



The Donor Committee for Enterprise Development

Business Environment Working Group Meeting

Minutes of Meeting

Tuesday, 8 July 2014

International Trade Centre, 54 Rue de Montbrillant, Geneva

Final Version: Adopted by email on 25 July 2014

Present

Farid Hegazy (ILO) CHAIRPERSON
Marc Banzet (Canada) dialled in
Marc Blanchette (Canada)
Iris Boutros (IDRC)
Maria Campo Perfecto (EC)
Fulvia Farinelli (UNCTAD)
Tim Green (DFID)
Melina Heinrich (DCED Secretariat)
Lasse Møller (Danida)
Juergen Reinhardt (UNIDO)
Liliana de Sá Kirchknopf (SECO)
Mohammad Saeed (ITC)
Eugenia Serova (FAO)
Birgit Seibel (GIZ) (observer)
Johan Veu (Netherlands)
Natascha Weisert (Germany, BMZ)
Simon White (Consultant to BEWG)
Alexander Widmer (SDC)

Apologies

Penelope Fidas (World Bank Group)
Rick Meis (Netherlands)
Alexandra Oppermann (GIZ)

1 Welcome, introductions and confirmation of the agenda

Farid Hegazy, BEWG Chairperson, opened the meeting and welcomed all participants. Participants introduced themselves and the agenda for the meeting was confirmed.

2 Business arising from the last meeting

The meeting reviewed the minutes of the last meeting. There was no additional business arising.

3 Report on Current Work Items

3.1 Guidance on BE diagnostic tools

Tim Green presented the findings of the DFID work on business environment diagnostics. There were four phases to this work item, which DFID funded and managed: review of literature, survey of MNEs, statistical analysis, and preparation of a policy brief. The statistical analysis report and policy brief were circulated to member and discussed. Issues arising out of the discussion:

1. Many members found the findings to be very interesting and thought-provoking, despite presenting challenges to the ways donors typically approach this work
2. DFID is not planning to take this work further, but there appears to be opportunity and value in the BEWG considering this topic further
3. Possible links to the DCED group looking at conflict-affected states

AGREED: It was agreed that there could be further work undertaken on this topic and members agreed to give consideration to this and propose future work items.

ACTIONS: Members to consider the options for further work on this topic.

3.2 Quality Infrastructure

Juergen Reinhardt introduced this work item and provided a brief background of the work to-date, which UNIDO and SECO had funded. This included the commissioning of a Technical Report (produced by Keller and Kellerman) in 2013. Following this, Simon White had drafted an Annex to the Donor Guidance on this topic. Simon White then spoke to the Annex and the revisions that had been made since the last meeting.

AGREED: The meeting adopted the final draft.

ACTIONS:

1. Simon White will liaise with the DCED Secretariat on the layout and publishing of the Annex

3.3 Measuring BER Results — Sample Indicators

Lasse Møller reminded members of the background of this work, which stems from the adoption of the Annex to the Donor Guidance on Measuring Business Environment Reform Results. The current work item endeavours to provide a broad range of sample indicators that BER programme designers and managers could use. Simon White spoke to the current draft, explaining the changes made since the last meeting and the manner in which the material is organised. It is anticipated that the sample indicators would be provided on-line, via the DCED website. The discussion on this raised the following issues:

- Very helpful and informative resource

- Needs to be clearly linked to the Annex on Measuring BER Results
- Further work required on the green growth and human rights domains
- Need to explore possible links with the World Bank Global Practice on Trade and Competition (which is working to establish standard indicators)
- Need to share with the DCED Results Measurement Working Group

AGREED: It was agreed that more time would be provided for members to provide Simon White with their comments on the draft. The annex should be amended to ensure a reference to the sample indicators is clearly made.

ACTIONS:

1. Members to provide comments on the draft indicators to Simon White on or before 15 September 2014
2. Simon White to circulate a revised version of the indicators on 30 September 2014
3. Simon White to liaise with the DCED Secretariat on the best format for publishing the indicators on the DCED website
4. Simon White to amend the Annex on Measuring BER Results to ensure there is an explicit link made to the sample indicators.

