

Green Growth Working Group (GGWG)

Online meeting 12 February 2025

Minutes

Participants

- 1. Mariem Malouche (World Bank, Chair)
- 2. Abu Saieed (UNIDO)
- 3. Anne Terheggen (BMZ/GIZ)
- 4. Ciara Daniels (UNDP)
- 5. Isaac Cowan-Gore (ILO)
- 6. Karen Suassuna (ITC)
- 7. Kerry Max (GAC)

- 8. Marlen de la Chaux (ILO)
- 9. Philip Grinsted (World Bank)
- 10. Steven Geiger (SDC)
- 11. Tom Haven (World Bank)

Ella Duffy; Melina Heinrich-Fernandes (DCED Secretariat)

Apologies: Florian Güldner (BMZ/GIZ), Ingela Juthberg (Sida), Patrick Obonyo (IKEA Foundation)

Agenda Items

- 1. Welcome, objectives and introductions of any new members
- 2. Annual work planning, including updates from the DCED Secretariat
- 3. Member agency updates
- 4. Informal reflections on current geopolitical changes
- 5. **World Bank Presentation:** Policies to Support the Green Transition of the Private Sector: Trends and Key Takeaways for Developing Countries
- 6. Any other business

1. Welcome, objectives and introductions of any new members

Mariem Malouche opened the meeting and welcomed new members from SDC and BMZ/GIZ.

2. Annual work planning, including updates from the DCED Secretariat

Melina Heinrich-Fernandes presented new guidance from the DCED Executive Committee that provides a guiding framework for WGs. It included that WGs should; 1) follow a suitable timeline for work planning; 2) ensure a sound Working Group annual budget of up to \$45K, or \$90K over two years; 3) favour work item quality over quantity; 4) consider the dissemination and uptake of any new knowledge product early on.

Melina also announced that the 2025 DCED Annual Meeting will take place in Geneva, 16-19 June. Members intending to join us in person should confirm their attendance by emailing the Secretariat.







Discussion then turned to GGWG work items; Ella Duffy reminded members of the two ongoing work items on *Trade, MSME development and Just Transition*, and on *Enabling Policy Frameworks for Circular Economy*. Both items are in the final stages of choosing consultants to work with to produce new research, and work is expected to continue under the 2025/26 work plan. There was a short discussion on ideas for new work items for 2025/26, including comments from World Bank and SDC on interest for green-related PSD indicators. Melina Heinrich-Fernandes informed the WG that the DCED Results Measurement WG is planning work on green indicators and that the Secretariat can facilitate linkages with them.

3. Member agency updates

SDC: Steven Geiger shared that SDC are moving to be more active in green PSD and are particularly interested in green indicators as they are getting requests from their programmes for this. SDC have also recently issued a paper outlining why it is essential to integrate circular economy principles in new or ongoing projects, including examples. They are also finalising a paper on green skills and a paper on green finance which **Steven is happy to share over email when public**.

ITC: Ana Batalhone shared that ITC brought the perspective of MSMEs into climate discussions at COP29, launching guidelines for policymakers to integrate small businesses and trade considerations into Nationally Determined Contributions (NDCs) in the context of upcoming NDC 3.0 submissions. ITC will pilot the deployment of the guidelines with selected stakeholders this year. ITC also participated in Biodiversity COP16 in Colombia as a thematic partner of the first ever Trade Day and will soon launch a paper on unlocking opportunities for livelihoods in nature, in support of the G20 Bioeconomy Initiative launched in 2024 by Brazil.

ITC is organising a Global SME Ministerial, to be hosted in South Africa on 22-24 July. It will bring together policymakers to elevate the global discourse on MSMEs, ensuring their challenges and opportunities receive the attention they deserve.

Ana also mentioned SCOPE Trade, a project implemented by ITC with the ASEAN Secretariat with the aim to improve sustainable connectivity between the EU and ASEAN, and within ASEAN with a focus on trade, economic connectivity and sustainable value chains. ITC would be interested to connect with members working on ASEAN-related initiatives to exchange information and learn about existing projects focusing specifically on sustainable value chain development in ASEAN.

Ana requests that members get in touch with her on any of the above. Mariem Malouche offered to put Ana in touch with World Bank colleagues in ASEAN.

<u>GAC</u>: Kerry Max indicated that operations at GAC are likely to become constrained during this time of economic uncertainty due to both changes in the US and forthcoming elections in Canada. The Partnering for Climate Initiative is now strengthening their links with other economic projects across GAC and reviewing wording relating to climate and environment to prepare for the possibility of reduced budgets for climate-related work. **Kerry encourages members working on similar themes to connect with him for mutual support.**







ILO: Marlen de la Chaux shared that ILO are in the late stage of finalising a new product on just transition and MSME development, looking at how just transition principles can be actually applied to MSMEs. **She would be interested in presenting this in due course to hear people's reactions.** The ILO has also produced a new report on e-waste in the Balkans.

