



## Business Environment Working Group

20 April 2022, 14:00 CET

### Meeting Minutes

*Approved by email 30 April 2022*

#### PRESENT

Moussa Traore (USAID, BEWG co-Chair)	Brigitte Bruhin (SECO)
Sylvia Solf (WBG, BEWG co-Chair)	Nathalie Staker (FCDO)
Severine Deboos (ILO)	Anastasia de Santos (USAID)
Judith van Doorn (ILO)	Julian Sievers (Sida)
Stefan Kratzsch (UNIDO)	Jim Tanburn (DCED Secretariat)
Tania Ghossein (WBG)	Ella Duffy (DCED Secretariat)
Lara Baric (BMZ/GIZ)	Simon White (Consultant to BEWG)
Yuka Asakawa (JICA)	

#### APOLOGIES

Toru Homma (JICA), Steffen Felix (BMZ/GIZ)

## Welcome

At 14:00, CET Moussa Traore (USAID, BEWG co-Chair) opened the meeting and welcomed all participants. The meeting agenda was confirmed.

## Minutes of Last Meeting

The Minutes of Last Meeting dated 19 January 2022 (previously approved by email) were briefly reviewed. There were no matters arising.

## Current Work Item Updates

The following work items were discussed.

### BER and Informality

Tania Ghossein (WBG) updated the meeting on the progress of this work item. A call for consultants was issued, but no suitable candidates were found. After a second round, an appropriate candidate was interviewed and selected. Ms Nancy Benjamín is currently being contracted.

Judith van Doorn (ILO) requested all members to support the consultant by recommending cases for consideration.

#### AGREED

Member to recommend cases for inclusion in the research.

#### TIME FRAME

The task team informed the WG members that the timeframe for this work item was extended until end of August 2022, after which a webinar will be planned for September 2022.

### Green Business Environments

Moussa, Sylvia Solf (WBG, BEWG co-Chair) and Simon White (Consultant to BEWG) provided an update. The final report has been accepted, and Siobhan Kelly (FAO), the Task Team lead, is making minor edits before the document is formatted and published on the DCED website.

A webinar on this topic, entitled Leveraging Private Sector Practices to Guide Green Business Environment Reform, will be held on 27 April 2022, at 14:00 CET.

#### **AGREED**

No immediate action required on this item.

### Enhancing the Use of Evidence, Results Measurement in BER Programming

Nathalie Straker (FCDO) and Simon provided an update. Following the circulation of the penultimate draft, the final report was received on 7 April 2022 and is being formatted for publication on the DCED website.

Simon is preparing a 4-5-page summary (policy note) which will be circulated as a draft for members' comments in the coming weeks.

The Task Team will consider a webinar on this topic in the coming months. This would involve the presentation of the report (by Just Results). During this webinar, there could also be some discussion on if and how the BEWG could take this topic further.

#### **AGREED**

Simon will circulate draft policy note for comment in coming weeks.

Consideration will be given to a webinar on this topic.

### Business Environment in Global Value Chains

Tania provided an update on this new work item. The consultant who was commissioned in 2021 has withdrawn from the assignment. This led to a minor revision of the TOR and two of the other candidates for this work have been approached and are being interviewed.

The Task Team will revise the TOR further and will consider focusing on selected sectors (e.g., manufacturing, tourism). Members are asked to indicate any sectors they believe should be given priority.

The consultant will be encouraged to liaise with the IFC and other IOs who are doing related work in this field.

#### **AGREED**

Members to propose priority sectors for the research by Friday, 29 April 2022.

#### **TIME FRAME**

The timeframe for this work item has been extended. The draft is anticipated in September 2022, with the final report due in October 2022 and a likely webinar in November 2022.

## Legal Identification for Women

Moussa provided an update on this new work item. A consultant has been selected and is currently being contracted. A briefing meeting with the consultant will occur next week.

### **AGREED**

No immediate action on this item required.

### **TIME FRAME**

As a result of delays in contracting, the timeframe for this work item has been extended. The final report due in October 2022 and a likely webinar in November 2022.

