

Business Environment Working Group

Meeting 3 March 2021

Meeting (Teleconference) Minutes

Approved by email circulation.

PRESENT

Moussa Traore (USAID, BEWG co-Chair)
Sylvia Solf (WBG, BEWG co-Chair)
Anastasia de Santos (USAID)
Steffen Felix (GIZ)
Severine Deboos (ILO)
Judith van Doorn (ILO)
Anna Schrenk (UNIDO)
Siobhan Kelly (FAO)
Peter Stoffelen (Netherlands)
Tania Ghossein (WBG)

Saul Hathaway (FCDO)
Jonas Bolzen
Arjan de Haan (IDRC)
Bernardo Calzadilla (UNIDO)
Toru Homma (JICA)
Naho Aizu (JICA)
Jim Tanburn (DCED Secretariat)
Ella Duffy (DCED Secretariat)
Simon White (Consultant to BEWG)

APOLOGIES

Matthias Altmann (EU); Stefan Kratzsch (UNIDO)

MEETING OPENED

Sylvia Solf (co-chair) opened the meeting and gave a warm welcome to Steffen Felix (GIZ) who has recently joined the group. The meeting agenda was confirmed.

Minutes of Last Meeting

The Minutes of Last Meeting (9 December 2021 previously approved) were acknowledged and there was no business arising from the minutes.

Business Environment Responses to Covid-19

Sylvia provided an update on this work item, indicating that two policy briefs were in the final stages of editing and would soon be uploaded to the DCED website.

Dealing with Firm Informality

Tania Ghossein (WBG) provided an update on this work item, indicating that two consultants (William Nielsen and Pietro Maggi) had been commissioned to undertake the current research assignment. A first draft report is due in the first week of June 2021.

Green Business Environment Reform

Siobhan Kelly (FAO) provided an update on this work item. The consulting firm Business for Social Responsibility (BSR) has been commissioned to undertake the current research assignment. The Task Team has held a briefing session with BSR and the final methodology for the study is being finalised.

Enhancing the Use of Evidence, Results Measurement in BER Programming

Simon White provided an update and spoke to the revised TOR which has now been finalised. A Call for Consultants has just commenced, and it is hoped that a suitable consultant will be selected in the coming few weeks.

Webinars

Simon updated the working group on the last two webinars held and the plans for forthcoming webinars. There was some discussion on what we can learn from the previous webinars:

- The informality webinar was very full—we have to be conscious of information overload and not trying to cram in too much.
- It is important to ensure all speakers are fully briefed.
- The structure of the second webinar (on digital regulatory delivery mechanisms) was more focussed.
- There was some concern regarding the Zoom platform. Various agencies experience problems with Zoom, as they do other platforms. After some discussion, it was generally found that Zoom and MS Teams were the best options. The DCED Secretariat will continue to monitor this and consider the most feasible options.
- There was some discussion on how best to share information on and coordinate the various webinars run by other working groups and the BEAM Exchange. Overall, the DCED Secretariat will keep member informed where this seems relevant.

On the forthcoming webinars:

- Digital PPD (scheduled for 31 March 2021, but to be confirmed): this will present the recent report, but there is a need to identify case studies to be included.
- Attracting and retaining investors: A number of agencies expressed an interest in sharing cases on this topic (i.e., JICA, GIZ, ILO, WBG).
- BER in conflict-affected areas - no date yet

Work Planning for 2021-22

Moussa Traore (co-chair) spoke to the various proposals that had been received (referred to as the 'longlist'). Discussion on the longlist of proposed work items led to the following general outcomes:

- **Local BER and smart specialisation** [Proposed by EU]: furthering the work undertaken by the BEWG in 2016, this work item will review the ways BER can be used to promote Smart Specialisation to promote innovation and entrepreneurial capabilities at local, city and regional scales. Such approaches can drive a bottom-up 'entrepreneurial discovery process' to identify local innovation potentials and select investment priorities. This item would also build on EU's work in [Smart Specialisation](#) and [place-based innovation](#).
 - Is this related to incubators? If so, FAO might be in a position to contribute to.
- **Privilege resistant business regulation (BER and capture)**. How can business regulations be designed to be more resistant to capture? [Proposed by WBG and USAID].
 - BER can be undermined in various ways to privilege a few connected firms. Elite capture can have negative effects at both the economy and sector levels, in terms of less firm entry, distorted competition and an uneven level playing field – particularly for SME, higher market concentration, and slower growth performance. The WBG did a study on state capture a few years ago that could

be built up. Thus, it is useful to look at measures to shield policies from capture in policymaking, discretion, and arbitrary enforcement