4. Report on Items from draft 2014-15 Work Plan

4.1 BER-Related Target for Post-2015 Frameworks

Tim Green presented his draft ideas on post-MDG business environment Indicators, stressing that these ideas are just his and not an official DFID position. The following points were raised during the discussion that followed:

- Should these indicators measure outcomes or impact?
- Unclear when the post-MDG indicators will be finalised, however, it appears that a general text on this topic will be realised soon, with further time planned for defining the actual indicators
- There is danger in using indicators that were not originally planned for this purpose, maybe there is scope for the development of completely new indicators
- There was concern expressed about indicators that rely on perceptions
- The criteria for selecting indicators outlined in Tim's paper are very good, but difficult to fulfil them all
- This appears to be a very strategic and valuable topic for the BEWG to work on

AGREED: It was agreed that this item will be included in the BEWG Work Plan, with the aim of producing an initial output by end-September 2014. Tim Green agreed to continue to coordinate the BEWG efforts on this item. The time for comments on Tim's paper will be extended, comments to be received by 25 July 2014.

AGREED ACTIONS:

1. BEWG members to provide comments on Tim's paper on or before 25 July 2014.

4.2 Sector-Specific BER

Juergen Reinhardt spoke on his proposal for further work on sector-specific business environment reform. This involved a three-step process:

1. Commissioning a consultant to prepare a background document
2. Holding a technical meeting for BEWG members to meet with sector specialists (1-2 days)
3. Subject to findings under 1 and 2, preparation of an annex to the Donor Guidance on this topic

A range of questions was raised regarding the (potential overlap between) sector-approaches to business environment reform and industrial competitiveness, geographical focus, inter-sector dynamics, and the boundaries between sector business environments and the general business environment. Thus, an important element of the first step (commissioning a consultant) would be to define the parameters or scope of sector-specific business environment interventions.

It would be important to link up with the work being undertaken currently by the World Bank Competitive Industries and Innovation Program (CIIP) programme¹ and the IFC Let's Work initiative (<http://www.letswork.org>)

There was some discussion concerning the selection of sectors to investigate. There was agreement on those proposed in the paper (i.e., pharmaceuticals and horticulture), while some members also proposed mining or textiles. The addition of sectors would require additional funds. In further discussions with UNCTAD after the meeting, UNCTAD expressed its interest in financially supporting this endeavour with up to USD 6,000 and mining could be interesting for them, as well as tourism, eventually.

AGREED: It was agreed that this work item be included in the work plan. Members would provide any additional comments on the proposal to Juergen Reinhardt. A task team was formed comprising of Juergen Reinhardt (UNIDO, Task Team Leader), Marc Banzett and Marc Blanchette (Canada), Alexandra Oppermann (GIZ) and Farid Hegazy (ILO), and Fulvia Farinelli (UNCTAD).

AGREED ACTIONS:

1. BEWG members provide comments to Juergen Reinhardt on or before 31 August 2014
2. Juergen Reinhardt to revise/finalize TOR accordingly and commence process of commissioning a consultant

4.3 Inclusive Business Support

Marc Banzett joined the meeting by Skype and presented proposed terms of reference for a consultant to conduct research on inclusive business environment reform. See Annex 1.

He estimates this is about US\$20,000 worth of consultancy services. Canada has provided additional funds to the DECD Trust Fund and proposes that a request be made to the DCED Executive Committee to fund this BEWG activity from the Trust Fund.

¹ See: <http://blogs.worldbank.org/psd/competitiveness-and-innovation-take-center-stage-in-brussels-conference>

Questions raised and discussed:

- Are there not other agencies working on this? Yes, but not with a business environment reform perspective. At the same time, the experience gathered relating to inclusive business support should be carefully assessed at the outset. Many agencies, including BMZ/GIZ have already provided relevant background information for further consultation.
- Is there an opportunity to include corporate success stories? Yes, there should be space for this and it might help to give a corporate sector perspective. Need to find good stories and to ensure the focus is on how BOP actors at the very bottom can participate.
- Could be good to look at the gender issues, but this could be difficult.
- What can be done to improve the business environment in advanced countries to encourage home-based MNEs to become involved in inclusive business practices.
- This topic could address some issues of informality. The topic spans formal and informal economies.
- It is easy for this topic to become a general approach, so it is proposed

AGREED: It was agreed that this work item be included in the work plan. Members would provide any additional comments on the proposal to Marc Banzet. A task team was formed comprising of Marc Banzet (Canada, Task Team Leader), Alexandra Oppermann (GIZ), Iris Boutros (IDRC) and Fulvia Farinelli (UNCTAD).

