

Business Environment Working Group

Online meeting, 1 December 2025

Minutes

19 December 2025

Participating agencies

World Bank (Co-Chair)

GIZ (Co-Chair)

FCDO

Gatsby Africa

ILO (for part of the time)

JICA

DCED Secretariat

Apologies:

SECO

FAO

Agenda

1. **Introductions**
2. **BER priorities in a changing aid context: Updates and reflections by member agencies**
3. **Revisiting FY25-26 work items (30 mins)**
4. **Update on status of work items from FY24-25 (10 mins) (Secretariat)**
5. **Update on next year's Annual Meeting and Global Seminar Introductions (if needed)**

1. Introductions

The meeting started with a round of introductions; James Foster introduced himself as a new member of the group on behalf of Gatsby Africa.

2. BER priorities in a changing aid context: Updates and reflections by member agencies

GIZ

Tobias Leeg kicked off this round of member updates, which focused on implications of the changing global aid context for BER, alongside other recent developments. While economic cooperation remains a priority for the German Government, there is a new emphasis on involvement of the German private sector in development. An [action plan](#) has been launched in October which lays out a vision of mutual benefits for Germany and partner countries through a shift from an aid-based to a private sector cooperation model. The action plan is structured around three intervention areas, including

- Dialogue and inclusion, which highlights, among others, the involvement of German businesses in project development

- Removal of structural barriers for private investment, which may involve simplifying procurement rules for German and European countries, alignment of trade promotion and development objectives and greater cooperation with the Ministry of Economy
- Targeted support, including through new support instruments for German SMEs, a focus on access to strategic raw materials and sustainable supply chains

The specific implications for BER support are not yet clear. GIZ is in the process of reviewing experiences by other donor countries experiencing similar shifts and will focus on prioritising development impact while integrating new political objectives.

World Bank

The World Bank is undergoing a lot of changes at the highest level and will incorporate a 'jobs-first' lens in all (business environment) interventions.

The paper "[Jobs: the Path to prosperity](#)" was released earlier this year. One implication is a focus on high-potential sectors for firm growth and employment creation, notably energy, infrastructure, agribusiness, healthcare, tourism and manufacturing.

This strategic shift is accompanied by changes on the organisational side, with a renewed effort to strengthen the 'One World Bank Group' model and closer alignment between IBRD, IDA and IFC; creation of a new SME and Investment Climate unit with a focus on the enabling environment for SMEs, mobilising finance at scale and a particular prioritisation of women-led and digital enterprises; and working towards full integration with IFC within that unit.

JICA

JICA, has 20 priority areas under a new global agenda, with PSD being one of them. PSD covers three clusters, including Promotion of investment and industries in Asia; Africa Kaizen Initiative and Ninja (support for start-up ecosystems). Priority areas, which will be implemented in an integrated manner, include:

1. Investment climate & industry policy (master plans, investment promotion)
2. Business competitiveness (BDS capacity building, SME training)
3. Business linkages (attracting FDI, business matching with Japanese companies); this is a new area with increased focus on involving Japanese companies in development.

Gender will be mainstreamed across all cooperation projects.

In August, JICA co-hosted the Tokyo International Conference on African Development with the World Bank, UNDP, the UN, and the African Union. The overall theme was 'from aid to investment', reflecting a shift that has already been underway in JICA for a long time, but has gained stronger momentum in recent times.

FCDO

FCDO's approach to development is evolving and a restructuring is ongoing to facilitate a shift from the traditional donor model to an 'investor' model. FCDO tends to embed BER into wider PSD initiatives, which work on several levels at the same time (e.g., technical assistance to businesses, and working with Ministries on BER in response to issues raised by these businesses). There are also discussions on moving away from 'deals' to Market Systems Development and transforming sectors, with job creation and growth and the transversal issues of inclusion and greening as the main objectives.

On a personal note, Dipo Daramola informed members that he is leaving his current role; a successor will be introduced in due course.

ILO

ILO's business environment work will become more (industrial) policy-focused and prioritise decent work as the main objective. It has a strong interest in cross-referencing multiple data sources to identify in which sector jobs can be created and where there is potential for MSME linkages. This is being tested as a proof of concept, with the idea of developing a methodology. The ultimate purpose is to help shape SME/industrial policies with a strong jobs and decent work lens rather than only generic enabling environment work.

Gatsby Africa

Gatsby Africa (GA) is a small foundation focused on East Africa (Kenya, Uganda, Rwanda, Tanzania). GA has traditionally worked at a sectoral level, to shift labour into sectors that could raise productivity and support substantial growth. A combined approach is used in those sectors, including:

- Capital investments by Gatsby itself
- Business environment / policy work with governments
- BDS and firm support for small, medium, and larger firms
- Investment promotion, linking to global buyers, technology transfer, etc.

GA is now trying to work more at government level to:

- Help governments adopt a coordinated, sector-focused approach
- Identify a small number of priority industries and align policy, investment, skills, and infrastructure around them.

GA has been doing recent work with Tanzania (and some in Kenya) on:

- Using different data-heavy frameworks to choose which sectors/subsectors to prioritize for development
- Developing thinking on how governments can coordinate the different investments and reforms needed to drive sectoral change.

3. Revisiting FY25-26 work items

In light of the members' changing priorities, the group then discussed whether they wish to proceed with the work items planned for the current year, or if any adjustments are needed. The following decisions were taken:

- 1. Regarding the work item on the role of AI in regulatory reform:** There was limited appetite to proceed with this work item overall. Sandra Yu suggested that a broader review may be replaced with a country case study of using AI to analyse and interpret national data on the role of MSMEs in job creation and to communicate insights. While this was considered interesting by some members, most members were in favour of replacing it with an entirely new work item, focusing on past experiences and successful examples in pursuing 'hybrid cooperation models' that focus on synergies between donor country economic agendas and PSD in partner countries. A question is whether the study could

focus in particular on BER dimensions, or if the BEWG might collaborate with other DCED Working Groups on a wider study, given that the 'mutual benefits' aid paradigm is also under discussion in the PSE and Results Measurement Working Groups in particular. The Secretariat will revert to the BEWG with suggested next steps.

2. **Regarding the work item on how local industrial parks can catalyse national business**

environment reform: The group agreed to proceed with this work item. The Secretariat will draft Terms of Reference and share them with the task team shortly. Members can still indicate whether they would like to join the task team; it currently includes: ILO (lead), GIZ, JICA, Gatsby Africa and the World Bank.

4. Update on status of work items from FY24-25

The Secretariat shared an update on recent BEWG publications (started in the previous financial year(s)) and webinars. They include

- A [BER and digital transformation](#) report
- A [technical report](#), [policy brief](#) and webinar on BER and competition policy for a green transition
- A [technical report](#), [policy brief](#) and webinar on the renewed SME agenda in the context of a green and just transition

Both webinars were well attended. The technical report on BER for private sector mobilisation was being finalised at the time of the meeting (*N.B. It has been published after the meeting and can be viewed [here](#)*).

5. Update on next year's Annual Meeting and Global Seminar

Applications are now open for the [combined DCED Annual Meeting and Global Seminar](#), which will be taking place 15-19 June in Nairobi on the topic of *PSD at a Crossroads: Navigating a shared way forward*. It will bring together up to 200 representatives from DCED member agencies, emerging funders and practitioners in PSD.