



The Donor Committee for Enterprise Development

**Private Sector Engagement Working Group (PSE WG)  
Teleconference, 29 September 2020  
Minutes**

02/10/2020

**Participants**

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|---------------------------------------|---|
| 1. Gunter Schall, ADA (Co-Chair)      | 13. Lasse Møller, OECD                          |
| 2. Lars Stein, SDC (Co-Chair)         | 14. Antti Piispanen, Finland MoFA               |
| 3. Matthias Altmann, EC               | 15. Nathan Rasquinet, Belgium MoFA              |
| 4. Jurgen Bartelink, Netherlands MoFA | 16. Katherine Rostkowski, USAID                 |
| 5. Priscilla Boiardi, OECD            | 17. Linda Scheik, GIZ                           |
| 6. Lollo Darin, Sida                  | 18. Nina Schuler, FCDO                          |
| 7. Leonie Decrinis, UNIDO             | 19. Lauren Sewell, DFAT                         |
| 8. Laura Desmoulin, Finland MoFA      | 20. Virpi Stucki, UNIDO                         |
| 9. Urkaly Isaev, IFC                  | 21. Sally Truong, DFAT                          |
| 10. Suzanne Krook, Sida               | 22. Paul Weber, Luxemburg MoFA                  |
| 11. Anne Kullman, Sida                | 23. Holger Grundel, DCED Secretariat            |
| 12. Tobias Lechtenfeld, BMZ           | 24. Melina Heinrich-Fernandes, DCED Secretariat |
|                                       | 25. Jim Tanburn, DCED Secretariat               |

**Apologies:**

Lukas Schneller, SECO  
Lisbeth Jespersen, Denmark MoFA  
Naho Aizu, JICA  
Ichiro Fukuhara, JICA  
Meredith Lee, MasterCard Foundation

**Agency updates on COVID-19 recovery strategies and their implications for PSE**

Most participants provided an update on emerging thematic and sectoral priorities as well as early initiatives in the context of COVID-19 recovery efforts. These are summarised in a separate, internal note which will be circulated among PSE WG members alongside these Minutes.

**Scoping paper reviewing responsible business conduct (RBC) instruments and initiatives for PSE practitioners: Feedback on draft table of contents**

A draft table of contents developed by the Secretariat was shared with the group ahead of the call; it was informed by an initial review of more than 50 recent documents on the topic, which illustrate the current momentum around RBC in both the public and private sector.

PSE WG members confirmed their strong interest in the scoping paper and agreed with the key elements of the table of contents. The following additional suggestions and qualifications were made:

- Given that the field of RBC is fast-evolving, Matthias Altmann suggested ‘future-proofing’ the document by highlighting trends and likely medium-term developments, e.g. a shift away from a ‘smart mix’ of voluntary and mandatory measures towards an increased focus on regulations on RBC that level the playing field for all companies. This could be based on empirical evidence, for example company surveys conducted to inform sectoral and national legislative initiatives, which have revealed that voluntary measures are not very effective. He [noted recent EC studies](#), and Linda Scheik noted the [recent evaluation of supply chain law](#) (in German). Matthias further stressed the important role of the scoping paper in distilling key information from the vast amount of literature on this topic in an accessible way and in summarising trends across publications.
- Sally Truong noted her preference not to limit the target audience to PSE practitioners, but to address a wider group of stakeholders – for example by opting for a language that would appeal to senior company executives as well. In line with the current table of contents, Sally further stressed the importance of covering drivers for companies to adopt more responsible business practices. It may also be helpful to clearly define the terms used for government instruments to promote RBC (e.g. ‘regulatory’/ legal initiatives). Sally also wondered if the opportunities and challenges of mandatory initiatives are different for common market economies like the EU, and the US or Australia. Lastly, she noted that there is no common framework for measuring RBC outcomes and wondered if the paper could help advance discussions on this.
- Nina Schuler offered to arrange a phone call to contribute insights to the paper when appropriate. She also cautioned that there are many different pathways to RBC, and it may be impossible to provide an answer on the most effective instrument. Rather, it would be useful to review each instrument independently, and let agencies choose the instrument(s) that are most appropriate or relevant for their work in different contexts. The question of remedy and national contact points should be among the specific issues and tools reflected on. There may also be other more recent instruments and innovative approaches that do not fit into the four categories of government instruments identified so far. In terms of relevant literature, the documentation around the RATE programme (which ends this year), the British Academy’s work on the [Future of the Corporation](#) and ISEAL’s [Evidensia website](#) would be useful to review.
- Anne Kullman highlighted the fundamental role of the UN Guiding Principles on Business and Human Rights, which will have been in place for ten years in 2021, and the Global Compact as the starting point of all RBC-related work. She therefore wondered if the paper could be built more explicitly on the framework of the Guiding Principles and thereby also serve as means to advance discussions in the UN Working Group on Business and Human Rights.
- Katherine Rostkowski mentioned an ongoing research study on the motivations for investors to adopt RBC principles, which would be a useful resource for a section on business drivers of RBC.
- Priscilla Boiardi noted that discussions on ESG might best be left out of this paper, as it would risk going on a tangent. However, the OECD is happy to provide additional information if the topic is still going to be covered.

The Secretariat will consider these comments in further developing the scoping paper and will, later on, approach individual members to fill specific knowledge gaps around agency-specific examples and initiatives.

#### Interview partners and roadmap for updating the DCED's 2014 [additionality guidelines](#)

About 20 documents published after 2014 have been identified which will be reviewed in more detail for relevant insights and fresh references for the additionality guidelines. In addition, the Secretariat plans to arrange donor and practitioner interviews to review how additionality assessment criteria and processes have evolved in practice, and to collect case studies of decisions for and against additionality.

A priority will be to interview staff managing programmes similar to the challenge funds and other matching grant and TA facilities that have informed the 2014 guidelines. Laura Desmoulin suggested that in addition to Finnpartnership, she could put the Secretariat in touch with two other Finnish programmes. Linda Scheik offered to put the Secretariat in touch with the new contact points at the DeveloPPP programme.

Nina Schuler, Katherine Rostkowski, Lollo Darin and Lasse Møller also agreed to share insights from their work or put the Secretariat in touch with relevant colleagues. (N.B. Lukas Schneller/ SECO, Priscilla Boiardi/OECD and Gunter Schall/ ADA had also previously offered to share resources or arrange a phone call on the topic.) Lasse Møller further highlighted ongoing work under the auspices of the OECD's EVALNET and a forthcoming paper on additionality in blended finance that would be useful to consider in the update.

#### AOB/ future meetings

As discussed in the PSE WG call in June, the Secretariat has followed up with individual members interested in a peer exchange on organisational aspects of PSE. Questions raised by members include how to structure central teams leading on PSE and the pros and cons of expert- vs. cross-functional teams; how to move from an instrument-driven approach to PSE, to a strategic, organisation-wide approach; how to promote culture change among staff; and organisational set-ups in innovative finance specifically. The Secretariat will continue to explore these questions and possible presentations of agency experiences in more detail and get back to the PSE WG with a proposed call agenda and date within the next 4-8 weeks, following a consultation with the Co-Chairs.

A separate call will most likely be scheduled in early December to review further progress with the work items. Members were interested in combining this with another COVID-19 related exchange, with a focus on practical examples of PSE initiatives and partnerships to promote economic and/ or green recovery. Nina Schuler already volunteered to present FCDO's Vulnerable Supply Chains Facility project in more detail. The Secretariat will discuss the timing and content of the call in more detail with the Co-Chairs and get back to the group with a proposal.