AGREED ACTIONS:

1. BEWG members provide comments to Marc Banzet on or before 31 August 2014
2. Marc Banzet to finalise the terms of reference by 15 September 2014.

4.4 Adoption of work plan and budget

Farid Hegazy facilitated a discussion on the work plan and budget. Final changes were made and the work plan and budget agreed to. See Annex 2 - BEWG Work Plan and Budget.

AGREED: BEWG Work Plan and Budget for 2014-15 was adopted.

5. Election of BEWG chair

AGREED: Farid Hegazy was unanimously re-elected as chairperson of the BEWG.

6. Any other business

There was no other business.

Members provided short updates on their agencies.

7. Next Meeting

AGREED: It was agreed that the next meeting would be a teleconference held in the second-half of September 2014.

Next physical meeting will be January/February 2015. Maria Campo will enquire about the possibility of hosting the meeting in Brussels.

8. End of Meeting

Farid Hegazy thanked members for their participation and closed the meeting at 4:40PM.

9. Joint meeting with Green Growth Working Group (GGWG)

Following the BEWG meeting, a joint session with the GGWG was held. Kees van der Ree, Chair GGWG, opened the meeting and the report on “Approaches towards business environment reform and green growth that enables an optimal private sector contribution in developing countries; scoping review for internal decision-making was presented”.

Some of the main issues raised following the presentation:

- A very broad paper — many issues covered
- The challenge of the political economy: no longer an issue for the ministry of environment, how can governments come to realise the need for reform.
- There is a need to better understand the functional aspects of business environment reform in this field. This is a small, initial step.
- Initial analysis: where we are, what are the challenges, etc. This will determine the next steps. The scoping study has laid out a broad scope, but it is hard to decide next steps without a clear analysis.
- Could an Annex be formulated focussing on how to ensure BER integrate green growth issues

AGREED: Additional time would be provided to allow members to review the document in more detail and to provide comment. Members were requested to propose ideas on how this work could be continued.

ACTIONS FOR BEWG MEMBERS:

1. Provide comments to Farid Hegazy and Simon White on or before 31 August 2014
2. To further follow-up the work a suggestion was made by Kees van der Ree, to nominate two people from each of the working groups. Kamal Moustapha Gueye is the first volunteer on behalf of the GGWG. Interested members of the BEWG are requested to come forward to volunteer.

Annex 1: Terms of Reference: Consultation to conduct research on inclusive business environment reform

I. Context

A vibrant private sector is critical to achieve sustainable growth and alleviate poverty in developing countries. Business environment reforms promote competition and innovation among firms and have the potential to promote inclusive growth.

There is an increasing recognition of inclusive business models as a concrete means to channel private sector investment and operations to poor communities. Inclusive business models are a private sector approach to providing goods, services and livelihoods on a commercially viable basis, either at scale or scalable, to people at the base of the pyramid by making them part of the value chain of companies' core business as suppliers, distributors, retailers or customers. Companies benefit by generating profits, developing new markets that contribute to long-term growth, driving innovation, and strengthening value chains. Poor people, either as consumers or producers in an inclusive business, benefit through expanded opportunities, including improved capacity to meet basic needs, greater productivity, increased incomes, and more empowerment of individuals and communities.

Apart from these direct benefits, inclusive businesses create a systemic impact to society at large. Inclusive business models function in difficult market conditions and successful ventures help to enhance these market conditions and replicate the models in other areas. This creates incentives for others to enter the same market, build on the improved market environment and spur the development of new markets.