- This work suggests an approach to identify and prioritize actions that reduce the capture-vulnerability of business environment policy areas. It could delve into what features could indicate privilege-resistance, both de jure provisions in policies, laws and regulations and de facto applications, and how they could be addressed. The analysis will look at both cross-cutting business regulation issues (e.g. licensing, access to incentives and land, access to public markets and government contracts, etc.) as well as case studies of few sectors.
- **Role of business environment in integration into global value chains (GVCs).** How can BER support integration into global value chains? [Proposed by WBG and USAID]
Additionally, how can regulatory sandboxes be leveraged to upgrade/improve GVCs? [Proposed by USAID].
 - This connects foreign investment with domestic economies. Potentially provides a green investment angle as well, along with mining and EPZs where there is international trade and investment, but where the surrounding economies and communities don't really benefit. There is also a COVID-19 angle to this. GIZ supports this – very interested in industrial parks and the surrounding community and economies. JICA also support – industrial linkages are very important, especially in context of COVID-19. Need to clarify the BER focus. FAO supports this topic in general – but is more interested in how BER can support domestic/intraregional and local value chain development. In the food sector for instance, and increasingly since COVID-19, governments have become more interested in investments in domestic value chain. However, adding the domestic lens to this study may broaden its scope too much and therefore this could be retained as a proposal for the future. Arjan – the commencement of the Africa free trade agreement also presents opportunities for this work to consider. ILO also supports the work item.
- **Role of business registries in supporting evidence-based policy reform** (quality of bus reg data, availability and use of gender disaggregated data, etc.). What role can business registry data play in supporting evidence-based policy making, including to support female participation in the economy? [Proposed by WBG]
 - Registries can play an important role in tracking real-time information on what is going on in the economy (e.g., the impact of Covid-19). Private sector is often good at leveraging data, but public agencies less so. Often, information is not used or kept in a fragmented way (e.g., business name registries and different types of companies). Thus, there is a need to look at integration models. Often registries do not keep gender or sector disaggregated data. There is a great opportunity to use business registries as ways of tracking economic trends and impact of policy measures. Study could look at good cases and lessons learned.
 - Is there a connection with the Women's Economic Empowerment Working Group? Collaboration with other working groups usually benefits from one working group taking the lead.
- **Legal identification for women** and how it affects women's entrepreneurship, employment, innovation, etc. What is the evidence from countries in which identification requirements have been revised to ensure inclusion and equity? [Proposed by USAID]
 - ILO is also interested in this – especially in terms of WED.
- **Greening BER** [Proposed by EU]
 - This would be dependent on the results of the current Task Team's work.
- **Resilience, adaptation to crises** [Proposed by EU]
 - This could be consolidated into the COVID-19 Task Team.

- **The role of social dialogue/ inclusion of workers' perspective in business environment reforms – lessons learned, ways to improve** [Proposed by EU].
 - It would be useful to understand better how this specifically connects to business environment. Need to identify the precise. ILO would be happy to contribute to this.
- **BER for collaborative economy models such as cooperatives** – models helping micro and small companies to increase incomes, access to markets and training, access to finance and public policy, social protection. [Proposed by EU]
 - FAO is potentially interested but would require more information.
- ILO added a work item on **incentives for the formalisation of small, informal units**.

BER Webinar Series: Topics for 2021/22

BER and the green economy [Proposed by WBG]

BER and gender [Proposed by WBG]

BER in a fragile context (country + global = pandemic). Recent case studies. [Proposed by EU]

BER for collaborative economy models such as cooperatives – models helping micro and small companies to increase incomes, access to markets and training, access to finance and public policy, social protection. [Proposed by EU]

The role of social dialogue/ inclusion of workers' perspective in business environment reforms – lessons learned, ways to improve. [Proposed by EU]

Questions the BEWG should answer in 2021/22

How to build back better and make Business Environment / MSEs more resilient (and in particular the most at risk)? How to support from a BER perspective inclusive models which combine increase of income for MSEs, social protection and road to formalisation? [Proposed by EU]

How to better include the Green priority in BER? [Proposed by EU]

EU was unable to attend the meeting, so there are few work items proposed where more information would assist.

AGREED

It was agreed that Simon would circulate a revised longlist based on the discussion allowing a few days for members to provide more information on their proposals. Following this, Simon will manage a voting process to shortlist the proposals.

Any other business

Severine (ILO) is interested in what other members are doing in BER in Morocco and Ethiopia. ILO preparing a course on BER in fragile situations and will be looking for contributions. She will share this information directly with members.

Next meeting

It was agreed that the next meeting would be held in **mid-June 2021**, preferably a Tuesday, Wednesday or Thursday.

Close of Meeting

Moussa provided a brief synopsis of the meeting and its outcomes before thanking everyone for their participation and support, and closing the meeting at 15:40CET.