

The Donor Committee for Enterprise Development

Green Growth Working Group (GGWG) Minutes of Meeting, teleconference, 21 October 2021

Version: 26 October 2021

Participants

- Anastasia de Santos (USAID) Co-chair
- Ana Patricia Batalhone (ITC)
- Annegret Brauss (ITC)
- Arjan de Haan (IDRC)
- Florian Guldner (GIZ/BMZ)
- Ingela Juthberg (SIDA)
- Isaac Cowan-Gore (ILO)
- Jan Wimaladharna (FCDO)
- Kerry Max (Global Affairs Canada)

Apologies: Ozunimi Iti (UNIDO) – Co-chair

Introductions and agency updates

GIZ/BMZ

Florian Guldner joined the group for the first time. He is new to GIZ, and is a Junior Advisor, working alongside Yan Chen.

Yan Chen also introduced herself. She has taken over Steffen Felix's role (previously Co-chair of this Working Group) in representing BMZ/GIZ in the group. GIZ are expecting the outcome of recent elections in Germany to influence the direction of their work in future. Most likely this will involve further focus on social inclusion and digitalisation, as well as more green-related issues, especially in the lead-up to the G7, hosted by Germany next year. The topic of focus will likely be 'a just transition'. Germany's COP26 strategies are led by the Federal Ministry of the Environment, but updates will be available via the <u>BMZ Climate twitter account</u>.

ITC

Annegret Brauss gave an update from ITC. She manages their <u>'Green to Compete'</u> strategy, which is centred around 3 environmental issues: circularity, resilience and bio diversity, within the context of the competitive advantage to SMEs of going green. They work with enablers as well as directly with SMEs, and are currently working on bringing some of their key offerings

- Nidal Nouhad Mahmoud (WBG)
- Tim Scott (UNDP)
- Tomoyuki Yamada (JICA)
- Yan Chen (GIZ/BMZ)
- Frank Muller, Pablo Tierno, Johanna Klein (Consultants from Global CAD)
- Jim Tanburn, Ella Duffy, Holger Grundel (DCED Secretariat)

online. Specifically, they are launching 2 online tools; one for SMEs to enhance their environmental performance, and one to consider climate-related risks in agricultural value chains. ITC also recently launched the <u>'Youth Ecopreneur'</u> awards, targeted at young people in developing countries. They received over 600 applications, and it was interesting to see sector trends and identify new opportunities within the spread of applications. ITC also have some events coming up in the lead up to the 12th WTO Ministerial Conference, and COP26.

Global Affairs Canada

Kerry Max updated the group. In the lead up to COP26, Global Affairs Canada are focussing on both climate action and biodiversity, especially on the potential impact of nature-based solutions. Global Affairs Canada is broadly currently working to support Canadian NGOs working on nature-based solutions and climate adaptation in sub-Saharan Africa.

UNDP

Tim Scott works within the Nature, Climate and Energy team at UNDP. They have recently launched a new 4-year plan, which includes a focus on green issues as well as digitalisation. The portfolio includes projects on green recovery from COVID-19, circular economy, biodiversity, energy transition, and cross-cutting themes like agriculture. For COP26, their main focus is on supporting implementation of various green strategies at the country level, particularly through supporting 'climate promises' to enhance Nationally Determined Contributions.

UK FCDO

Jan Wimaladharna updated the group. He works within the climate and environment division at FCDO and is part of the advisory team supporting the Green Climate Fund, the GEF and the <u>Climate Investment Funds</u>.

ILO

Issac Cowan-Gore introduced himself, noting that it was his first meeting in the Group.

JICA

Tomoyuki Yamada is also new to the group, representing JICA. They are currently working on investment promotion in Asian countries. Green issues, particularly circular economy themes, are mentioned frequently. So JICA is interested to learn more from other members of this Group, including on circular or green financing.

