BEWG Coordinator. Despite the approval of the Annual Workplan and Budget, the World Bank Group has been unable to finalise the contracting process, which is normally a straightforward process. Farid was exasperated by both formal and informal attempts to resolve this problem. A number of members indicated that this was an embarrassing situation that had to be resolved as quickly as possible.

**AGREEMENT:** *It was agreed that Farid would raise this concern, again, with the World Bank Group and the DCED Executive Committee.*

**5 Next Meeting**

It was agreed that the next meeting will be held on 18 March 2015 in Brussels (hosted by the European Commission). [Note: Next DCED Annual Meeting will be 16-18 June 2015 in Copenhagen]

**6 End of Meeting**

Farid Hegazy closed the meeting at 5:00PM CET and thanked members for their participation and active supporting and wishing all a happy festive season.