



The Donor Committee for Enterprise Development

**Private Sector Engagement Working Group (PSE WG)
Teleconference, 25 June 2020
Minutes**

09/07/2020

Participants

1. Gunter Schall, ADA (Co-Chair)
2. Lars Stein, SDC (Co-Chair)
3. Solène Bryson, DFID (for part of the time)
4. Linda Scheik, GIZ
5. Matthias Altmann, EC
6. Laura Desmoulin, Finland MoFA
7. Antti Piispanen, Finland MoFA (for part of the time)
8. Heidi Uitto, Finland MoFA
9. Urkaly Isaev, IFC
10. Ichiro Fukuhara, JICA (for part of the time)
11. Saki Ito, JICA (for part of the time)
12. Paul Weber, Luxemburg MoFA
13. Meredith Lee, MasterCard Foundation (for part of the time)
14. Jurgen Bartelink, NL MoFA
15. Priscilla Boiardi, OECD
16. Massimo Bloch, SECO (for part of the time)
17. Anne Kullman, Sida (for part of the time)
18. Suzanne Krook, Sida
19. Virpi Stucki, UNIDO
20. Katie Garcia, USAID (for part of the time)
21. Jed Leonard, USAID
22. Holger Grundel, DCED Secretariat
23. Melina Heinrich-Fernandes, DCED Secretariat
24. Jim Tanburn, DCED Secretariat

Apologies:

Sally Truong, DFAT

Thomas Lammar, Luxemburg MoFA

Lollo Darin, Sida

Thematic exchange on donor engagement with international buyers in global supply chains during COVID-19

This exchange started with a presentation by Tobias Fischer, who is Sustainability Advisor at H&M and responsible for the company's COVID-19 response, on key challenges as well as company-level and industry-wide response measures. Key insights from the presentation and subsequent discussion, including on roles for donors, will be circulated as part of the PSE WG's internal summary note on COVID-19 responses.

Review and prioritisation of next steps regarding the PSE WG Work Plan

The PSE WG work plan (Jul 2020 – Jun 2021) was officially approved by the virtual DCED Annual Meeting in early June. An informal Secretariat survey on PSE WG members' priorities in late May/early June revealed that continued peer exchange on COVID-19, as included in the PSE WG work

plan, was still of great interest to members. The most frequently mentioned sub-topic was recovery strategies and the role of PSE. It is therefore proposed that at least part of the next online meeting in September will be used for a member exchange and comparison of emerging recovery strategies.

The remainder of the call served to review other priority work items, to see if they are still relevant to members despite recent COVID-19-related development, and whether they need to be adjusted in light of the crisis. The Secretariat's short survey had shown particular interest by some members in three work items:

- 1) Synthesis paper on Responsible Business Conduct (RBC) and PSE: Overall, there was agreement to proceed with this work item as planned, with two particular points of attention:
 - Linda Gabel noted that it would be useful to consider COVID-19-specific implications on efforts to promote RBC. For example, many new private sector initiatives have emerged in recent months that could be built on. At the same time, donors may face trades-off between a focus on business continuity and survival on the one hand, and responsible business behaviour on the other hand.
 - Both Linda Gabel and Matthias Altmann suggested incorporating a review of recent policy and regulatory developments and their implications for PSE. Examples mentioned include possible sustainable supply chain and due diligence initiatives as part of the implementation of the [European Green Deal](#), and emerging supply chain laws in several European countries (e.g. Germany). Matthias Altmann noted that a short stock-take of such laws as part of the synthesis paper could be very informative and facilitate harmonised approaches. Priscilla Boiardi expressed interest in contributing to the paper based on the OECD's guidance notes on blended finance, which include principles related to RBC.
- 2) Update of the [DCED additionality guidelines](#): Members confirmed the continued relevance of this work item, which has as its objective to review assessment criteria in light of recent experience, and, in particular, to include more examples on how to make the judgement call on additionality in practice.

Matthias Altmann expressed his view that there would be no need for any adjustments in light of COVID-19, as the main purpose of the document was to give methodological advice, which could be applied under all circumstances. Gunter Schall highlighted that donors are under increased pressure to respond to questions on additionality by the OECD statistics unit; more detailed guidance on how to do this would therefore be helpful. Priscilla Boiardi offered to help liaise with the OECD statistics unit for inputs and comments, when appropriate. It was also suggested to consider relevant experiences and lessons from DFIs.

- 3) Peer exchange on other priority questions by the group:
 - 3.1 Organisational set-ups for PSE/ building staff capacity and cohesion: While the work plan includes a variety of themes for future peer exchanges, the question of how agencies are organised around PSE, and how they build staff and organisational capacity, has come up again in the short PSE WG member survey.

Jed Leonard elaborated that USAID would be keen to exchange with other members on this topic. For example, USAID has moved from a smaller internal group of PSE specialists to a wider community of practice with staff from a variety of backgrounds. It would be helpful to learn about different organisational models, and how to make them work effectively. Lars Stein and Laura Desmoulin expressed their interest in participating in such an exchange, including on innovative approaches to staff capacity building.

A dedicated online meeting or session will therefore be organised after the summer break; meanwhile, the Secretariat will liaise with interested members to prepare and structure the call, and exchange relevant documents in advance.

3.2 Reputational risk management approaches: Matthias Altmann further suggested picking up discussions on agencies' reputational risk management approaches. Suzanne Krook and Lars Stein confirmed their interest in this topic, while Lars also offered to circulate SDC's forthcoming risk management framework once approved. The framework could also be presented in a future peer learning call, as a basis for discussion. The Secretariat will be in touch with the group to identify other interested members and agree specifics regarding the timing and content of the call.

3.3 Sharing of high-potential but un-funded business ideas among group members: Jed Leonard also shared a new idea with the group: Given that calls for proposals typically generate many good business ideas, but not all of them can be funded, it might be useful to think about ways to share unfunded but promising ideas within the PSE WG. This will be explored in more detail ahead of the next PSE WG meeting.

Other updates

A few COVID-19-specific agency updates will be shared through the PSE WG's internal summery note on COVID-19 responses.

Other initiatives highlighted include:

- The agenda for the EU Africa Business Forum in October is under development. Members who would like to make an input to the discussions can contact Matthias Altmann.
- Virpi Stucki highlighted the successful implementation of the 26-hour on-line UN Global Compact Leaders' summit, which had 20,000 registered participants, with as many as 5,000 being online simultaneously.
- Suzanne Krook informed the group of a recent webinar of the Global Investors for Sustainable Development Alliance and will share a summary of the outcomes with the PSE WG in due course.