USAID

Anastasia de Santos updated the group. She cannot comment on COP26 preparations as they are being handled by a different department, but there has been an intention, recently announced, to quadruple public financial commitment to climate action. This has, however, yet to be approved by Congress. USAID also has a new climate coordinator. Gillian Caldwell is focussing on aligning the US with global initiatives and standards, and Anastasia will be able

to tell the group more about this after COP26. USAID have also recently created a <u>compendium of climate finance approaches</u>. Other <u>materials on climate finance action</u> have also recently been made public.

IDRC

Arjan de Haan updated the group. IDRC are currently funding research in developing countries, including on gender barriers in low carbon economic activities in the context of energy transitions and low access to energy generally.

Sida

Ingela Juthberg updated the group. Sida are currently transitioning to focus more on biodiversity, as part of a government-wide shift in focus. She will be able to update the group further on this in the next meeting.

WBG

Nidal Nouhad Mahmoud sits within the broader PSD team, is a political economist by training, and focuses on circular economy in his work. The WBG have a growing portfolio in circularity and green competitiveness generally.

Presentation of progress on the Circular Economy work item

Nidal Nouhad Mahmoud presented the late draft of 'Enhancing private sector competitiveness through the circular economy'. It was shared recently with the group for review and has been presented in at least five previous DCED meetings (Working Group and Task Team). The report structure is as follows:

Section 1 - a literature review on the private sector and circularity, and competitiveness at the firm and macro levels (written by the WBG)

Section 2 – an assessment of the market potential for circularity in six countries, based on interviews, firm surveys and analysis (written by consultants)

Section 3 – recommendations for policy approaches, split into hard and soft barriers to increasing circularity (written by consultants)

Section 4 – recommendations specifically for donor organisations working towards a global CE agenda (written by consultants) – *this section could be a standalone piece*.

The next steps on this work item are;

- 29 October deadline for written feedback (refinements, organisation, clarifications) to Jim Tanburn for consolidation. WBG management is also preparing comments, in parallel
- Early November the WBG will send the comments to consultants for any alterations and will simultaneously work on any comments or refinements for section 1.
- Mid December revised final draft will be available.
- Early 2022 formatting for publication, with publication date to be confirmed.

Arjan de Haan (IDRC) offered his congratulations to the team. He also asked whether there was scope for peer review outside this group and asked whether a clarification of the decision behind using the term 'circular economy', and a stronger case for why circular economy is such an important topic, could be included in the report's introductory sections. Nidal responded saying that the parameters of the term can be included in chapter 1. He also shared the link for a <u>'Criticisms of the CE'</u> article.

Tim Scott (UNDP) also commented on terminology and agreed on including a clarifying paragraph. He shared the draft report with relevant colleagues within UNDP and the overall comment was that it is well prepared and fills a gap on the policy implications of shifting to a circular economy. The focus on firms and sectors is also good, but Tim would like to see more on the economy/country level, to strengthen the message around the benefits of an economy-wide CE approach.

Isaac Cowan-Gore (ILO) provided an overview of comments from Mette Lund (ILO). She would like to see more reference to decent work and employment opportunities associated with the circular economy. Isaac will follow up after this meeting to share the full written comments. Nidal responded that a lot of the research on this is focused on Europe, so it has been harder to include the worldwide decent work perspective. He welcomed pointers to relevant research on this.

Ingela Juthberg (Sida) also thanked the team for the work; she especially liked the concrete examples and recommendations. On format, she suggested that there could be multiple formats, catering for different audiences. For example, the case studies could be pulled out as separate documents. She also commented that the executive summary should be concise, and she will send more comments in writing.

Yan Chen (GIZ/BMZ) will share the draft report with the circular economy team within GIZ again but commented that they may not be able to meet the deadline of 29 October. They read an earlier draft, as did colleagues in Serbia and Ethiopia as they were involved in the case studies.

