



The Donor Committee for Enterprise Development

## Green Growth Working Group (GGWG)

### Minutes of Meeting, Washington DC & online, 4 June 2024

v. 17<sup>th</sup> July 2024

#### Participants

- |                                      |   |
|--------------------------------------|---|
| 1. Abu Saieed (UNIDO, online)        | 12. Marlen de la Chaux (ILO, online)        |
| 2. Ana Goicoechea (World Bank)       | 13. Nabanita Sen-Bekkers (DCED Secretariat) |
| 3. Ashraya Kalavukunta (USAID)       | 14. Ozunimi Iti (UNIDO, online)             |
| 4. Ella Duffy (DCED Secretariat)     | 15. Patrick Obonyo (IKEA Foundation)        |
| 5. Emi Mitani (ILO, online)          | 16. Paul Wade (Norad)                       |
| 6. Eric Hyman (USAID)                | 17. Tonderai Manoto (ILO)                   |
| 7. Florian Güldner (BMZ/GIZ, online) | 18. Toshiaki Sakaoto (JICA)                 |
| 8. Jane Lowicki-Zucca (USAID)        | 19. Yasukiko Yuge (JICA)                    |
| 9. Karin Wedig (BMZ/GIZ)             | 20. Ying Gao (J-PAL)                        |
| 10. Manuel Albaladejo (UNIDO)        |   |
| 11. Mariem Malouche (World Bank)     |   |

**Apologies:** Kerry Max (GAC), Ingela Juthberg (Sida)

Note that all relevant slides have been circulated to DCED members.

#### Welcome, introduction to the GGWG and summary of recent work

Ella Duffy (DCED Secretariat) opened the meeting and explained that she is chairing this meeting in absence of a Working Group Chair; **if anyone is interested in becoming Chair or Co-Chair they should contact her.**

Ella led a round of introductions, followed by an overview of the history and structure of the DCED and the GGWG. She then elaborated on examples of workstreams from recent years, which can be found on the [DCED website](#).

#### Overview and finalisation of the 2024/25 work plan

Ella then took the room through an overview of proposed work items for 2024/25:

- The [Navigating Green PSD Webinar Series with the GGKP](#) will continue from 2023/24 on a demand-led basis when the GGWG has material to share. Previous webinars cover:
  - [Navigating Green PSD \(July 23\)](#)
  - [Empowering Women for the Green Transition \(Sept 23\)](#)
  - [Beyond COP28: Advancing Biodiversity Finance \(Dec 23\)](#)

- [Greening SMEs Towards a Just Transition \(April 24\)](#)
- The [green industrial policies and just transition implications](#) workstream will continue from 2023/24, with the final product expected in the coming months. Ella handed over to Florian Güldner (BMZ/GIZ) to provide an update on the work so far. A consultancy has completed an initial review and outline, and is now selecting case studies and carrying out more in-depth desk research. They have thus far identified a number of approaches that donors take to support green industrial policy; financial support, policy and strategy advisory and TA, capacity building and training, collaboration and stakeholder engagement research and analysis, and publications and knowledge sharing.
- The [role of trade and MSME development to drive a just transition](#) workstream (new for 2024/25) will seek to produce a short research report aiming to understand how donor and development agencies can effectively provide support to partner countries in driving a just transition through trade and MSME development, through deep diving into 3-4 policies. Such a report would consider how inclusive global north-led policies are for global south countries, particularly for MSME firms, in the context of having to deal with regulations and adapt to climate change.
  - There were comments in the room that coordination with the DCED's Business Environment Working Group will be important as they have a similar ongoing item on environmental regulations.
- The [enabling environment for circular economy workstream](#) (new for 2024/2025) will focus on the role of SMEs in the transition towards circularity and the impact of a circular transition on SMEs. Ella handed over to Patrick Obonyo (IKEA Foundation) to provide additional information; he requested that **any member here with ideas or case study suggestions should get in touch.**
  - UNIDO requested to join the Task Team; they are doing a global study on circular economy and there will be synergies to explore.
  - Manuel Albaladejo (UNIDO Uruguay) offered to connect bilaterally for case study material.
  - There was discussion in the room on the merits of taking a sector level view of this item, as it was recognised that the scope could get very large very quickly so it would be important to narrow the workstream down. Focussing on specific value chains was suggested to be helpful.
  - It was also suggested that it could be built into ToR that the consultant could identify a long list of case studies for the Task Team to choose from.

## Member agency updates

### UNIDO

Ozunimi Iti and Abu Saieed presented from the Green Industry team. UNIDO will run a [Green Industry Summer School](#), where participants will design guides for decarbonising sectors. They are also supporting [circular economy work](#) in partner countries, for example in Chile, including looking at the opportunities for digitalisation and gender-transformative job creation. Other topics they are working on are supporting energy transition to green hydrogen, and issues related to water stress. [Some recent UNIDO studies](#) are now available online.

