

Green Growth Working Group (GG WG)

Hybrid online / in-person meeting 15 June 2026 - Nairobi

Minutes (External)

Participants

In-person:

- | | |
|-------------------|--------------------------------------|
| 1. ILO | 11. BMZ |
| 2. IKEA | 12. Acumen |
| 3. ILO | 13. DCED Secretariat |
| 4. Sida | 14. DCED Secretariat |
| 5. SDC | 15. KCIC (2 nd half only) |
| 6. RVO | Online: |
| 7. NL MoFA | 16. ITC (Co-Chair) |
| 8. UK FCDO | 17. GIZ |
| 9. ITC | 18. Sida |
| 10. Gatsby Africa | |

Apologies: World Bank, Co-Chair; GAC

Agenda Items

1. Welcomes, scene setting and introductions
2. Tour-de-table of member updates on Green Private Sector Development
3. Update on FY26 work items
4. Discussion on new FY27 work item
5. Fostering sustainable market systems & mobilising investment for green enterprises with Kenya
Climate Innovation Centre
6. Any other business; meeting close

1. Welcomes, scene setting and introductions

Ella Duffy (DCED) opened the meeting and provided an introduction of the Green Growth Working Group and its priority themes over the past years (e.g. green trade, and critical minerals). She introduced the WG Co-Chair who joined the meeting online.

v. 7 September 2026

2. Tour-de-table of member updates on Green Private Sector Development

Participants were invited to introduce themselves and provide a short update on their agency's work in green private sector development.

IKEA Foundation: The foundation has launched a new strategy to tackle greenhouse gasses centred on people and recommitting to climate action with a focus on emerging economies. Six countries (Brazil, Indonesia, India, Kenya, Uganda, and Ethiopia) are the initial focus, supported by a regional reorganisation with directors for Latin America, Southeast Asia, and East Africa. The foundation is aiming to build a stronger local presence and develop regional strategies. New programming includes a food loss initiative spanning six geographies, led by WRI with support from GGI, targeting policy, financing, and implementation to accelerate the transition.

ILO: The ILO's recent International Labour Conference addressed Just Transition, and how to support member states across macroeconomic policy, industrial policy, skills, and labour markets. Much of the resulting work focuses on green enterprises and green growth, including entrepreneurship support and productivity programmes to improve resource efficiency in medium and large enterprises, with a strong focus on textiles and apparel. In South Africa, the ILO is supporting the transition to renewable energy and electric vehicles ahead of the planned 2035 phase-out of internal combustion engine imports, working with industry clusters as Chinese EVs increasingly enter the market. At the policy level, the Partnerships for Excellence in Green Economy (PEGE) initiative is driving closer integration between South Africa's Ministries of Environment, Labour, and Trade and Industry. In Rwanda, the ILO is working with the Ministries of Industry and Financial Planning on input-output tables and macroeconomic modelling to assess the wider effects of specific policy interventions. Across member states, there is strong buy-in for better integration of environmental and labour market policy.

Sida: Emphasized Sida's commitment to green themes and this Green Growth Working Group. A number of current geographic strategies are set to conclude at the end of June, with new strategies and details expected to follow. In Asia, there will not be a specific regional strategy, though work will continue on an ongoing basis, including on guarantees.

SDC: Inclusive green development is central to the Swiss development agenda, with entry points including financial sector development and employment. SDC's section has an internal orientation paper on its approach, as do other thematic divisions. The Balkans is the most advanced region in their green portfolio, partly driven by pressure on SMEs to comply with EU regulation. New projects are underway in Kosovo, Bosnia and Herzegovina, and North Macedonia using a market systems approach, intended to generate good practices for other country programmes. In response to a question from Patrick Obonyo, IKEA Foundation, Steven expanded that SDC and SECO both work in the Balkans which is unusual – normally the two agencies work in different geographies – and this set-up could result in pressure to more clearly separate priority countries in the region.

Action: SDC agreed to share their short 16-page green orientation paper with the group over email, and with Ella Duffy for posting to the DCED website. RVO can also share similar input papers on green skills.

RVO: Introduced herself; she normally joins the Results Measurement Working Group.

Ministry of Foreign Affairs, Netherlands: Following the new cabinet as of January 2026, funds remain scarce but commitment to the green agenda continues. The ministry has built internal expertise and is advising colleagues to integrate this into programming. For example, a new agri-logistics project in Kenya aims to shift

fresh fruit and flower exports from air freight to sea freight, with significant climate and financial benefits. Work also continues on integrating sustainability across programming more broadly, including a green hydrogen initiative in South Africa and Namibia in collaboration with the EU. The ministry is also supporting capacity building on new EU standards such as the EUDR and CSDDD, to help local export partners remain compliant and competitive.

