



The Donor Committee for Enterprise Development

Green Growth Working Group (GGWG)

Minutes of Meeting, teleconference, 23 March 2022

Version: 27 March 2022

Participants

- Anastasia de Santos (USAID) – Co-chair
- Ozunimi Iti (UNIDO) – Co-chair
- Tibor Sztaricskai (EC)
- Sebastian Homm (GIZ)
- Kerry Max (Global Affairs Canada)
- Arjan de Haan (IDRC)
- Mette Lund (ILO)
- Ana Patricia Batalhone (ITC)
- Toru Homma (JICA)
- Tomoyuki Yamada (JICA)
- Enrico Botta (OECD)
- Ingela Juthberg (SIDA)
- Tim Scott (UNDP)
- Etienne Kechichian (WBG)
- Holger Grundel (DCED Secretariat)

Work item updates

‘Overview of Green Growth Approaches’ (Green PSD Navigator) work item

Sebastian Homm asked whether members of the group would be interested in a webinar to present the Green PSD Navigator to practitioners who have experience with applying the approaches summarised in the Navigator. This could also involve going into greater depth for specific approaches. Mette Lund supported the idea and offered support through the ILO. It might be worth considering more than one webinar, depending on interest and support from working group member agencies.

GIZ has not yet identified dates for the webinars, but probably in the next 2-3 months. Anastasia de Santos recommended to avoid June because of the DCED Annual Meeting and also July and August because of summer holiday season. Mette proposed to organise one webinar before the summer and three further ones later in the year. GIZ will consider the options and come back to the group with a proposal. Mette asked whether the Green PSD Navigator PowerPoint has been finalised. Sebastian promised to confirm and circulate the latest draft to the group.

Nature-based Solutions (NbS) for climate adaptation work item

Kerry Max explained that the ToR for the work item have been finalised and shared with the IFC for procurement. Etienne Kechichian confirmed that the procurement process has been kicked off and promised to keep the group informed about progress.

Announcements

Ozunimi Iti announced her intention to stand down as co-chair. She has very much enjoyed the role and encouraged anyone who might be interested to contact her, Anastasia and/or the Secretariat. Ideally, her replacement would be in place either by the Annual Meeting in June or from 1 July when the work plan for next year takes effect. She confirmed that she will continue as a member of the group. Anastasia emphasised that she would very much like to work with a co-chair and confirmed her intention to continue in her role. She highlighted that the level of effort required by the co-chairs is limited outside the meetings, especially because of the support the group receives from the Secretariat. Sebastian said that it is unlikely somebody from GIZ would put themselves forward because GIZ is already very active in other working groups. He will discuss with Yan Chen. Finally, Arjan thanked Nimi for her hard work on behalf of the group.

DCED Annual Meeting 2022

Holger Grundel referred the group to the 7 March email from Jim Tanburn to all members about the proposal to organise an in-person Annual Meeting in the UK between 8-10 June. Feedback from members has been positive, with 20 representatives from 13 agencies confirming their intention to travel to Cambridge. The Secretariat is planning a hybrid structure to enable attendance from members unable to attend in person. It would be very helpful to get any further confirmations of intentions to come in person from the group as soon as possible to help with the planning. Arjan highlighted that - in addition to uncertainty around COVID - the carbon footprint of travel was an important reason not to attend in person. The hybrid model makes this easier. Other members agreed. Toru Homma additionally made the point that virtual participation for the entire programme is a bit challenging for JICA because of time zone differences.

Nimi wondered whether the people presenting on behalf of the working group during the thematic day on 9 June would have to do so from Cambridge. While in-person presentations may be more lively, the Secretariat will do what it can with the building blocks available at the time. Anastasia asked whether group members who have led specific work items would be willing to present them as part of the thematic day. Sebastian said he would ask his GIZ colleagues. Etienne confirmed that the Circular Economy report should be ready for publication in the next 2-3 months and that an almost final version could be presented as part of the Annual Meeting.

Work plan proposals for 2022/23 annual cycle

Anastasia explained that it is the time in the annual planning cycle for the group to identify priorities for next year (from 1 July). Since the Nature-based Solutions work item is still at an early stage and dissemination activities for the Green PSD Navigator are likely to continue beyond July, the proposal is to identify only one additional new work item. The co-chairs had asked for ideas from the group by email, but no suggestions have been received thus far.

Nimi asked whether there might be aspects of the green recovery from COVID agenda the group could support. This could focus on a specific sector or theme. Anastasia suggested producing guidance and/or case studies for the tourism sector because it is an area badly affected by the pandemic and of significant interest to USAID partner countries and field-based colleagues. The sector also has an important carbon footprint.

Mette proposed a piece of work to analyse how SMEs can participate in carbon markets encouraged by Article 6 of the Paris Climate Agreement.

