



The Donor Committee for Enterprise Development

## Green Growth Working Group (GGWG)

Minutes of Meeting, teleconference, 18 November 2020

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### Participants

- Steffen Felix (GIZ/BMZ) – Co-chair
- Ozunimi Iti (UNIDO) – Co-chair
- Annegret Brauss (ITC)
- Arjan de Haan (IDRC)
- Daniel Taras (GIZ/BMZ)
- Etienne Kechichian (World Bank Group)
- Guy Halpern (OECD)
- Ingela Juthberg (Sida)
- Kerry Max (Global Affairs Canada)
- Maryam Rezaei (FAO)
- Michael Funcke-Bartze (GIZ)
- Nidal Mahmoud (World Bank Group)
- Paul Simister (FCDO)
- Philipp Ischer (SECO)
- Sarwat Chowdhury (UNDP)
- Tim Scott (UNDP)
- Thibaut Portevin (EC)
- Yara van Heugten (NL MoFA)
- Anaelle Martini, Edward Sims (EY, part-time)
- Vanessa Prieto Sandoval, Iker Larrea (Factor, part-time)
- Jim Tanburn, Ella Duffy (DCED Secretariat)

### Agency Updates

**GIZ/BMZ** is currently working on a RECP Navigator, a tool that will provide a first overview for their field staff on the type of Resource Efficiency and Cleaner Production instruments they can use in their work. They will share with the group when it is ready, but it may not be public. GIZ have also commissioned a study on ‘Employment, Economic and Social Consequences of the Transition to an Ecologically Sustainable Economy in Developing Countries’, around a just transition to a greener economy, which will be ready late 2020 / early 2021 and can be shared with those interested. The topic of sustainable industrial areas / eco-industrial parks remains an important one for GIZ. They have started a new intervention using the EIP Framework (‘International Framework on Eco-Industrial Parks’) in Mozambique and are finalising the update of the EIP Framework with UNIDO and IFC. They are also organising a range of internal webinars on the topic of ‘green recovery’ to provide assistance to GIZ programmes on the ground.

**ITC** are working on a new corporate strategy in relation to green growth, entitled 'Green to Compete'. The strategy has been internally approved and Annegret Brauss will reach out to the group for feedback in the coming weeks. The strategy involves mainstreaming green growth, developing new tools and approaches that can be applied in development projects and increasing collaboration with other actors. ITC will be publishing 2 publications in the coming months in the area of green growth. Steffen Felix (GIZ/BMZ) suggested that ITC present the new strategy at the next working group meeting.

**IDRC** - in the new IDRC strategy 2020-30, support to research on transition to low-carbon economies, and on climate resilience in food systems will be priorities. The approval of the strategy was delayed with the onset of the pandemic, and support to research for a sustainable recovery is key in IDRC's 2020 programming.

**World Bank Group** are launching a publication on resilient industries in the coming days, and a study on resilient industries in Japan is also to be published soon. They are also growing their portfolio on the circular economy, especially in Africa.

**OECD's** Guy Halpern was participating for the first time. He works on green growth around SMEs so is keen to follow the work of this group. He has volunteered to be in the task team for the Overview of Green Growth Approaches.

**Global Affairs Canada** are in the process of developing a programme for Canadian companies to support developing country counterparts on green growth projects. They are also coming up to the end of the period of Canada's targets on progress towards the Paris Agreement, so are currently planning for the next stage. Gender will be mainstreamed in everything and Canada is less focussed on the urban context than other countries. GAC has a challenge in coding climate finance when it is combined with WEE and/or circular economy; do other agencies have experience with coding using more than one label? (see below for NL response) Steffen Felix (GIZ/BMZ) pointed towards the [DCED series on gender and green growth](#).

**Netherlands Ministry of Foreign Affairs** are looking at all investments to become completely SDG aligned. Green and climate topics are traditionally separate from PSD in the NL MoFA, but they're looking at the topic of circular economy (CE) under the PSD umbrella. They are currently working on a pilot CE initiative to link up existing PSD work with CE work, in Senegal, Nigeria and Ghana, but there has been interest from other partner countries. They are also organising a meeting with the [WCEF](#) in April 2021 to encourage more political recognition of how CE fits with global climate goals and to better integrate different global regions in dialogue on CE. They have also recently commissioned a study on internal markers, similar to GAC, that they are happy to share when it is ready. CE is such a cross-cutting topic it is not easy to see what is happening within the MoFA. Also, the Ministry is thinking of commissioning a study on "which investments generate a positive impact on climate

mitigation/adaptation and at the same time generate employment opportunities (and which do not)?”  
Have colleagues already looked at this?

**FAO** are aiming to mainstream climate in all their work, for example they have released a [publication on climate change and food safety and quality](#) and [ran a webinar yesterday](#) on it. CE is also gaining momentum in FAO; a working group has recently been set up on the topic. A working group has also recently been created in FAO for plastic pollution in food and agriculture. They are also partnering with the [World Benchmarking Alliance](#) to create a food systems framework for assessing the addition of the private sector to food and agriculture sustainability. New work on creating a framework around food system land use and restoration is planned. The FAO has an [upcoming conference on food systems, convened by One Planet Network, from the 25 Nov to 3 Dec.](#)

**European Commission** - Thibaut Portevin, new to the group, works specifically on CE. EC have been producing various materials on increasing green growth cooperation and mainstreaming green recovery post-covid. They are currently programming for the next 7-year period (2021-2027), setting cooperation priorities for new bilateral, regional and thematic programmes, which will be finalised in the next six months. EU Green Deal priorities should be reflected in these.

