



The Donor Committee for Enterprise Development

## Business Environment Working Group

Tuesday, 26 March 2019, Teleconference

### Minutes of the Meeting

APPROVED VIA EMAIL 9 APRIL 2019

#### PRESENT

Andreja Marusic (World Bank Group, BEWG Co-Chair)	Anastasia de Santos (USAID)
Stefanie Springorum (BMZ/GIZ, BEWG Co-Chair)	Martin Weidner (BMZ/GIZ)
Kåre Johard (SIDA)	Rainer Engels (BMZ/GIZ)
Michelle McKenna (DFID)	Peter Stoffelen (Netherlands)
Shusuke Oyobe (ILO)	Catherine Masinde (World Bank Group)
Henrik Vistisen (MFA of Denmark)	Lucrecia Bertelli (Secretariat)
Toru Homma (JICA)	Jim Tanburn (Secretariat)
Saki Ito (JICA)	Simon White (Consultant to BEWG)
Juergen Reinhardt (UNIDO)	Dirk Willem te Velde (ODI)
	Srikanth Mangalam (Prism Institute)
	Goran Vranic (World Bank Group)

#### APOLOGIES

Alain Buehlmann (SECO)	Severine Deboos (ILO)
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#### 1. Opening and welcome

Andreja Marusic (World Bank Group), BEWG co-chairperson and chair of this meeting, welcomed all participants and opened the meeting at 15:00 CET.

#### 2. Introductions

All participants were introduced, and the agenda was confirmed.

#### 3. Minutes of Last Meeting (6 December 2018)

The draft minutes were reviewed and approved.

**AGREED: The Minutes of the Meeting (6 December 2018) were approved.**

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

#### 4. 2017-18 Work Item Updates

##### 4.1 Promoting structural and economic transformation through BER

Michelle McKenna provided a brief introduction to the work item.

Dirk Willem te Velde (ODI) gave a presentation on the current findings of this study. Please refer to draft report and PowerPoint presentation.

This study examines how donors can support Economic Transformation (ET) through Business Environment Reform (BER). The draft report discusses emerging findings by focusing on (i) definitions of ET; (ii) drivers of ET and how BER might promote it; (iii) current practices and challenges for donors in promoting and implementing BER to promote ET; and (iv) practical implications for donors and areas for further research. The work so far has been based on a desk study and interviews with a selected set of donor agencies.

Questions around this draft on emerging findings centre around: how much more detail is required in the literature review, how can we include more donor agencies in the evidence base, how can we better describe donors already interviewed, what level of depth should we move into when describing individual donor projects vis-à-vis drawing out general lessons; what sort of practical guidance on definitions and on BE for ET practices are donor agencies looking for?

The next steps include: (i) collecting more evidence by interviewing more donors and liaising with the market systems study; (ii) revising the study in April 2019, submitting final draft in May 2019; and (iii) discussing findings at the annual DCED meeting in Vienna in June 2019.

**AGREED: Comments on the draft ODI report to be submitted to Michelle McKenna or Simon White by 5 April.**

#### 4.2 BER and Investment Promotion: Policy Brief

Simon White provided an overview of this work item and spoke to the draft Policy Brief, which is the third version shared with the Group for comment. This brief has been produced based on the Technical Report on the same topic, which was authored by Yuzuru Ozeki and funded by JICA.

**AGREED: There were no comments on this draft, which was approved. Simon White will liaise with the DCED Secretariat to organise the layout and uploading of the Policy Brief.**

#### 4.3 Use of new technologies in regulatory delivery

Stefanie Springorum introduced the topic and then asked Srikanth Mangalam to present the current, draft findings (PowerPoint available).

The study analyses cases of using emerging technologies in regulatory delivery activities, identifies benefits arising from this application to SMEs and governments, and develops a maturity model for applying innovative technologies in regulatory rule-making and delivery domains (e.g., regulatory rulemaking, business registration, business licensing/permitting, inspection management). The analysis involves relevant innovative technology applications already implemented by various regulators as well as evaluate the accessibility and cost-effectiveness of the existing open source and proprietary tools, many of which are cloud-based. The case studies and maturity model will assist practitioners in designing reform project initiatives that will benefit from the use of innovative technologies to deliver the results earlier in the reform implementation timeframe. The selected case studies are focusing on more mature and developed economies, to identify good practices that can be piloted by reform practitioners in medium-income countries to test and further refine the maturity model and develop the delivery framework. Once completed, the framework can be offered to the developing and lower income jurisdictions (i.e., IDA and FCV in Africa).