Jan Wimaladharna (FCDO) also commented that there was a lack of a framework at the macro level, with an economy wide perspective. While this represented the general state of knowledge at the moment, the lack of a framework could be acknowledged in the report. Globally, we are still learning what good circular economy regulation and business ecosystems look like. He would like to see the report recognising that we are in the early stages with circular economy, but that the report aims to highlight good practices thus far.

Kerry Max (GAC) asked about the inclusion of gender in the report. As it stands, the report reads as gender-blind, and Kerry suggested asking a gender/PSD professional to see if the

gender angle could be strengthened, especially in section 4 on recommendations. Nidal responded saying that the gender aspect is very important, and he welcomes suggestions on how to incorporate a clearer gender angle, framed within the broader narrative. Anastasia de Santos (USAID) also commented that, if the gender angle cannot be systematically included, then the report should include an acknowledgement of the lack of gendered issues and recommendations in the field as a whole.

Presentation of ongoing work on the 'Overview of Green Growth Approaches' (Green PSD Navigator)

Yan Chen (GIZ/BMZ) opened with an introduction of the work item. Johanna Klein from GlobalCAD presented. The final product will be a compendium of approaches and tools for Green Growth and is in a late draft stage. The compendium is split into the following categories: policy and regulation, ecosystem, and companies. GlobalCAD now welcome comments on the design, format and functionality of the final product, as well as any new examples of green finance tools and approaches at the company level. They also thanked the Group for the inputs already received on tools and case studies.

Arjan de Haan (IDRC) asked about the inclusion of gender. GlobalCAD have systematically included gender throughout, based on previous comments from the Group. In many cases, the approaches and tools themselves did not include a gender perspective, but they have attempted to address that blind spot.

Johanna Klein (GlobalCAD) asked the group about preferences on the final format of the Navigator. It could be a ppt framework, or an interactive pdf created using specialised publishing software. She set out the pros and cons of each; in particular, a pdf created from powerpoint would be easier to update in time (especially with respect to broken hyperlinks) but would probably not be as attractive or useable as one created in publishing software. Kerry Max (Global Affairs Canada) commented that we should consider accessibility in developing countries, e.g., for low bandwidth areas. Anastasia de Santos (USAID) had a preference for the interactive pdf option.

On defining terms and concepts, there was discussion on whether the term 'ecosystem level' is open to different interpretations. Kerry commented that the group should not be too concerned about definitions and should focus on the practical tools and approaches being described, as long as definitions were not a barrier. Isaac Cowan-Gore (ILO) disagreed with using the term 'ecosystem' as he felt that it was too broad and confusing. He suggested that the group use 'supporting services/functions', borrowing from the MSD lens. There was general agreement with this.

The next steps on this work item are for the group to send any further feedback to GlobalCAD. GlobalCAD also ask for any recommendations of peer reviewers who should see the Navigator. Following the final drafting stages, it will be launched in an event with GGKP, which could involve either one webinar, or a webinar series focussing in on specific tools and approaches.

Nature-based Solutions (NbS) for climate adaptation

Kerry Max (Global Affairs Canada) presented on work so far. The task team is currently drafting terms of reference. Kerry gave an overview of why they wanted to focus on gender and outlined the challenges that the team are having with definitions and terminology.

'Women NbS providers' are the focus of the work item, which will result in a toolkit in the 3 UN languages for donors to use with their partner organisations, including women NbS providers themselves. The consultants will also be asked to provide an outreach and dissemination strategy.

Kerry asks the wider group to follow up over email with any insights or suggestions, especially on use of the term 'NbS'. The term (<u>as defined by the IUCN</u>) is seen as confusing for many, as different groups define it and use it to describe different ideas. Yan Chen (GIZ/BMZ) offered to ask colleagues working on NbS to share any relevant materials.

AOB

Anastasia de Santos (USAID) thanked the group for their participation, and commented that the next meeting will happen in early 2022, with updates on work items shared by email over the coming months.