Enrico said the OECD is increasingly seeing a shift away from COVID recovery to the implications of the war in Ukraine, especially high energy prices. He also highlighted that this year's OECD Forum will focus on COVID recovery & innovation with an emphasis on SMEs. One important question to consider will be how governments can phase out the rescue measures for smaller firms put in place during the pandemic in such a way that polluting, non-competitive firms leave the market while others can access the capital and know-how required to green their production methods and technologies.

Etienne emphasised the importance of acknowledging that SMEs play only a small role in carbon emissions compared with large industries. In response, the discussion within the World Bank Group has moved towards SMEs' resilience to climactic disasters, especially for women-owned SMEs. Some work is going on in this area, but there is scope to do much more to encourage governments to take action to support SMEs when disasters hit.

Sebastian said that the ideas raised by Mette and Etienne relate well to work already going on in GIZ. In addition, GIZ is interested in building a better understanding of how climate change adaptation solutions can be made available to SMEs. They are working with a private equity fund on this. He also highlighted the link between women's economic empowerment and a just transition: How can women entrepreneurs best participate in such a transition? Is there a risk that green jobs are more likely to go to men? GIZ would not want to take the lead for any work item, but would be happy to contribute.

Anastasia reminded the group that for a new work item to move forward it requires a task team with at least 3 agency representatives. A short concept for each new work item proposed by the group needs to be submitted to the Secretariat by mid-April for ExCo approval. Nimi suggested that the ideas shared during the meeting should be summarised in an email and then circulated to all WG members for further discussion. Additional suggestions are also still welcome, but should be sent soon to meet the mid-April deadline.

Member agency updates

JICA

Toru Homma explained that JICA's work on how to accommodate green growth in PSD is under planning but still relatively limited. They are beginning to look at appropriate policy support for automotive and motorcycle industries. JICA's Kaizen programme, which aims at quality and productivity improvements in manufacturing, includes the elimination of waste which is an important part of green growth.

GIZ/BMZ

Sebastian Homm drew the group's attention to a new GIZ initiative to study potential socio-economic co-benefits of a green transition, e.g. job creation and investment leverage. Its purpose is to generate evidence to help make the economic case for a green transition. The study will cover developing countries as well as emerging economies with a focus on key sectors such as energy, agriculture and forestry.

UNDP

Tim Scott highlighted ongoing UNDP work on the key drivers of unsustainable growth, e.g. agriculture and energy. They are looking at the impact of a just transition on formal and informal jobs as well as the policy levers to encourage more sustainable food systems and supply chains, e.g. subsidy reforms. He also spoke about the UN Secretary General's Common Agenda which includes a focus on green job creation in the formal and informal sectors.

OECD

Enrico Botta referred to the OECD's recent flagship [Global Plastic Outlook](#) which looks at the key drivers of plastics pollution, the environmental impact and policy options to combat plastics pollution. The OECD's Environmental Ministerial will take place the following week. Key topics for discussion will include biodiversity, the 'twin transition' of digital & net zero, environmental justice, trade and environment, and oceans.

ILO

Mette Lund explained that the ILO is currently developing policy briefs on the nine policy areas that are part of the ILO's [Just Transition Guidelines](#). They are also doing 'deep dives' into several themes covered by the nine policy areas as well as other topics such as gender equality, indigenous peoples and SMEs. These will be released throughout 2022. In addition, the ILO has just completed its first 'Just Transition Innovation Challenge', focussing on innovative policies and partnerships in the energy sector. They received more than 100 applications and will shortlist between 8 and 10 proposals.

The ILO has recently signed a new partnership agreement with Sida with a focus on green growth. Mette is keen to connect with other group members working on the social dimensions of green growth. The ILO has established an internal circular economy working group to strengthen the focus on a 'human-centred approach to circular economy', emphasising the importance of decent as well as green jobs.

Global Affairs Canada

Kerry Max invited group members to find out more about two new Government of Canada initiatives. The first is the [Partnering for Climate programme](#) which funds projects from organisations in Canada to support climate change adaptation in sub-Saharan Africa and other parts of the world. This includes a dedicated window for indigenous peoples' organisations to support their indigenous community counterparts in developing countries. The second link is to the Government of Canada's wider programme of support for [climate finance for developing countries](#) with a strong focus on governance, climate-smart agriculture, Nature-based Solutions, biodiversity, and exit from coal. Kerry also encouraged other members with interest in Nature-based Solutions for climate adaptation to get in touch and share experiences.