The research addresses the following questions:

1. How are innovative technologies influencing the regulatory rule-making and delivery models?
2. What are the prerequisites regulators have to put in place to apply the innovative technologies?
3. Whether the use of innovative technologies can support achieving investment climate reform objectives earlier in the reform timeframes?
4. Is the use of innovative technologies in regulatory delivery sufficiently protected against misuse (e.g. visa or asylum)?

The maturity model incorporates:

- Legal and policy framework
- Institutional framework
- Technology, data infrastructure and skills
- Business model, value proposition and sustainability

Discussion:

- Private sector is often involved in the introduction of emerging technologies, but it is often government that must sustain the use of these models. Still early stages.
- Will the report be presented at the BEWG meeting in Vienna in June 2019? Yes.
- Should an extension of this work be considered in the work plan for next year? There are four potential opportunities for the task team to consider.

Next steps:

1. Task team review and draft report for circulation: by 5 April 2019
2. Simultaneous BEWG, and peer group review: comments by 26 April 2019
3. Report finalization: 17 May 2019
4. Final presentation (hosted by World Bank?): 17-31 May 2019

**AGREED: Presentation of the final report should be arranged for the next BEWG meeting in Vienna in June. This may be done by Skype or VC. Also, the report will be presented in the BBL organized by the WBG in Washington D.C.**

#### 4.4 Business Environment Reform Webinars

Stefanie provided a brief update on the webinar series and indicated possible webinars on local content, investment promotion and gender are planned.

Simon provided details on the next webinar on Local Content Policies (3 April 2019).

Following this, two webinars are proposed:

1. BER and Investment Promotion: late May or early June 2019: to be organised with the assistance of Toru (JICA)
2. BER and Gender: date to be determined: late May or early June 2019: to be organised with the assistance of Anastasia (USAID) (with input from Andreja, Work Bank Group)

**AGREED:**

1. **Simon will liaise with Toru on a webinar on BER and Investment Promotion**
2. **Simon will liaise with Anastasia on BER and Gender.**
3. **Would be good to ensure a webinar is held at the completion of each work item.**

## 5. Work planning for 2019-20

Simon discussed the process for work planning. No proposals for a long-list of possible work items have been received.

The following possible items were proposed during the discussion:

1. Continuation of the BER webinar series (need to define new topics);
2. BER and fragile contexts;
3. Further work on gender and BER;
4. Sharing of experiences in informal settings would be useful, without always relying on formal studies and reports.
5. What can the private sector do to improve the business environment?
6. A conference or peer-to-peer event concerning business and Investment climate in ACP countries;
7. New and emerging trends in PPD;
8. Online feedback portals on reforms (as a part of PPD);
9. Other issues related to the emerging technologies in regulatory delivery.

All working group plans and budgets should go to ExCo (via the Secretariat) by the end of April 2019.

**AGREED: Simon will circulate a 'brainstorm' document for a long list of possible work items with the draft minutes of the meeting. With responses from the Group in the coming few weeks, a draft work plan and budget can be prepared for submission to the Secretariat.**

## 6. Any other business

Juergen provided an update on the forthcoming DCED Annual Meeting in June in Vienna. This included a discussion on digital transformation.

Stefanie indicated that she will not be able to continue in her co-chair role beyond June due to changing work commitments. Thus, in June a new co-chair should be appointed. Members were asked to consider nominating for this role. Furthermore, beyond June, Martin Weidner will represent GIZ in the Group.

## 7. Next meeting

The next meeting will be a teleconference.

**AGREED: Next meeting will be in June the day before the DCED Annual Meeting in Vienna.**

## 8. Meeting closure

Andreja closed the meeting at 17:15 CET.

END OF MINUTES