UK FCDO: FCDO is mid-restructure, moving to a "communities of expertise" model, with new organograms in development. ODA budgets are under pressure. FCDO is exploring how ODA and non-ODA resources can play complementary roles in supporting development outcomes. FCDO remains fully committed to green growth, though in practice this is often woven into broader programming rather than just delivered through standalone "named" green growth initiatives. The team is also re-evaluating what growth "beyond GDP" means today, applying those principles to emerging themes such as resilient supply chains and the impact of AI, with an event planned later in the year.

Major flagship programmes continue through to 2027, including Growth Gateway, with examples of ongoing work in the Philippines and Vietnam on climate resilience, sustainable growth and investment-related priorities. Other Growth Gateway programmes are supporting firms to attract investment: in Africa's service sector, this means identifying firms with investment potential and strengthening their pitch, many of which have strong green credentials built into firm selection. Another flagship FCDO programme, Manufacturing Africa, works similarly with manufacturing firms, many of which have clear green characteristics in products or operations. FCDO is aiming to work more systemically, improving how the investment facilitation system operates so it requires less direct support over time. The Green Manufacturing Platform, being renamed Forge, has associated technical assistance and is initially based in Kenya, aimed at mobilising investment into green SMEs.

Gatsby Africa: Gatsby Africa has spent two years exploring new sectors, with climate-resilient growth a key consideration throughout, and this process of identifying what will drive long-term resilient growth in East Africa is ongoing. In parallel, climate considerations are being embedded into existing programmes. For example, lower-emission beef production in livestock, and tapping into genetics for resilience in commercial forestry. At the policy level, work is focused on identifying what's needed for these approaches to materialise, alongside exploring low-carbon economic opportunities and carbon finance within programmes.

BMZ & GIZ: BMZ reported that their economic department is strong under the new minister's reforms (reform paper is available in English now). GIZ's own organisational restructuring to align with BMZ, with projects expected to remain relevant to green growth and green economy priorities. These span combination projects across green growth, sustainable financial systems, market development, sustainable infrastructure, and TVET, as well as green industrial policy, decarbonisation, and green hydrogen. Other priorities include circular economy processes, particularly in textiles, given the high water use and urgency for investment linked to fast fashion, and nature-based solutions. Looking ahead, the reform signals a push for stronger cooperation with the private sector, a mix of European, German, and in-country actors, focused on building markets for green economy technology and strengthening suppliers to resilient global value chains, including critical raw materials.

ITC: ITC previously had a standalone green strategy; this has now been folded into a broader green and digital transition approach, underpinned by a theory of change for green growth, with more specific indicators and a focus on mainstreaming sustainability across programming. The new strategic plan sets a goal of supporting small businesses to leverage green and digital transitions to increase trade competitiveness. This is approached through a lens of "competitiveness in the green transition," focused on MSMEs and value chains,

aiming to increase competitiveness, resilience, innovation, and market access by advancing mitigation and decarbonisation, circular economy approaches to improve resource efficiency and value add, and adaptation for resilience and risk management.

ITC participated in the first trade and climate dialogue held at the Bonn Climate Conference in June 2026, marking the start of the three-year cycle of dialogues established through the COP30 outcomes. ITC contributed to the discussion by bringing a MSME perspective, highlighting how trade and climate policies can better reflect the realities of small businesses and value chains in developing countries, and the importance of practical solutions that enable businesses to respond to the green transition while remaining competitive.

ITC closed by asking members to reflect on how we can reinforce each other's work on green growth.

3. Update on FY26 work items

ITC summarized that two of the three FY26 work items have almost come to a close, with final products due to be available by the end of the summer break. The third is still in a period of discussion and narrowing down of ideas.

1. Trade and MSME development towards a Just Transition – ITC provided an update.

Task force: ITC, ILO, IKEA, JICA, World Bank

Launched in FY25, this item looks at how trade and green policies impact small businesses in developing countries, and how donors can support companies in navigating opportunities and challenges related to the green transition.

3 policy briefs are being developed, focusing on a specific geography and trade related green policy:

- Implications of EUDR in the rubber sector in Ghana and Cote D'Ivoire
- Export bans on critical raw materials in Indonesia
- East African Community single use plastic import ban

All three answer the same kind of questions: how can trade contribute to a Just Transition and how can small businesses play a role and be supported to meet trade-related sustainability requirements.

