



The Donor Committee for Enterprise Development

Business Environment Working Group Meeting Minutes of Meeting (Teleconference)

Tuesday, 14 March 2017

MINUTES APPROVED BY EMAIL 31 MARCH 2017

Present:

Farid Hegazy (ILO) Chair	Jim Tanburn (DCED Secretariat)
Siobhan Kelly (FAO)	Nick Wilson (DCED Secretariat)
Liliana de Sa Kirchknopf (SECO)	Harald Meier (Consultant, BER and Labour Productivity)
Juergen Reinhardt (UNIDO)	Katherine Miles (Consultant, BER & Gender)
Alexander Widmer (SDC)	William Nielsen (Consultant, Public Procurement)
Andreja Marusic (World Bank Group)	Matthias Ploeg (consultant, Green Growth)
Lindsay Napier (DFID)	Simon White (Consultant, BEWG)
Fulvia Farinelli (UNCTAD)	
Melina Heinrich-Fernandes (DCED Secretariat)	

Apologies:

Toru Homma (JICA)	Chantal Felder
Stefanie Springorum (GIZ)	Jan Meijer (Netherlands)
Wade Channel (USAID)	Michael Morlock (Consultant)
Karin Isaksson (ILO – attempted to connect, but was unable)	

Welcome and Introductions (2:08PM)

Farid Hegazy (ILO) welcomed all members, who then introduced themselves.

Minutes of Last Meeting dated 8 November 2016

The Minutes of the Last Meeting were confirmed. There were no matters arising.

Work Item Updates

1. BER and Gender: update

Alexander Widmer (SDC) provided a brief introduction and introduced Katherine Miles (Consultant) who gave a presentation on the work to-date. See Annex 1.

This included:

- Policy Guide: designed to simply communicate the main arguments for donors and policy makers as to why BER interventions should pay attention to gender and how

they can influence female economic empowerment, as well as how donors can implement gender sensitive BER interventions.

- Two thematic case studies: prepared to highlight the intervention logic and impact of gender-sensitive BER =, including success factors and lessons learned from multiple programmes and tools that have addressed priority themes of access to finance and business licensing and registration (informality).

AGREEMENT: It was agreed that the above draft documents would be circulated to members on 20 May 2017. Members will provide comments by 30 May 2017. The final version will then be presented at the next BEWG meeting in Rome on 13 June 2017.

Other items underway:

- Scoping Study on gender differences in enterprise surveys (draft, by Susan Joeke and Jonathan Kaminski) circulated with the meeting agenda. The Business Environment Reform Facility (BERF) is managing this project. The draft has been provided to members for information purposes.
- Terms of Reference: Scoping Study on customary law and women's entrepreneurship. BERF is also managing this work. The draft is due end-March 2017. Final version due 14 April 2017. *A draft was received: BEWG members to comment by 27 March 2017.*
- The DCED Women's Economic Empowerment Group has also commissioned ASI to look at the ways women's economic development issues can be integrated into results measurement, using the DCED Standard. This work includes case studies and advice for donor agencies. A detailed draft has been discussed and the document is currently being revised.

2 Business Environments for Inclusive Business: Update

Melina Heinrich-Fernandes (DCED) provided a brief update.

Birgit Seibel (GIZ) spoke about the event BMZ is organising, along with others, linked to the forthcoming G20:

G20 GPIB/IBAN: Alleviating Poverty through Inclusive Business — Policy Dialogue on Building an Enabling Environment for Inclusive Business through Public Private Collaboration, May 5, 2017 – Berlin, Germany

At this one-day seminar, the IB Policy Paper will be presented and discussed. Discussions will focus on: (1) energy, (2) access to finance and (3) the ASEAN Region.

Invitations will be sent out next week. These will be sent to BEWG members who are encouraged to identify others who might benefit from attending, including representatives from partner (developing) countries. Participation is by invitation only, so if BEWG members want to put forward invitees or have any further questions please send an email to G20GPIB@ib-an.net

See Annex 1 for programme.

3 BER and Labour Productivity

Alexander Widmer (SDC) introduced this work item, which seeks to understand how business environment reform can be used to promote skills development and labour productivity. The key objectives of this work are to better understand the ways BER can contribute to improvements in labour productivity and to identify new and emerging (best) practices and policies in this field. The consultants have been undertaking a desk review, interviews with selected BEWG members and preparation of case studies.

