



The Donor Committee for Enterprise Development

Green Growth Working Group (GGWG) Meeting Minutes

Tuesday, 15 December 2015, OECD, France, Paris

Participants

Kees van der Ree (ILO)	Jan Corfee-Morlot (OECD, morning session)
Naeeda Crishna Morgado (OECD)	Alexios Pantelias (IFC, by phone)
Hans-Joachim Zinnkann (GIZ)	Annsophie Aronsson (Sida, by phone)
Callie Ham (ILO)	Kaspar Nilsen, Gisela Strand (Sida, by phone, morning session)
Florence Tartanac (FAO)	Paul Horrocks (OECD, morning session)
Mika Vehnämäki (Finland Ministry of Foreign Affairs)	Michal Miedzinski, Matthias Ploeg and Carlos Hinojosa (afternoon session, Technopolis)
Sarwat Chowdhury (UNDP)	Melina Heinrich-Fernandes (DCED Secretariat)
Ingela Juthberg (Sida)	
Olof Drakenberg (Gothenburg University)	

Apologies: Omer van Renterghem (NL MFA)

15 January 2015

Member updates

GIZ/ BMZ: GIZ/ BMZ: The division in BMZ in charge of economic development has been merged with the division for cooperation with the private sector. GIZ will soon publish an interactive manual on Green Business Model Promotion (called 'Navigator') including a searchable database of available tools. Hot topics in German Development Cooperation also with relevance for PSD currently are the i) role of digitalisation for PSD and ii) promotion of economic development for mitigation of migration / refugees. With regard to i) digitalisation, GIZ in the Philippines has successfully piloted '[GreenOvation](#)' in autumn 2015, a series of innovation workshops (similar to hackathons) for ICT-based Private Sector Development through Mobile App Creation for Innovation and a Green Economy. Furthermore, promoting sustainable tourism will become a more prominent focus within GIZ's PSD activities.

The division in BMZ in charge of economic development has been merged with the division for cooperation with the private sector. BMZ will soon publish a study on Green Business Model Promotion. A hot topic in German Development Cooperation is the role of digitalisation for PSD. Promoting tourism will also become a more prominent focus of German Development Cooperation.

FAO: The Rural Infrastructure and Agro-industries Division will be abolished and staff will be split into different divisions. Florence Tartanac's new position will be focused more on nutrition and food systems; it is not yet clear whether she will be able to continue her engagement in the GGWG. FAO will soon launch a new online platform on sustainable food value chains, which will list relevant publications and events. FAO also organized one internal training course on Green Value Chains. The UN Value Chain Working Group has been revived and recently held a meeting at UNIDO in Vienna.

Finnish Ministry of Foreign Affairs: The Finnish aid budget has been cut by 43% but private sector engagement and private sector development will remain priority themes. Part of the aid cut is effectively a move from grant-based aid to loans and investments, of which the bulk goes to into green economy, and especially renewable energy projects. Finland is partnering with the UN-led Partnership for Action on Green Economy (PAGE) and sees it as an important program in the green economy. Another important set of projects is the Energy and Environment Partnership programs, of which the ones in Southern & East Africa as well as the Mekong Region are continued.

IFC: Next May, IFC and UNIDO are organizing an event on Green Industry Competitiveness in Vienna. A focus of ongoing work in IFC is the enabling environment for Industrial Parks. IFC is also increasing its work on standards for environmental efficiency.

Sida: The Swedish government is expected to reduce ODA due to rising costs for large scale immigration to Sweden. The government remains highly committed to environment and climate change and green economy/growth. As an illustration of this Sida recently expanded its support to environmental economics research and policy outreach in Kenya, Ethiopia, Tanzania, South Africa, Costa Rica and China. A key element in this programme is to monitor and inform Ethiopia's Climate Resilient Green Economy initiative in close interaction with the Ethiopian government think-tank EDRI and the Global Green Growth Institute.