## ILO

Marlen de la Chaux presented from the ILO Enterprise Department. ILO have several knowledge products on promoting just transition for MSMEs; these and similar resources can be found on the ILO [website](#). They have also partnered with the London School of Economics Grantham Institute and UNEP FI to provide guidance for the financial sector to promote a just transition to low-carbon, resource-efficient and resilient economies. Finally, ILO is working to further unpack how to promote a just transition through responsible business conduct on the basis of existing instruments such as the ILO MNE Declaration.

## World Bank

Mariem Malouche and Ana Goicoechea presented. Their team are working on a portfolio of [Climate Country Development Reports \(CCDR\)](#) which illustrate the state of play in individual countries. Similarly, they are also creating road maps for particular African countries with diagnostics and opportunities for public-private partnership on climate. They sent a note on energy transition minerals to the G7 in the context of green transition, and have published a flagship report - [Business of the State](#) - which in part lays out the footprint of how state actors will react to climate adaptation and mitigation. A Green Climate Investment Diagnostic is also underway with five countries, which frames what policies currently most affect energy efficiency at firm level. Lastly, they also have a workstream on green industrial policies.

## IKEA Foundation

Patrick Obonyo presented. IKEA has recently published on SMEs and green entrepreneurship ecosystems, particularly to assess which sectors have most green impact. Access to finance was addressed in the report, covering what kind of finance green SMEs need. They also have ongoing [research with the Aspen Network](#) on circular firms' potential for investment. Other current work from IKEA covers food waste, and developing a harmonized framework for work in plastics.

## USAID

Eric Hyman presented. A [report](#) has been published on the first two years of USAID's 2022-2030 climate change strategy. They have also released a publicly available [online training module on scaling up climate finance](#), and there is work ongoing in the Energy Office on nature-based solutions for climate adaptation. He shared USAID's work on a [systems change dashboard](#) (which includes circular economy principles), as well as the [methodology](#) for the dashboard. Lastly, he pointed towards the [CEADIR final report](#), which summarizes many publications on clean energy, sustainable landscapes, climate adaptation and climate financing.

## BMZ/GIZ

Karin Wedig and Florian Güldner presented. In line with Germany's strategy, GIZs work focusses on the macroeconomic level. Green industrial policy is an important topic right now for them. Among other things, they are working on the topic with colleagues from the World Bank, UNIDO, OECD and IMF; they have an internal community of practice and are currently developing a training course on economic policies for the social-ecological transformation of economies (internal training as of now).

## JICA

Toshiaki Sakaoto and Yasukiko Yuge presented. JICA has a new [sustainability policy](#) to facilitate carbon neutrality. In programming, they are supporting infrastructure projects in Bangladesh, for example by developing a comprehensive plan for a green industrial park in Moheshkhali.

#### **Member spotlights: Deep dives into two agency's recent work in green private sector development**

Ozunimi Iti and Abu Saieed presented virtually to the meeting on UNIDO's work in circular economy in the textile sector through sustainable management of chemicals and waste in Ethiopia, Lesotho, Madagascar and South Africa. They covered project background, challenges to circularity in the textiles industry, and an overview of expected impacts and environmental benefits. Questions from the room focussed on the results measurement system of such UNIDO programmes, particularly on how non-environmental factors like inclusivity or 'decency' of jobs are measured.

Jane Lowicki-Zucca presented in the room on USAID's work in creating a Green Jobs Diagnostics tool (the REFS and IPI Youth, Women and Green Jobs Diagnostic Activity) to identify constraints to the creation of more and better green jobs. Jane took the room through the structure and process of the tool, and recognised the synergies and trade-offs between economic and green goals. She also explained that **the USAID team are still working to fine-tune the tool, so any further bilateral conversations would be welcomed.**

Building on Jane's presentation, there was then discussion in the room on what counts as a 'green job' given that there is not necessarily a common definition, and the importance of any green jobs created also being decent jobs; a job in a green sector can still have bad working conditions, exclude women and youth, etc. Karin Wedig (BMZ/GIZ) elaborated on Germany's approach under their 'sustainable inclusive economies' strategy, which prioritises both green and decent jobs under a just transition framing. Ozunimi Iti shared that UNIDO experience in Latin America is showing that women are more likely to be involved in greener jobs, so there are also gender dimensions to job creation there.

There was also interest in the room on how USAID have approached government buy-in, in the context of governments viewing some constraints to green jobs as more or less relevant to their countries or goals. USAID's approach to pilots overall rests on actual demand from governments for results, particularly as they relate to U.S. program activities that are in alignment with partner government priorities.

#### **AOB**

Ella provided practical details about afternoon meetings and cocktail evening, thanked participants, and closed the meeting.