Sida

Ingela Juthberg updated the group. Sida are currently planning an internal workshop with Helvetas to explore how MSD programmes can better integrate issues related to climate change and the environment. This is meant to kick-start discussions within Sida about the topic. Sida has also started a new one-year Finance for Development project on how Sida can help catalyse investment in accordance with the Addis Agenda, with an initial focus on environment and climate change. The aim is to identify new models for how Sida can contribute to increased private sector investment in development. This is a collaboration with the Swedish Environment Institute. Sida is also considering a new brief on trade, environment, climate change and development. Ingela will be happy to share the results with the working group later in the year. Finally, Ingela mentioned a new MoU between the Swedish Waste Manufacturers Association and UNDP for a cooperation on solid waste management to work towards zero waste and a circular economy.

WBG

Etienne Kechichian emphasised that finalising the 'Circular Economy for PSD' report is a major priority. In parallel, they are completing a report on PSD opportunities related to circular economy in Thailand. This is more implementation-oriented and provides more granular information in terms of potential emission reductions and the investments needed to operationalise the circular economy. They are also working on more detailed circular economy analysis for specific sectors such as urban mobility and construction. Another global knowledge piece focuses on circular economy for small island developing states, with examples from West Africa. They are also doing relevant work on the operational side, including on marine plastics and the blue economy.

USAID

Anastasia de Santos updated the group. USAID has been working on a new climate strategy which is expected to be published next month. She shared the high-level priorities with the group:

- Mitigation & adaptation,

- Natural & managed ecosystems,
- Public & private finance for mitigation & adaptation,
- Supporting specific countries towards their mitigation & adaptation commitments,
- Meaningful participation and leadership in climate action for indigenous peoples, local communities, women, youth and other underrepresented groups.

The strategy will aim to integrate several principles into all of USAID's work. These include:

- Locally-led development
- Equity and inclusion of underrepresented groups
- Private Sector Engagement
- Nature-based Solutions
- Evidence, technology & innovation

USAID will also aim to 'walk the talk' on climate change. This will mean considering carbon footprint implications of USAID's internal operations in the US and abroad, e.g. buildings, transportation and travel. Details on what this will look like in practice are still to emerge.

ITC

Ana Patricia Batalhone said that the ITC is finalising its new website on green work. This will be their new virtual space to gather methodologies, case studies, events and publications. It will also host the ITC's virtual learning space for SMEs with e-learning modules on the environment. They are working on several publications on access to green finance which have come out of larger programmes they are implementing in various locations. They are also working to improve their communications about the ITC's contributions to climate, circularity and biodiversity. Climate has been receiving greater priority in recent years but they are now trying to take all three pillars as part of a cross-cutting approach which will be showcased on their new website. Ana will share the link when it's ready and encouraged members to use the site to disseminate and promote any activities relevant for SMEs and value chains in developing countries.

IDRC

Arjan de Haan highlighted that IDRC's research focus remains on the intersection of gender and climate. They have one current cohort of research focusing on [women's economic empowerment as part of a green recovery from COVID](#). The work is led by local researchers in twenty low-income countries and Arjan would be happy to connect members of the group to any of the local researchers they are working with. Another current priority is a deeper look at energy transition issues. The focus will again be on low-income countries and gender. The research will consider how access to energy as a key contributor to poverty reduction can also be green. As part of this they are looking at the political economy and the social costs of the energy transition which Arjan suspects will be significant priorities for next year's COP event in Egypt and the Gulf states the year after. One of the key points that has come out of [consultations IDRC has done with the Middle East Institute](#) is the lack of consensus or even

support for a green transition, partially because of the sense that these are problems the North has created and partially because of economic interests related to fossil fuel production. While this is not strictly a PSD issue, the political economy dynamics related to green transition do involve the private sector.

Finally, Arjan reflected on the fact that the role of indigenous peoples for climate action has been raised by several working group members during the meeting. He wondered whether this is a topic the working group should be starting to think about. Nimi wondered whether Arjan would like to add this as a potential new work item. Arjan did not want to propose this formally, but is keen to hear whether others are interested. This can be explored as part of the discussion about all potential new work items.

UNIDO

Nimi shared a link for a [forthcoming event](#) which UNIDO is organising the following week on creating opportunities for women in green industries. UNIDO will be sharing results from a project that has just been completed in Cambodia, Peru, Senegal and South Africa. This involved research on how well green industrial policies are gender mainstreamed and includes policy recommendations for greening policies.

AOB

Tim Scott asked whether any members were planning to attend the Stockholm+50 conference and, if so, whether any side events were being planned related to the topics covered by the working group. Tim also shared an [online survey](#) on the state of the planet and Nimi encouraged all members to complete this. Ana said that ITC is planning to participate in Stockholm+50 conference in different ways. They are currently thinking through what's feasible, including organising side events. She would welcome discussions with any members that might be interested in joining up with ITC for a side event. In addition, ITC is part of the informal leadership dialogues.

Anastasia thanked everybody for their time. An email will be sent asking members to suggest any further new work plan items and to indicate interest in joining task teams for specific ideas. She also reminded members that there is an opportunity to take over from Nimi as co-chair in the summer.