ILO: ILO has drafted policy guidelines for a just transition towards environmentally sustainable economies and is planning to pilot them in a number of countries. A number of initiatives are also being planned for the 100th anniversary of the ILO in 2019, including in the area of Green Growth. The PAGE initiative is attracting new donors, such as Norway and the EC, to expand its country advisory services. PAGE will also work towards further developing its global outputs such as the learning forum in Paris this December or recent regional workshops in Colombia and Ghana.

Green Value Chain Development

Callie Ham (ILO) and Hans Jo Zinnkann (GIZ) gave an overview of the GIZ's and ILO's joint new [Guidelines for Value Chain Selection](#). The guidelines aim to provide a hands-on tool for practitioners, based on 8 practical steps and considerations which provide the basis for integrating economic as well as environmental, social and institutional criteria into value chain selection. Suggested selection criteria and an Excel scoring matrix, guiding questions, country cases, sources of data for secondary literature review as well as links to further tools shall help to conduct the prioritisation and selection process in a structured and feasible manner.

The Value Chain Selection Guidelines complement existing tools, such as ILO's Value Chain Development for Decent Work guide and GIZ's ValueLinks methodology – a new version of which will be launched in 2016. The GGWG will have the chance to provide inputs to the new ValueLinks methodology, either as a group or individually.

Next steps agreed:

- Interested members will contact Hans Jo Zinnkann and Callie Ham about
 - any additional green value chain development tools that should be referenced in the Annex of the Guidelines;
 - possible countries where the guidelines could be piloted next year; as well as

- dissemination opportunities at member events.
- Members will also share feedback on the actual usage of the guidelines, possibly at a Green Growth Working Group Meeting ahead of the next DCED Annual Meeting.
- The group will also further explore in the next year how FAO's online system for listing consultants could be used to share contact details of suitable advisors on value chain selection.

Olof Drakenberg reported back from a joint WWF and Sida Seminar on sustainability certification in global value chains based on experiences from the WWF Market Transformation Initiative which covers 15 global commodity sectors such as cotton, palm oil and timber. A common lesson was that it is not sufficient to work with individual market players or new standards; that poor producers in LDCs risk being marginalised and that there is a need to create an enabling environment which stimulates demand and contributes to a more levelled playing field for all producers. Sida is tentatively interested in learning more about how to promote an enabling environment for sustainability standards at the national level with linkages to ongoing efforts on value chain development that benefit poor producers. Florence Tartanac noted that it was also important to consider local produce, which made up the bulk of local consumption, rather than just global commodities.

Next steps agreed: Olof Drakenberg will send out a tentative agenda for a teleconference with members interested in further discussions on sustainability certification linked to value chain development. The teleconference is likely to happen in February.

OECD scoping exercise on private sector engagement and the environment

Naeeda Crishna Morgado gave a presentation on a scoping exercise by OECD on donor support to the private sector for green initiatives. It found that the vast majority of donor support to green initiatives still goes to governments; about 16% goes to private sector partners, largely for energy-related initiatives. No trend data is currently available however. Three sectors were studied in-depth: Infrastructure, Forestry and Ecosystems and Small Businesses. In each sector, donor support was mapped according to three types of engagement: partnering with business to leverage private investment; green private sector development; and partnering to harness private sector skills and knowledge for green growth. In 2016, a case study on instruments for green private sector engagement is planned.

Technopolis interim report: Business Environment for Green Growth

Kees van der Ree introduced the work item on the Business Environment for Green Growth which was launched with the objective to provide a practical overview of the synergies and trades-off in practitioners should consider in this area. The Technopolis team provided an overview of the draft report and two of the seventeen policy measure factsheets – the Congo Basin Forest Fund and Mineral Resource Governance in Uganda.

The consultants explained that the report only represents an interim version for consultation with the GGWG and further development in Phase II. A general note of caution was that projects were categorised based on their objectives rather than actual results, as evidence on achievements was very difficult to obtain.

There was consensus in the group that the current version of the report had a number of shortcomings and could not be published in its current form. The list below provides a brief summary

of the feedback which the consultants should consider in the revision of the interim report and its possible expansion in Phase II.