While private actors are the main drivers behind these business models, evidence shows that government action has often been decisive for the success and growth of these innovative approaches. Inclusive businesses present special challenges in addressing business environment reform. They typically operate in extreme low-income contexts where there are significant infrastructure gaps, a high prevalence of informality, and insufficient human capital to enable participation in broader value chains. In many jurisdictions, regulatory environments do not contemplate the specific needs of inclusive businesses, or act as a barrier to entry. Likewise, inclusive businesses models are usually high risk ventures, in part because they target marginal and often vulnerable consumers, suppliers or markets. While innovative, they take time and effort to develop. Companies may not be able to bear these costs and overcome significant business environment barriers at the same time.

A healthy business environment for inclusive business is important for these private sector actors to contribute to increased levels of investment and innovation, and the creation of more and better jobs. An inclusive business approach to business environment reform places focus on those firms and markets in which poor women and men have the opportunity to participate in and address the poor as resilient, creative entrepreneurs and value-demanding consumers.

II. Reason for Consultation

This work will generate an analytical framework for understanding and assessing policies that address the business environment challenges faced by inclusive businesses, and identify appropriate policy and programming entry points for development agencies to support business environment reform that enables businesses that target as producers and suppliers the poorest and most marginalized at the base of the income pyramid. This work complements broader efforts to promote inclusive business models, seek partnerships with inclusive businesses, or provide financing or other support.

It is expected that the information collected for this purpose will advance thinking on best practices and lessons learned and will feed into an annex to the Donor Guidance on how best to support business environment reforms for inclusive business contexts.

III. Mandate of the Consultant

The consultant will be responsible for a stock taking exercise on business environment reform that promotes inclusive business.

The consultant will draw on existing research and policy advice on the issue. This includes recent work by IFC, IDB and BMZ, among others, including the outcomes of the G20 Development Working Group Innovation Challenge and workshops. For instance, BMZ has commissioned a study² on Inclusive Business Policies that divides policy measures into four categories: information, rules, financial resources, and structure and capacity. These policy measures are implemented according to three different approaches: Enabling companies to enter the low-income market; Encouraging companies to invest in the low-income market; Empowering poor people to engage with companies. The consultant will build on this work and will map out particular business environment constraints facing inclusive businesses and suggest policy measures to address them.

The consultant should incorporate the framework used in the DCED donor guidance note on business environment reform³ when analyzing potential policy measures to support inclusive businesses. The guidance note provides practical guidance to development agencies to improve their support for business environment reforms in developing and transition countries, which aim at economic growth, job creation, poverty reduction and gender equality.

The consultant should consider the following issues:

- In what ways do inclusive businesses differ from other business models?
- How can targeted business environment reforms increase the participation of poor women and men as producers, employers or consumers?
- How should development agencies address the need to balance regulation so that well intended policies do not unintentionally stifle the innovation of inclusive business models, and to develop a systemic perspective for understanding the impact of these reforms on markets and the broader economy?
- How do improvements to the business environment contribute to reducing the size or depth of the informal economy?

IV. Deliverables

The consultant will produce a report that will include:

- literature review on current frameworks, policies and research that promote improved business environments for inclusive business

² Endeava (2013). *Inclusive Business Policies: How Governments can Engage Companies in Meeting Development Goals*.

³ DCED (2008). *Supporting Business Environment Reforms: Practical Guidance for Development Agencies*.

- 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, identified as practical guidance to development agency policymakers and practitioners

The consultant will participate in a meeting with members of the DCED's Business Environment Working Group (BEWG) to review the terms of reference and to provide within 30 days a plan of work. The consultant will provide an interim report containing each element of Section III (literature review, analysis of policies, lessons learned and best practices). The consultant will provide the report within the time set out in section V (provisional work plan). BEWG will have 30 working days from the date of receipt to accept the report or to request changes (e-mail). The consultant will then have 15 working days to update and finalize the report.

BEWG wishes to use the final report in supporting its programming in developing countries. It is therefore appropriate that the report be concrete, practical, and presents lessons learned / best practices in an accessible way for the reader.