## Role of Social Dialogue

Severine Deboos (ILO) provided an update. The consultant has submitted a draft report to the Task Team but is still undertaking consultations in selected countries. At this stage, the report appears a little general. The Task Team will provide comments to the consultant by the end of the month. Once a satisfactory report has been received, the Task Team will circulate it to BEWG members for comment.

### **AGREED**

No immediate action required on this item.

## Planning for new work items (Work Plan and Budget 2022/23)

Simon and Sylvia presented the outcomes of the work item brainstorming and shortlisting. The four shortlisted new work items were discussed and agreed to.

### **BER COVID-19 RESPONSES: STOCKTAKING RESEARCH AND POLICY NOTE**

**Description:** Two years into the pandemic, policymakers are faced with the challenge of transitioning from short term emergency measures to business regulatory policies to support recovery and resilience. While the pandemic is still ongoing, we propose an interim stocktaking in the form of a research paper and policy note with two parts:

1. Experience from past crises showed that governments used the crisis context to put broader regulatory reform programs in place. The first part of the note would i) identify and analyse broader BER programs, including BER related digitalisation efforts, that governments put in place to support recovery with a focus on how those programs were set up and their content; (ii) identify practices and experience in effectively involving the private sector in designing BER programs to support recovery, and (iii) analysing whether, and if so, how countries are planning for BER programs for recovery (e.g. through a stock-taking of competitiveness strategies)
2. The pandemic context has changed how business is conducted in several methods (e.g. contactless delivery). How have regulators responded (e.g., allowing for greater regulatory flexibility but using risk-based regulations to ensure public health and safety)? Were regulatory flexibility measures temporary, or did governments adopt them permanently?

**Work Item Objectives (2022-23):** To prepare a stocktake of Covid-19 BER-related responses based on available evidence.

**Activities (2022-23):** Commission a suitable consultant or consulting firm to undertake this research and produce a report for consideration by the BEWG.

### **Work Item Outputs:**

1. Research Report
2. Policy Note
3. Webinar presentation

**Task Team:** WBG (lead), FCDO, and BMZ/GIZ.

## **BER AND INVESTMENT FACILITATION**

**Description:** In the WTO context, member states are currently negotiating an Investment Facilitation Agreement and invited last week also leading International Organizations (WB, OECD, ITC, UNCTAD, WEF) and member states (also as donors) to coordinate well and to provide future support, particularly for developing countries. It would be useful to take this theme also up in our DCED-BEWG. Moreover, the WTO negotiations on an agreement on Investment Facilitation for Development (IF4D) are currently reaching the final stages. The substantive obligations in the agreement are generally agreed on. The focus is on improving transparency, efficiency, and effectiveness of investment-related administrative procedures. Going forward there will likely be demand by governments for support in assessing and closing regulatory gaps for complying with obligations and improving their business environment more broadly to be able to benefit from adopting the Investment Facilitation Agreement. Considering these developments, two policy notes on will be prepared:

1. Good practices related to the reforms and reform paths required to meet the IFA obligations; and
2. Research on the benefits of improving BER in the context of the adoption of IFA.

**Work Item Objectives (2022-23):** To prepare a stocktake of Covid-19 BER-related responses based on available evidence.

**Activities (2022-23):** Commission a suitable consultant or consulting firm to undertake this research and produce a report for consideration by the BEWG.

### **Work Item Outputs:**

1. Research Report
2. Webinar presentation

**Task Team:** SECO, UNIDO, FCDO, ILO, Sida, FAO, and WBG

## **AN ENABLING REGULATORY ENVIRONMENT FOR THE DIGITAL TRANSFORMATION OF THE ECONOMY**

**Description:** The digitalisation of the economy requires a rethinking of regulatory frameworks across the world. Development Partners aiming to support their partner countries in their economic transformation need to incorporate digitalisation in their thinking. As this field of work is still relatively new for many and the landscape highly dynamic considering the rapidly changing technologies, services, and markets, the DCED could obtain an overview of the type of regulatory or policy issues that need to be considered when advising partner countries as well as to identify case studies that set out how Development Partners already engage in such activities.

This refers to the regulatory framework for:

- The digital economy (such as platform companies, IT companies, (tech) start-ups); and
- Digitalisation of “conventional” businesses (such a small and medium enterprises selling conventional products and services).