Harald Meier (Consultant) presented the draft report. Key findings, from the report:

- *What is the importance of the availability of a productive workforce for enterprise development?* Productivity is key to development; productive companies have higher turnover, are more profitable, and create more employment. As economies mature, workforce-related factors become more important.
- *Globally, which are the industries employing an increasingly large workforce and facing major labour productivity issues?* All industries can be flagged for employment growth and low or even decreasing productivity growth, according to the data from the World Bank's Enterprise Surveys.
- *How and how much are improvements in labour productivity the results of workforce-related framework conditions?* Labour productivity is influenced by a host of workforce related drivers. The strongest ones seem to be training, innovation, employee engagement, incentives, and occupational safety and health.
- *What do donors do in this regard, what are the experiences, what the constraints, what the success factors?* Success factors include longer and more customised interventions, good partnerships with key market actors and applying market system development approaches. Constraints are, for example, insufficient access to beneficiaries, a low trust level among market stakeholders and the difficulty up-scale and influence the policy level. Among the emerging trends, the expansion of skills projects as well as the increasing importance of private sector collaboration were most frequently mentioned.

There were comments and questions.

AGREED: The ILO and UNIDO committed to work on their respective project descriptions and submit these by 28 March 2017. It was agreed that BEWG members would be given the opportunity to respond in writing by 28 March 2017. The consultants will then finalise the report by 14 April 2017. The final version will be discussed at the June BEWG in Rome.

4 Public Procurement for SMEs

Andreja Marusic (World Bank Group) introduced William Nielsen (Consultant) to provide an update on the progress so far. The objective of this work item is to analyse the various models of preferential treatment of SMEs in public procurement and evaluate the impact that such policies have had on SME development.

A draft report was circulated prior to the meeting. The Mexico case, presented, is not included in the circulated draft.

Brief comments received:

- Farid described ILO WED assessments, which highlights procurement related to women in business and has provided the consultant with an overview of what the ILO knows in this regard.
- Fulvia Farinelli spoke of a Kenya programme for youth people, and indicated there may be people in ITC who provide additional data on women and public procurement.

AGREED: It was agreed that the revised draft would be circulated to BEWG members on 1 April 2017; members' comment send their comments by 21 April 2017.

5 BER and Green Growth

Matthias Ploeg (consultant) described his progress as in the middle of the final phase, Phase 2 — examining the synergies between BER and Green Growth. A previous report has been submitted on the earlier phase in June 2016.

Phase 2 examines the lesson learnt from the first phase and prepares six in-depth case studies, and a guide. Currently completing the case studies. A member of either the GGWG or BEWG took the ownership of each case study.

Using the case studies and lessons learnt, a short guide is currently being drafted, providing tools for identifying synergies and designing programmes. The first draft will be completed next week. The aim is to share the completed version with the BEWG and GGWG at the June meeting in Rome.

Overall, it was found that the strength of BER is that it focuses on the structural change required to improve the sustainability of green growth programmes. BER can unlock and leverage private sector resources for green growth. Green growth can unlock new market opportunities for the private sector, beyond its existing incumbents.

AGREEMENT: It was agreed that the drafts would be shared on 15 April. Members to comment by 30 April 2017.

Process for preparing the 2017/18 BEWG Work Plan and Budget

The process of planning and budgeting for 2017/18 needs to begin. This involves identifying the work items for the coming year (July 2017 to June 2018):

- Continuing work-items: identify which existing work items are carried on (to the next stage) in the coming work-year.
- New work items: BEWG members to propose items; each item requires at least one person to lead the work, and a few other members to participate in the task team.

Simon White will circulate a template for identifying work items and their resource requirements.

Ideas in: Friday, 21 April 2017

Refinements and revisions and budget: Friday, 5 May 2017

Any other business

There was no other business.

Date of Next Meeting

Tuesday, 13 June 2017, FAO Building, Rome

This is the day before the DCED Annual Meeting

Close of Meeting

The meeting was closed at 4:41PM CET.

Annex 1: G20 GPIB/IBAN: Alleviating Poverty through Inclusive Business — Policy Dialogue on Building an Enabling Environment for Inclusive Business through Public Private Collaboration, May 5, 2017 – Berlin, Germany

IX. Agenda:

09:00 – 09:15	Welcome
09:15 – 09:30	Keynote by high level BMZ representative: “Partnering with the private sector to realize the agenda 2030” (tbc)
09:30 – 09:45	Keynote by high level private sector representative “Private Sector contributions to SDGs: Roles and business models” (tbc)
09:45 – 10:30	High level panel discussion: “The contribution of IB to the Agenda 2030”
10:30 – 11:00	Coffee Break
11:00 – 12:00	Creating a favorable business environment for IB: Presentation of the discussion paper on Business Environment Reform and Inclusive Business prepared by the DCED Discussion
12:00 – 13:00	Lunch
13:00 – 14:00	GPIB presentation: The road so far
14:00 – 16:00	Parallel breakout sessions: 1: Scaling up policy links to accelerate commercially viable inclusive businesses in the energy sector 2: Access to finance for inclusive business 3: Building the enabling environment for inclusive business in the ASEAN/APEC Region Coffee break during the breakout session
16:00 – 17:00	Presentation of results of the breakout sessions in plenum and discussion
17:00 – 17:30	Wrap up and next steps
18:00	Evening reception