V. Plan for Provisional Work

The mandate is for a period of 120 days, starting in September 2104. The work plan is as follows:

Activities	Completion	Person(s) Responsible
Validation meeting of Terms of Reference		BEWG Consultant
Submission of work plan		Consultant
Validation of work plan		BEWG
Fulfillment of its mandate by the consultant		Consultant
Submission of interim report		Consultant
Review; feedback/comments on report		BEWG
Following review, revision completed		Consultant
Submission of final report		Consultant

VI. Budget

The total budget for this consultation is \$20,000 or \$ X per day. (TBC in consultation with DCED ExCo and Secretariat)



BUSINESS ENVIRONMENT WORKING GROUP

Work Plan July 2014- June 2015

FINAL (Adopted by BEWG on 8 July 2014)

1 Overview

1.1 Strategic aim

The DCED established the Business Environment Working Group (BEWG) in 2002 to serve as a platform for professional peers to share information and knowledge on donor-supported business environment reform in developing countries and to identify, promote and support good practices in this field. The BEWG strives to help agencies and their programme partners to strategically and effectively position business environment reform as a part of an integrated private sector development strategy and to enhance the synergies between these reforms and broader development objectives. While the BEWG primarily serves the interests of member agencies working in this field, it also endeavours to reach out to and programme partners (i.e., developing country governments, business membership organisations and other civil society organisations), to directly learn from and contribute to the work of these actors. The mission of the BEWG is to serve as a multi-donor platform for sharing knowledge, experience, and best practices in supporting business environment reforms. The BEWG supports its members in their efforts to deal with the political and technical challenges they experience in designing, managing, financing, and measuring business environment reform programmes.

1.2 Vision

Our vision is that development and donor agencies provide support to business environment reforms in the most efficient and effective way applying best practice and global knowledge.

1.3 State synergies or areas of collaboration with other working groups

The BEWG has not established any formal arrangements with other working groups. However, a number of BEWG members are also members of other working groups, including the Results Measurement Working Group and the Green Growth Group.

1.4 Main recent achievements of the group and associated costs

During the 2013-14 financial year, the BEWG was involved in the following activities:

- 1.4.1: Measuring BER Results Initiative: The purpose of this work item is to better understand and measure the contribution business environment reform makes

to broader development objectives. In 2013-14, the BEWG developed a commonly agreed list of model objectives, indicators, milestones and means of verification for typical business environment reform programmes. Funds spent: \$15,000

- 1.4.2: Quality Infrastructure: Based on a technical report produced in 2013, the BEWG formulated a guidance note to guide donor and development agencies on how best to support the improvement of quality infrastructure in developing and transition countries. Funds spent: \$20,000. Source: SECO (\$5,000) & UNIDO (\$15,000).

In October 2013, the BEWG conducted a survey of its members regarding the future of the group. Below is a brief summary of the survey findings.

What do you see as the core objective of the BEWG?

Share knowledge on BER, develop guidelines for successful BER; donor harmonisation in this area, identify/develop new approaches and tools for BER, contribute to international processes by sharing knowledge/experience on BER; To serve as a platform for sharing and generating common knowledge in priority areas for the BEWG members; To provide practical information on trends and practices in the donor community that promote improved business environments; Sharing knowledge and practice on our work on the broad business environment for private sector growth.

What do you see as the measurable success criteria of the BEWG?

Programmes successfully apply/use the principles/tools that have been developed by the BEWG; The importance of a conducive business environment for economic development is adequately reflected in international processes and agenda; Reaching consensus on priority areas and applying the agreed approach in each member organization; Continued ownership by members and successful funding of our work programme; A collection of stories from donors and countries showing how business environments help businesses and jobs; Intensity of donor coordination in the programming of BER reforms; Feedback of lessons from BER reforms reflected in donor guidance on BER.

What are the core outputs the BEWG should aim to achieve in the near term?

A number of joint knowledge products; Focus on basic foundations to sustain private investment that promote development goals; Focus should currently be on "mainstreaming" the tools/trainings/guidelines into the BER project portfolio of each donor agency, while at the same time identifying new developments within the area of BER. Improved understanding of what works in BE programmes, both within donors but also amongst developing country governments and more broadly. Also potentially coordinated action or positions or discussion of the issues in policy areas of mutual interest, such as incorporation of investment climate in the new post-MDG framework. Work on sectoral BER (compilation of case studies; extraction of guidance for sectoral BER (perhaps as additional annex); Review of TC projects that seek to address BER and industrial policy objectives in parallel (= continuation of work stream BER/IP); (3) would it make sense to establish again what use is made of the BEWG work results (particularly, the Donor Guidance on BER)?