The consulting team is currently integrating final feedback from the task force, then the briefs will be copyedited and prepared for publication. There was discussion on how to disseminate the policy briefs given that they focus on very different policies and requirements – these briefs may therefore need a more creative communications strategy than the standard webinar format.

2. Enabling policy frameworks for circular economy – IKEA provided an update.

Task force: IKEA, ILO, ITC, UNIDO, GIZ

Also launched in FY25, this task force focussed on knowledge-sharing and research, with a goal of better understanding circular economy practices and policy frameworks - what works, what doesn't, and where there are cross-cutting lessons - to help the group identify how donors can support a stronger circular economy policy environment for SMEs.

Research was commissioned from the Africa Circular Economy Network to produce two in-depth case studies. The final drafts of the studies have been reviewed and discussed by the task force, and findings were

shared at a webinar on 27 May, featuring local practitioners from Colombia and Rwanda discussing lessons learned, covering textiles in Colombia and the agri-food system in Rwanda.

The work is therefore nearly complete, with four outputs being finalised for publication: for each case study (Rwanda and Colombia), there is a two-page summary highlighting key findings, and a longer, more in-depth study.

IKEA's key takeaway from the webinar was that policy provides an essential foundation for enabling a circular economy, but needs strong supporting elements, particularly finance and infrastructure, to translate into practice, along with sustained stakeholder engagement from policy design through to implementation.

3. Job creation and critical minerals value chain for clean energy technologies - Ella Duffy provided an update on behalf of World Bank, Co-Chair, Task Team Lead.

This work item was new for FY26 and is at an earlier stage than the other two. The task force has convened a few times across the year for interesting peer learning exchanges, at which members have been encouraged to invite other relevant colleagues from their agencies (recognising that critical minerals and mining work does not always sit with the economic development or green growth team).

Ella stressed that critical minerals are also a high priority topic across other DCED WGs – the DCED hosted a topical exchange on donor re-engagement with critical minerals in late 2025 that was very well attended – so there is scope here to coordinate with other DCED members outside of this WG.

Action: This work item will continue for FY27 – the budget will be carried over from FY26. Ella agreed to organise a task team meeting for members and colleagues to further discuss and identify concrete next steps.

Questions and discussion on all three work items followed:

- On circular economy: ILO asked whether the brief addresses integration with labour market policy, industrial policy, and NDCs. Patrick pointed to multistakeholder platforms and inter-ministerial committees as discussed in the task team, with a key recommendation from the case studies that stakeholder engagement must be ongoing, not one-off.
- GIZ added that comparing the very different industries covered in the Rwanda and Colombia case studies was fascinating. In Rwanda's agriculture sector, farming micro-enterprises and SMEs often struggle to adopt new technology as they are so small. She noted circular economy discussions tend to move beyond the standard "sustainable agriculture" framing once systems change and cross-policy links come into play, given the public good case for support.
- On trade policies, ILO reflected on the focus on growth-oriented SMEs with real market access, noting that base-of-pyramid strategies often don't work since micro-enterprises are largely survivalist. He asked whether the briefs cover explicit MSME provisions, noting that Just Transition framing is often missing for MSME support and needs clearer articulation of impact. He also raised the importance of linking policies to national frameworks, e.g. how Indonesia's approach fits with national development strategies or other core drivers.
- Jens asked whether the focus of work item 3 is "critical minerals" or "critical energy transition materials", noting coal is the relevant issue in South Africa. Ella expanded that the focus of conversations thus far has been critical minerals.

4. Discussion on new FY27 work item

ITC – proposers of the new FY27 work item - outlined the background and context, noting that there has been enough interest in this work item from members of the WG that it meets the threshold for being included in the work plan (ITC, IFC, IKEA showed initial interest). The DCED can allocate \$30,000 for consultancy support.

The key question the task force would seek to answer is: *How can philanthropic actors and traditional development actors work together effectively to support green growth and PSD in partner countries?* This is against the backdrop that foundations are active in green growth across many different topics and geographies but often using different approaches and language. With the decline of ODA budgets at many bilateral donors, DCED members are increasingly interested in working more collaboratively with foundations on areas of joint interest. Therefore, members seek to understand more about how foundations are supporting green growth initiatives, and what collaboration models and partnership methods work well and could be scaled up.