1. Changes to the current report:

- **Style and length:** Generally, the current report should be shortened and its language simplified in order to appeal to busy and non-expert readers. Academic style should be avoided. Detailed explanations of the methodology could be put into an Annex. The factsheets are currently too long and detailed. While they were useful as background information for the consultants they will need to be simplified and transformed into a clear narrative in the final report. At times it was felt that the current report suggested overly simplistic policy choices or made too generalised conclusions; these should be more nuanced or worded more carefully.
- **Definitions:** The conceptual part should be brief, propose only one definition of Green Growth and BER (in line with the DCED guidance) and stick to it throughout the text. The current Figure 5 is useful and should be used as the only framework in the report. The introduction of the report should be written from the perspective of Business Environment Reform practitioners.
- **Normative versus empirical nature of the report:** The categorisation of different types of policy measures in the current matrix (figure 4) and the language around “true GBER” may misleadingly suggest that all programmes should aim for this kind of policy mix. The guiding question of the report should not be how to achieve ‘true GBER’; instead, the focus should be on different types of green policy options that BER practitioners may consider when designing programmes, how these may be sequenced, and what the implications may be – based on the experiences reviewed. Similarly, the report should more clearly flesh out how green growth practitioners can integrate business environment reform perspectives in their work. Possible trades-off and risks should be highlighted in a neutral way (e.g. green BER may imply that other aspects of a ‘good’ business environment are compromised).
- **Structure of the report:** The empirical nature of the report should also be reflected in the structure, which should essentially be turned ‘upside down’. The following sequence was suggested:
 - Summarise cross-cutting patterns and recurrent issues emerging from the policy measure factsheets;
 - Build a conceptual framework around the findings and visualise it in a neutral, non-prescriptive way;
 - Draw tentative lessons and specific, practical recommendations for creating synergies between BER and Green Growth. The focus should be put on lessons that are different from widely established wisdoms in the BER community; to allow for this, the consultants may need to familiarise themselves more with the existing work of the DCED and others on the theme;
 - Highlight risks and practical trades-off (across various dimensions) that programme designers and implementers may face.
 - An Executive Summary should be added at the beginning of the report.

- **Other edits:** The introductory part of the report should briefly link the topic to the SDGs and Agenda 2030; references to the MDGs should be removed.

2. Additional activities in Phase II

- The group agreed that a more in-depth study of some of the case examples would be needed to build a stronger evidence base for lessons learnt. In phase II, the consultants should therefore review the activities and initial results of 5-10 initiatives selected from the pool of factsheets – based on their relevance and feasibility of further research, in particular phone interviews.

Budget

It was noted that \$55,000 from the DCED Trust Fund have been spent on the work so far; further work on the report would require a new contract with the consultants, ideally financed through bilateral contributions by member agencies.

Engaging the Business Environment Working Group (BEWG)

Several group members remarked that the report would benefit from more feedback of Business Environment Reform Practitioners. Kees van der Ree noted that the BEWG plans to invite Technopolis to present at their next teleconference. In addition, two BEWG members from the IFC and the Netherlands Ministry of Foreign Affairs volunteered to give more detailed comments on the current draft by email.

Next steps agreed:

- Members will look into the possibility of contributing to Phase II of the report and inform the group as soon as possible of available funds. Kees van der Ree noted that ILO is ready to contribute some funds.
- Kees van der Ree will follow up bilaterally with the consultants after the meeting on what bits of the work may still be done under the current contract and ask them to submit a short technical and financial proposal for Phase II. As a basis for this, he will also share an outline of a revised structure with the consultants.
- Plans for Phase II should be finalised in the week of the 11th of January. Ideally, a new draft report would be available in time for a GGWG meeting in March.

Next meeting

Naeeda Crishna Morgado suggested that a joint session or half-day workshop with the DAC ENVIRONET could be organised in Paris on 1 March 2016, as the ENVIRONET group meets on 2 March 2016. This could involve just a few GGWG representatives who could present at the meeting or the wider group.

Possible dates for the next GGWG meeting include 29 February in Paris, if enough progress has been made with the Technopolis report; if not, a tele- or videoconference could be held instead. Another option would be to organise a meeting in May, coinciding with the IFC-UNIDO event on Green Competitiveness in Vienna.