Where do we want to be in a few years?

The BEWG should try to ensure that BER as topic does not lose attention; Be on the cutting edge of international discussions on the most important topics for business environment reforms; We have a fuller set of donor guidance that enables

more joint programming, and greater policy coherence across donors (bilateral, multilateral and private); Recognized as a thought leader - whether for analytics or for recommendations; Guidebook on investment; More effective and relevant BER programmes through better diagnostics and problem analysis during programme identification and implementation.

What are the features of the BEWG's mode of operation that work best?

Jointly developing principles/guidance has worked very well in the past; Membership driven, leadership of work items by members, easy collaboration and resource pooling, external support other than secretariat; Regular consultation with colleagues that lead you into unexpected directions; Exchange of good practices and visibility of measurable results; result based management; Joint development of guidance and tools, Collection of case studies, peer reviews of program and experiences; Access to key consultant (Simon) has proven indispensable to make progress; Its informal, knowledge driven approach, and the collegiality.

What are the features of the BEWG's mode of operation that work less well?

Following up on the development of guiding principles and "mainstreaming" them into our programs in the field might still be a challenge; Much stronger leadership and energy of each member of the group is needed; Communications come in large pieces to process and reduces interactions – we could have a busy blog, for instance, that allows for more bite size messaging; There needs to be a stronger knowledge platform to support collaboration.

The budget below presents the main areas of income and expenditure for the Financial Year 2013-2014 (i.e., to 30 June 2014).

BEWG BUDGET INCOME AND EXPENDITURE 2013-2014

<i>Item</i>	<i>Total US\$</i>
Measuring BER Results Initiative SOURCE: Trust Fund	15,000
Quality Infrastructure SOURCE: SECO (\$5,000) & UNIDO (\$15,000)	20,000
BEWG Coordination and Support (Fees: \$13,700, Travel: \$6,300) SOURCE: Trust Fund	20,000
Total	55,000

1.5 Main goals for 2014-15

The goals for the BEWG in this period are continued from the previous years. These are to:

- Be better able to articulate the link between business environment reform, private sector development and the achievement of broader development outcomes, and to cite evidence that demonstrates this link; and
- Continue to provide practical information, knowledge and resources that help donor and development agencies, and their programme partners, to design, manage, finance, and measure business environment reform programmes.

2 Planned activities: 1 July 2014 to 30 June 2015

2.1 Business Environments for Inclusive Business

The objective of this project is to address how donor and development agencies can support the growth of inclusive businesses through facilitating a conducive business environment. This would involve the development of a concept note, then possible annex to the donor guidance on inclusive business. It will build on the ideas developed in the context of the G20 Inclusive Business Workshops and would lead to a summit-like event similar to the informality conference in the second-half of 2014. The main output would be donor guidance on business environment reform for inclusive business, leading to increased inclusive business activity in developing countries.

The programme would commence on 1 July 2014 and conclude on 30 June 2015.

Key activities (1 July 2014 to 30 June 2015): Consultant commissioned to produce a concept note that frames the issue in terms of business environment reform.

Task Team: Marc Banzet (Canada, Task Team Leader), Alexandra Oppermann (GIZ), Iris Bontros (IDRC) and Fulvia Farinelli (UNCTAD).

Funds required: \$25,000

Funding source: DCED Trust Fund. Please note, Canada has provided additional funds to the DCED and while these funds cannot be earmarked, it is requested that funds for this activity be released.