<u>UNIDO</u>: Abu Saieed shared that UNIDO are strengthening a green tech and climate innovation programme for SMEs in 15 countries with the vision to expand to 25 countries. So far, they have supported over 1000 SMES through activities such as accelerator programmes. UNDIO also has projects in Indonesia and Rwanda that aim to evaluate infrastructure and materials, as well as provide policy recommendations, to grow the electric vehicle industry.

World Bank: Tom Haven shared that the World Bank team are increasingly working on global analytics of clean energy technology value chains that reply on critical raw materials, specifically looking at opportunities for developing countries to increase their involvement given geopolitical concerns about concentration of supply chains in particular countries. **Tom asked for recommendations of what has and hasn't worked for other members in value chain development**, particularly in the context of the increased focus on green industrial policies. **Abu Saieed offered to connect to share insights from UNIDO's work**. Mariem Malouche added that World Bank are also looking at job opportunities across the supply chain including focussing on skills development and just transition, in the context of clean energy and critical minerals. **Marlen de la Chaux (ILO) indicated that she would like to connect on this.** Phillip Grinsted added that the World Bank team are also finalizing a policy toolkit right on how to support firms to adopt green technologies.

UNDP: Ciara Daniels highlighted UNDP work *Digital Public Infrastructure for People and Planet* which focusses on the need for digital public infrastructure in order to scale up biodiversity finance mechanisms (PES, biodiversity credit, green bonds etc.), climate resilient and nature-positive investment decisions, and traceability (and EUDR compliance). They have created a data integration system that brings together data on farmland, deforestation, environmental health and benefits, land stewardship, sex-disaggregated data etc., combined with AI, with the view to enabling efficient and automated decision making on various mechanisms and incentives. Ciara also shared UNDP's new Climate Dictionary: Nature Edition.

BMZ/GIZ: Anne Terheggen introduced herself as Florian Gueldner's replacement as representative to the GGWG. Her GIZ unit supports BMZ and has a macro-economic focus, and is now integrated now with a unit that works on sustainable infrastructure and financial development. They are set to publish papers on value chains and impact analysis in the coming months, but otherwise Anne advised that priorities may change with a possible new government in Germany. Green economy is likely to remain a priority, specifically 1) greening global value chains with a global perspective on the long-term effects of production locations shifting, and 2) impact analysis of implementing green economy programmes, including re-visiting green economy indicators. They will also soon publish on policy instruments for critical mineral value chains in sub-Saharan Africa and welcomes bilateral conversations on the topic. Mariem Malouche offered to share resources from G7 on critical minerals in sub-Saharan Africa.

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4. Informal reflections on current geopolitical changes

Discussion centred around how to react to uncertainty in the context of the shutdown of USAID and political changes in other donor countries. Some donors shared that they are pro-actively thinking about the wording used in their programmes to ensure their work can align across the political spectrum, for example, emphasizing climate change programmes in terms of resource efficiency. Some agencies have started regular internal reports providing global foresights to keep abreast of changes in the global development landscape more broadly.

Some UN agencies shared that they are affected by the USAID shutdown more directly as they were recipients of US funding, and have also seen an uptick in requests from implementers now seeking new partnerships in a post-USAID world. The effects on the UN system more broadly are still unfolding, but members shared their worry that SME development will fall off the agenda when funding becomes tighter.

5. World Bank Presentation: Policies to Support the Green Transition of the Private Sector: Trends and Key Takeaways for Developing Countries

Mariem Malouche presented the recent work from the World Bank.

Discussion followed about how the World Bank are defining environmental policy versus green industrial policy, and about the data on policy mix. There were also comments on whether the World Bank have data on the link between green transition and land use/ restoration of ecosystems. Sector selection for this specific project was based on availability of data; agriculture was included, for example, as it related to renewable energy. Subsidy programmes that targeted multiple industries were not included (e.g. multi-sectoral circular economy policies).

Mariem offered follow-up bilateral conversations to ITC and BMZ/GIZ, and offered that the World Bank are available to present specific angles on the data to other agency colleagues.

Ciara Daniels (UNDP) added a resource from UNDP's work on repurposing subsidies for nature: The Nature of Subsidies - A step-by-step guide to repurpose subsidies harmful to biodiversity and improve their impacts on people and nature.

6. Any other business

Ella Duffy (DCED Secretariat) reiterated that she would share the minutes of this meeting, and information on the Results Measurement WG's workstream on green indicators, over email. She also reminded members to share any suggestions for new GGWG workstreams, and links to any resources mentioned, with the WG over email.

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