**UNIDO** have recently finished assessments on the state of gender and green growth in South Africa, Senegal, Cambodia and Peru, looking at various policies on green industry and whether they have a gender component and how they can be improved. They are hoping to publish on this before the end of 2020.

**FCDO** - DFID and the Foreign and Commonwealth Office (FCO) have undergone an institutional merger since the previous meeting and are now the combined FCDO. The work on PSD and green growth continues in substance. Focus at the moment within green growth is on climate as they prepare for [COP-26](#) in Glasgow in 2021 and the [G7](#) presidency. A [‘Climate Ambitions Summit’](#) is to be held on 12 December for high level discussions on COP-26. Priorities for FCDO are around encouraging DFIs to increase the focus on resilience and adaptation rather than just mitigation of climate change.

**SECO** are also working on the topic of CE through their [eco-industrial parks programme](#) and their [sustainable industries programme](#), partly on waste management. They have recently had sign off to start implementation of projects in Ukraine, South Africa and Indonesia.

**UNDP’s** Nature, Climate and Energy team empathises with the challenges faced by the NL MoFA and GAC on markers, linking up green recovery work across different thematic areas. They are looking forward to presenting in this meeting on their green post-covid-19 recovery work.

**Sida** - it was Ingela Juthberg's first meeting. Sida's work at the moment is on reviewing policy work. [The Expert Group for Aid Studies](#) is currently conducting an external review of Sida's approaches, especially looking at approaches to circular economy. The report may be in Swedish only, but Sida will update the group accordingly.

### **Circular Economy Study**

The Circular Economy (CE) study is one of the work items of the GGWG this year. Its main objectives are to explore the role of different country contexts when it comes to supporting inclusive green growth through PSD programmes, and to focus on how inclusive and green growth can be supported through strengthened value chains and CE approaches.

Iker Larrea (Factor), the lead consultant working on the study, presented on progress thus far. Sections A, B and C are almost ready. Section D, on recommendations for agencies, is currently being worked upon and needs some more input from working group members. A final draft is expected to be completed in February 2021. Early conclusions are that CE is situated well at a nexus between private and public sector goals, as CE business models can be a driver for private sector growth as well as more sustainable development. There is a case for competitiveness, and countries and donors should help remove barriers and encourage policies that improve waste management and encourage innovation.

Links to the online surveys that the consultants have been using to collect data for section B were shared, for [South Africa](#) (telecoms), [Côte d'Ivoire](#) (cacao), [Bangladesh](#) (textiles), [Ethiopia](#) (construction), [Serbia](#) (automotive) and [Rwanda](#) (coffee). Group members were encouraged to share the surveys with relevant partners. Section D on recommendations will be organised along the structure of the programming cycle. As part of their work on recommending indicators, the consultants would like to do a portfolio analysis with input from working group members. Steffen Felix (GIZ/BMZ) suggested that they should consider taking case studies, rather than asking every member for a full portfolio analysis, to lessen the workload for the group. The group then discussed competitiveness, formality and informality, and starting points for developing countries wanting to move towards a CE. Tim Scott (UNDP) shared the link to [a joint UNEP-UNDP Guidance on advancing Circular Economy](#). As time was not sufficient to discuss all aspects of the study that the consultants thought feedback on, a task force meeting will be set up to discuss the remaining items in the small task team set up for this activity.

### **Overview of Green Growth Approaches: Discussion on scope of work**

Steffen Felix (GIZ/BMZ) presented and led a discussion on the scope of the 'Overview of Green Growth Approaches' work. The consultancy is planned for February-July 2021. The group discussed how to define green PSD approaches and a potential structure for the work. They also discussed whether to include green finance; Annegret Brauss (ITC) and Tim Scott (UNDP) would like to see it included. Etienne Kechichian suggested including green finance

in as far as the real sector is concerned (access to green finance) but avoiding the area of strengthening the financial system as such. Kerry Max (GAC) would like to see a consideration of green growth through a gender lens included in the ToR. Paul Simister (FCDO) offered the point that we should consider going beyond the narrative of renewable energy as climate change mitigation, looking towards resilience and adaptation. It was decided that any input to the ToR should be sent to Steffen Felix (GIZ) by 30 November 2020.

## **Webinars**

Two webinars are planned for the new year with GGKP. They will cover eco-industrial parks (February 2021) and mobilising green investments (January 2021).

## **UNDP's work to achieve a Green Recovery: Presentation**

Tim Scott (UNDP) presented pathways towards a green recovery from covid-19, structured around three phases; response, recovery and growth. He noted that green approaches haven't been integrated as much as they would like. The group discussed what more we can do around knowledge sharing about different country contexts, as a global knowledge sharing platform. Tim Scott (UNDP) also shared the [NBS Toolkit for NDCs](#).

## **The EU's work to achieve a Green Recovery: Presentation**

Thibaut Portevin (EC) presented the EU's post-covid-19 recovery work, in the context of the [EU Green Deal](#), which is framed as a strategy for growth rather than just about mitigating environmental issues. Digitalisation remains a priority for the EC as well as green recovery.

## **Q&A and discussion on the two inputs on green recovery (from UNDP and EC)**

The group shared reflections on green recovery post-covid-19. Discussions centred around the importance of narrative; getting across the idea that it makes long-term economic sense to follow a green recovery path, and around whether 'green recovery' is just 'green growth' repackaged.

## **AOB**

- Ella Duffy (DCED Secretariat) highlighted that the DCED are putting together a synthesis note to introduce the topic of Circular Economy, and welcome feedback on the draft once it is ready.