2.2 Sector-Specific BER

The 2008 DCED Donor Guidance, “Supporting Business Environment Reforms”, distinguishes four levels at which BER is relevant, i.e., at regional, national, sub-national and sectoral levels. Similar to horizontal, economy-wide approaches, sector-specific BER seek “to address policy, legal and regulatory requirements that unnecessarily raise the cost of doing business, increase risks or reduce competition within specific sector or industry categories” (p. 14). The Guidance further states that sectoral BER “allow for a deeper analysis within those sectors that are most strategic for national development or pro-poor economic growth”. The BEWG is interested to learn more about the specifics (i.e., experiences, practices, lessons learnt) of BER approaches that have been directed at individual sectors. Starting from the BE definition applied in the Donor Guidance the BEWG will produce a paper that will identify each of these dimensions and other key development determinants for specific sectors. The analysis will be guided by the following two lead questions:

1. What are the specifics of the business environment in the respective select target sectors (as compared to the overall/horizontal one) that require addressing – and in what way – in any effort to improve the operating conditions of businesses?
2. What action needs can be derived from the results of this analysis for a range of stakeholders (policy-makers, businesses, support institutions, donors, other) interested in and/or tasked with promoting the respective sector’s growth and development?

In view of the vast differences in the operating environment prevailing in sectors as distinct as mining, energy, transport, communications, or tourism that would hardly allow to expect any significant commonalities of sector-specific BER, it is suggested to focus on a limited number of manufacturing sectors. The selection of the latter should be subject to intra-BEWG discussion and agreement; a possible shortlist could encompass mining, textiles/ garments, pharmaceuticals, horticulture.

Approach and planned activities

1. A consultant will be commissioned to prepare a report (background document/issue paper) that would present the thinking of sector specialists well versed with BER *and* in particular sector-specific issues for a number of (5-6) sectors to be agreed by the BEWG. The assignment would take the form of desk work and be informed primarily by a series of interviews (combination of telephone/digital and face-to-face exchanges) with sector practitioners/technical experts. These interviews would enter into the sector peculiarities in quite some detail. Interviewees would likely include relevant agency staff (HQ, field) and/or project staff, to be identified/proposed by interested BEWG members.
2. Holding of a 1-2-day technical meeting (workshop) that would bring together BEWG members with sector specialists for the selected sectors. The meeting would endeavour to answer the following lead question: How should/could BER thinking and action be changed (amended/advanced) to reflect sectoral specificities and dynamics in a way that will allow for bigger impact of development interventions?
3. Subject to the results of 1. and 2. and a BEWG decision on its usefulness, the results of this work would be reflected in a further annex to the Donor Guidance (or, alternatively, take a different format as preferred by the group).

Task team: Juergen Reinhardt (UNIDO, Task Team Leader), Marc Banzet and Marc Blanchette (Canada), Alexandra Oppermann (GIZ) and Farid Hegazy (ILO).

Funds required: US\$40,000 in total, with US\$30,000 from UNIDO and US\$ 10,000 requested from the Secretariat

2.3 BER-related target in Post-MDG framework

Efforts are underway to develop a set of indicators that can be used to measure business environment reforms as a part of the post-MDG framework. The BEWG will contribute to the shaping of these indicators. The BEWG will share ideas among DCED members about what a business environment–investment climate indicator could be for the post-MDG framework, potentially leading to an opinion piece setting out the options to stimulate global debate. This could include a distillation of the arguments as to why this would be appropriate, identification of key areas for which an indicator could be used and sources of indicator data.

The BEWG has agreed to develop a position regarding this topic by September 2014. This work will be done using the resources of member agencies. Thus, no additional funds are required for this work item.

Tim Green (DFID) is the Focal Point for this work item.

2.4 Cooperation with the Green Growth Working Group

This will be based on the work undertaken by the Green Growth Working Group (GGWG), which will be presented to the BEWG at its meeting in July 2014. It is anticipated that further work on this topic will be financed through the GGWG budget. The BEWG is eager to continue and extend its cooperation with the GGWG.

3 Budget: 1 July 2014 to 30 June 2015

<i>Item</i>	<i>Contributed by members</i>	<i>Requested from Trust Fund</i>	<i>Total US\$</i>
2.1 Business Environments for Inclusive Business	0	25,000	25,000
2.2 Sector-Specific BER	30,000	10,000	40,000
2.3 BER-related targets in a post-MDG framework	0	0	0
BEWG Coordination and Support (Fees: \$13,700, Travel: \$6,300)	0	20,000	20,000
Total	30,000	55,000	85,000