A discussion followed, with key points covering the following:

- It would be important to set the scope very clearly as limited to green private sector development, rather than being too broad. A first step in the process would be to map foundations and bilaterals' (shared) understandings of "green growth" to see if they talk about the same thing (Gatsby Africa).
- A more practical output would be welcomed over a study report – examples mentioned included a mapping tool or a series of facilitated workshops/clinics. The work should focus on what is holding us back from collaborating more already – the aim should be to come up with concrete solutions that DCED members can start implementing in their own organisations (IKEA Foundation; ITC).
- Philanthropies should not be seen as a homogenous block – the work should segment: e.g. corporate v family foundations (FCDO). We should therefore start the work with a mapping of which philanthropies we are talking about (ILO).
- To explore not only the differences and similarities between foundations and bilaterals in terms of topics, but also in terms of the approaches they have in place – for example, financing instruments and partnership agreements. The work should look at the practical mechanisms available for building bridges between the two organisation types (ITC).
- The topic of linkages between foundations and other development actors is not new – examples of other groups looking at this include the EU, PhilEA, Growth Firms Alliance – so we should connect with these initiatives and build on the work already being done. We should also involve other DCED members across WG who are already part of some of these initiatives. Foundations also have alliances and groups that they work with – e.g. the JTDA – so we could be efficient by working with these alliances rather than individual foundations (IKEA Foundation).
- Foundations like the Gates Foundation already work with the World Bank and other more traditional donors – this work could look at these partnerships and learn more about why they work well (IKEA Foundation).
- Considering timescales should be a big part of the work – foundations are generally quite flexible in the short term and can pivot more easily than bilateral donors. Conversely, they can also have longer-term continuity if needed, as priorities do not change as fast as bilaterals (with new governments, and new priorities) (FCDO).
- The DCED Secretariat made efforts to bring foundations into discussions at the Seminar happening over the next 3 days. There will be some very relevant sessions to this work item under the "changing

v. 7 September 2026

funder landscape” thematic stream, and members might particularly find the “mixing money” session useful (Mike Klassen, DCED).

ITC wrapped up the discussion clarifying that we have not carried out any mapping yet – it would be a first step for the task team to decide on some of these framing questions like which foundations we are talking about. She invited anyone interested to join the task team (if they have not already done so over email), which will meet after the summer break. Gatsby Africa, ILO and FCDO expressed interest in finding out more.

Action: ITC to liaise with Ella to redraft the initial description paragraph for this work item and organise a task team meeting with those interested after the summer break.

5. Fostering sustainable market systems & mobilising investment for green enterprises with Kenya Climate Innovation Centre (KCIC)

ITC welcomed KCIC to the meeting. KCIC then led this agenda item and presented their approaches to supporting and growing green enterprises in Kenya.

See slide deck circulated to members alongside these minutes for details of KCIC's presentation.

KCIC ended with four key lessons for DCED members:

- 1) Follow market demand, not project demand, where customers want to and are able to pay for services, even without donor intervention. He provided the example of Sunculture irrigation, who joined KCIC in 2014 and came to them with an initial business plan and idea. The key lesson was that they had thought through customer value, affordability, distribution channels and revenue.
- 2) Build complete ecosystems, not individual SMEs.
- 3) Mobilize investment, not just grants. Ideally, this is in the range of \$50,000 to \$500,000 or patient, working capital.
- 4) Develop local institutions that outlive projects.

KCIC also noted that they cannot meet the demand for enterprise support and incubation services – there are many more businesses ready for support than they can reach – so a key future goal for donors should be to grow the market for business development services in Kenya.

Discussion followed KCIC's presentation. ILO asked about the criteria for KCIC to decide to work with an enterprise. KCIC expanded that each enterprise must: 1) solve a climate problem, 2) innovate with something new, or apply existing technology with a new model, 3) be likely to scale successfully, if supported, and 4) have a committed and impressive team or founder. FCDO asked about KCIC's use of technologies and AI in their processes – KCIC reflected that they are currently exploring building out their digital learning platform for enterprises in their portfolio to log-in and complete self-paced learning – so that they may reach more enterprises. In response to discussion about how climate policy reforms are implemented and the role of organisations like KCIC in influencing these, KCIC noted that Kenya's ministries are particularly data-driven, so KCIC collects a lot of data which then forms the basis of their case for what needs to be changed at the county level assembly in particular. Circularity is a key focus of this policy-focussed work as laws and resources constraints are particularly relevant there.

v. 7 September 2026

6. Any other business; meeting close

Ella Duffy (DCED) announced details of an upcoming workshop from GGKP, building on the initiative they presented in a previous GGWG meeting. The workshop, on building an AI and API powered knowledge platform of green programme data, will be held online at 14:30 on 23 June 2026, and Ella will share the invite over email.

Ella also indicated that she would send minutes and slides to everyone present in this meeting, in due course.

ITC thanked members for their participation, and closed the meeting.