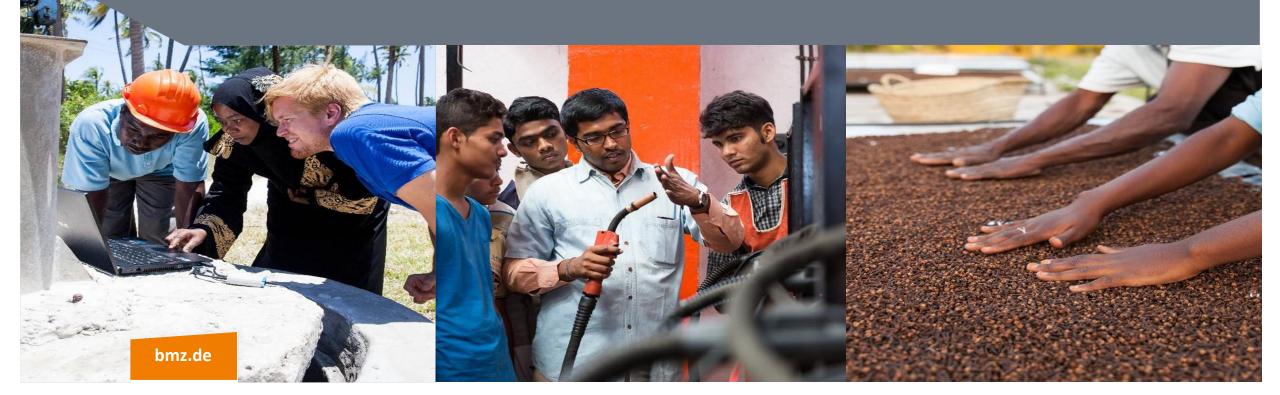




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Julika Breyer, Sustainable Economy Policy, Financial System Development



Four Priority Areas of our Development Policy

Providing Global Health and Bodily Autonomy

Pushing Back Poverty, Hunger and Inequality

Forging Ahead with the Just

Transition

Embracing a Feminist Development Policy

Core thematic area 'Sustainable Economic Develoment, Vocational Training and Employment' follows the guiding principle of a socio-ecological transformation of the economy

- Multiple crisis require a fundamental transformation of the economies of our partner countries, towards socially just, ecologically sustainable, digital and competitive economic systems.
- Following the definition of the ILO: ,greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind'.
- Paradigm shift:
 - From micro to macro-level interventions with a strong focus on economic policy as the key driver of the socio-ecological transformation
 - Aiming at structural changes; systems approach

Transformative Approaches to Private Sector and Financial Systems Development

- Build capacities of partner countries to effectively formulate strategies to drive the transformation towards inclusive green economies
- Improve economic framework conditions, so that private-sector potentials are used to transform markets, increase competitiveness, innovations and investments and thus also the supply of good jobs.
- Core approaches:
 - Green and gender-transformative business environment reforms (women economic empowerment)
 - Green industrial policy / net-zero industrialization
 - Sustainable finance: integrating sustainability criteria in financial decisions through policy and regulatory frameworks



Examples of BMZ Initiatives Aimed at Promoting the Socio-Ecological Transformation of the Economy







Implemented by:



Macroeconomic Reforms/Green Growth in Vietnam

- The bilateral project supports the Vietnamese government in formulating and implementing macroeconomic reforms, improving coherence of economic policies, as well as enhancing the management of public and private resources with the objective of promoting a transition towards a green and inclusive economy.
- The main implementation partners are Ministry of Planning and Investment, Central Institute for Economic Management, Ministry of Finance, State Bank of Vietnam and Ministry of Labour, Invalids and Social Affairs.
- Areas of support:
 - provide research and policy advice with regard to economic restructuring towards green growth, circular economy and regional development linkages
 - improve public financial management and promote financial market reform
 - integrate social dimensions into green growth policies

More information can be accessed at https://www.giz.de/en/worldwide/18779.html.











Investment Climate Reform (ICR) Facility

- The ICR Facility is demand based and offers targeted, short-term **technical assistance** for business environment improvements.
- Funding: €22.75m of which €20m from EU, €2.5m BMZ, €0.25m British Council
- Target groups are e.g. ministries, business associations, development finance institutions in most countries in Africa, the Caribbean and the Pacific.
- A new focus is set on promoting Business Environment Reforms that enhance
 Women's Economic Empowerment.

More information can be accessed at https://www.icr-facility.eu/.









The PtX Development Fund

- The PtX Development Fund is a **financing instrument to close the bankability gap** in large-scale PtX projects and assist developing countries and emerging economies in the establishment of a local green hydrogen economy.
- Target groups qualified to apply for calls are public institutions and private companies in ODA-countries.
- The fund
 - provides grants for catalytic investments along the entire green hydrogen value chain from production to processing (incl. hydrogen derivatives) all the way to storage, transport and dissemination infrastructure
 - supports partner countries building local value chains around green hydrogen, facilitating the local production and use of green hydrogen and derivatives.

More information can be accessed at https://www.kfw-entwicklungsbank.de/Our-topics/PtX/.







Sustainable Economic Transformation and Sustainable Finance

- The global program advances the socio-ecological transformation of economic and financial systems in our partner countries while taking into account international standards and global agendas.
- The program aims at
 - driving international agenda setting and knowledge transfer in the area of sustainable economic transformation and sustainable finance while strengthening the voice of developing countries
 - providing demand-based economic policy advisory (with links to PtX Development Fund)
 - transforming financial systems by strengthening sustainable finance policy and regulatory frameworks
 - integrating sustainability in the financial industry's business practices through capacity building
 - supporting the Team Europe Initiative Sustainable Finance Advisory Hub