The study should provide an overview and will set out the key areas that need to be considered in both cases from an economic policy view (e.g., regulations on consumer protection, employment

rights, technical standards, data protection; impact on competition law due to monopolistic or oligopolistic tendencies; taxation etc.).

For each “regulatory/policy area” the study will set out the key points that projects should consider and refer to other resources for further information.

- This includes referring to international standards or regulations where they exist or are developing (e.g., EU Digital Markets Act and Digital Services Act) in as far as it is relevant.
- The study could set out case studies of donor projects that are addressing one or several of these areas and present selected country examples and their regulations and standards in the area of digitalisation

For these areas, the study will seek to explain possible trade-offs for each regulatory/policy area (with regards to supporting growth of such business models vs possible dangers).

The study shall conclude with lessons learnt around approaches to support these areas through development cooperation and the identification of research gaps.

As the scope is currently relatively broad, the task team may decide on a narrower focus during the development of the terms of reference.

**Work Item Objectives (2022-23):** To better understand the relevant regulatory and policy issues in this field and where there may be gaps or opportunities for further research.

**Activities (2022-23):** Commission a suitable consultant or consulting firm to undertake this research and produce a report for consideration by the BEWG.

**Work Item Outputs:**

1. Research Report
2. Policy Note
3. Webinar presentation

**Task Team:** BMZ/GIZ, USAID, UNIDO, JICA, FAO, and ILO

## **ADDRESSING INFORMALITY THROUGH SIMPLIFIED COMPANY FORMS AND SPECIAL LEGAL STATUS**

**Description:** In recent years, several countries have implemented corporate law reforms to introduce a more flexible legal form that is more suitable to the features of micro, small and medium-size companies (MSMEs) and which reduces the costs of formalization and operation. Simplified, intermediate, or temporary legal/tax statuses could be used by informal businesses before or as they transition to full formal status, or to legalize the status quo. They are more attainable for microentrepreneurs that would otherwise not consider formalization, such as those not pursuing growth.

**Work Item Objectives (2022-23):** The objective of the proposed work is to research the following:

- Do a stock taking of simplified company forms or special legal status across all regions (e.g., Entreprenant/auto-entrepreneur in Africa, SAS in LAC, MEI and SIMPLES in Brazil and REMPE in Cabo Verde, etc.)
- Comparative analysis (legal) of the characteristics and key features
- Description of the financial and non-financial incentives (current and planned) linked to these legal statuses
- Overview of approaches to enhance their effectiveness and uptake (e.g. inter-agency cooperation, ways to sensitize and enhance outreach)
- Literature review on any impact studies and in the absence thereof, identification of trends and ‘promising practices’
- Lessons learned from application of such forms that policy makers can draw on (what has worked, what hasn’t)

**Activities (2022-23):** Commission a suitable consultant or consulting firm to undertake this research and produce a report for consideration by the BEWG.

**Work Item Outputs:**

1. Research Report
2. Policy Note
3. Webinar presentation

**Task Team:** USAID, ILO, FAO, and WBG

**AGREED**

Simon will prepare a draft work plan and budget based on the outcomes of the discussions. He will circulate this to all BEWG members and submit it to Jim for consideration by the DCED ExCo.

The BEWG meeting in June provides the opportunity to approve the work plan and budget, which is considered by the DCED at its Annual Meeting.

## June DCED Annual Meeting and BEWG presentation

Jim Tanburn provided an outline of the DCED Annual Meeting (8-10 June, Cambridge) and a work plan presentation to the DCED ExCo on Thursday, 28 April 2022.

Some 40 people have indicated they will probably attend the Annual Meeting in person, while others will join the hybrid meeting online.

Sylvia and Moussa will present the BEWG's work over the last year at the Annual Meeting. It was agreed that this presentation should highlight the relevance of the BEWG products to private sector development and investment in developing and emerging economies, before providing details to highlight products that are in high demand (e.g., informality, PPD, fragile and conflict-affected situations).

**AGREED**

Simon will prepare presentation slides for Sylvia and Moussa to use at the ExCo Meeting and Annual Meeting.

## Any other business

There was no other business.

## Next meeting

This will be during the DCED Annual Meeting.

## Close of Meeting

Sylvia closed the meeting, thanking everyone for their participation and support in covering a full agenda.