



European  
Commission

# SWITCH to Green

## Coordination Meeting

Brussels,  
26 > 27 September, 2016

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Development  
and Cooperation

## Summary and main conclusions

The meeting was convened by DG DEVCO on 26-27 September in Brussels and was attended by approximately 40 participants from the main EU funded programmes on inclusive Green Economy (IGE), including Sustainable Consumption and Production (SCP) and Circular Economy actions. It was organised in the context of the development of the EU SWITCH TO GREEN initiative, which aims to provide a framework to improve the coordination, visibility and overall impact of EU international cooperation on IGE. Specifically, the meeting aimed at building bridges between partners involved in EU funded actions, with a view to improving coordination and sharing lessons-learnt.

The meeting agenda reflected the main priorities of DEVCO and EU funded international cooperation actions on IGE, namely “support to green businesses and eco-entrepreneurship”, “IGE policy development”, and “access to finance for sustainable private sector development”. The meeting gave an overview of progress and challenges faced by the different initiatives implemented and/or supported by the EU, which is expected to encourage further direct interaction among these initiatives. It also discussed knowledge development, and monitoring and evaluation, with a particular focus on the sharing of tools and lessons among partners.

The meeting confirmed the wealth of experience lying within the EU funded IGE / SCP initiatives, which deserves increased dissemination and visibility, and on which future EU cooperation should build. In particular, this includes experience in:

1. Engaging with the private sector through various means, confirming the key role of intermediaries, the need to work with both large and small businesses across supply chains, to support the informal sector, etc.
2. Policy level support, including approaches to generate high level support (building on the SDGs momentum which make SCP and IGE a higher priority in many countries), efforts to communicate the business case for SCP practices, engagement with several ministries -including finance, and acknowledging the roles and complementarities of partners supported by the EU, including UNEP, other UN agencies, and the Green Economy Coalition.

3. Access to finance, on which significant work has already been undertaken through EU funded IGE programmes (e.g. assessments of gaps and needs, intermediation between project developers and financing institutions, global advocacy and support to reform the financial system), and which complementarities with development finance institutions should be reinforced. It was noted that the movement towards sustainable energy and moving away from fossil fuels provides important lessons.

The meeting also provided inputs to the ongoing thematic evaluation of EU international cooperation on SCP. The latter will be closely coordinated with other ongoing reviews (e.g. 10 YFP, UN PAGE), which are expected to generate important complementary knowledge.

Participants welcomed the SWITCH TO GREEN initiative and the organisation of the meeting. It created a strong momentum to join efforts and subsequently scale up impact. It generated ideas among participants for further networking and dialogue (e.g. linking SWITCH grantees in different countries, dialogue on the conclusions of the above evaluations, joint engagement with Development Finance Institutions). DEVCO was encouraged to organise further similar meetings and will take due consideration of complementary platforms and tools (e.g. EU dialogue mechanisms with UNEP, GEC convened institutional collaboration group with other key partners, EU CAP4DEV, Green Growth Knowledge Platform) to further promote coordination, create added value and avoid duplication of efforts.

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## Opening remarks

Véronique Lorenzo (DG DEVCO C2) explained the objectives of the meeting: 1) Exchanging lessons learnt and best practices to enhance cooperation efforts on green economy, and 2) Improving coordination and synergies among the green economy programmes implemented and/or supported by the EU.

She stressed the need for the EU to ensure the overall coherence and complementarities of EU international cooperation on inclusive green economy, adding that this is increasingly important in the context of the SWITCH TO GREEN initiative that DEVCO is developing. The SWITCH To Green Flagship Initiative is the framework that binds together all the different DG DEVCO-supported programmes. The aim is to reduce fragmentation, increase visibility and enhance impact and effectiveness.

She observed that the SDGs context makes efforts on green economy and Sustainable Consumption and Production (SCP) very timely. Although the 2030 Agenda does not refer to green economy specifically, the concept is embedded in many of the goals and targets of the new agenda. She also noted that there is growing interest from the private sector in applying SCP practices.

She mentioned the ongoing process to update EU development policy; a new Communication presenting this update should be presented by the end of the year. She also mentioned key ongoing EU priorities, such as promoting investments –for which a new External Investment Plan to encourage investment in Africa and the EU Neighbourhood was recently presented – and encouraged participants to discuss how cooperation on inclusive green economy, including SCP and circular economy, addresses many EU development priorities, such as economic growth and job creation.

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## Session 1: The SWITCH to Green initiative

Overview of the SWITCH to Green Flagship Initiative (DG DEVCO), ([LINK](#)) presented by Thibaut Portevin (DG DEVCO C2)

The EU context: the Circular Economy Action Plan (DG ENV), ([LINK](#)) presented by Lana Žutelija (DG ENV)

(Closing the loop - An EU action plan for the Circular Economy), ([LINK](#))

The SWITCH to Green Facility, ([LINK](#)) presented by Alexander Charalambous, SWITCH To Green Flagship Initiative

### Session highlights

- The SWITCH To Green Initiative is meant to support coordination of EU funded IGE activity; it should also encourage the scaling up of IGE/SCP cooperation actions (e.g. under EU regional and national programmes focusing on private sector development and other relevant themes) through improved knowledge management, including better documentation and communication of results, as well as better integration of IGE into other initiatives, notably under regional programmes.
- The main priorities of EU cooperation on inclusive green economy include engaging private sector actors in the promotion of SCP, the development of enabling policy and regulatory frameworks, and the financing of the green economy transformation -in particular access to finance for SMEs. Cooperation on inclusive green economy also complements EU efforts in favour of environment mainstreaming.
- DG ENV presentation on the circular economy action plan highlighted its international dimension. For example, DG ENV noted the success of the recent circular economy mission to Chile and announced that a mission to China is under preparation.
- Participants welcomed the SWITCH To Green Initiative as evidence of increased cooperation and as a strategic contribution by the EU on IGE. Improved coordination, including on communication, is expected to contribute to respective efforts to mobilise government institutions and the private sector.

## Session 2: Support to green businesses

SWITCH-Asia support for the private sector, ([LINK](#)) presented by Rhoda Wachira (UNEP)

SWITCHMed support for the private sector, presented by Uwe Weber and Silvia Sartori (SWITCH Asia networking facility)

SWITCH Africa Green support for green business, ([LINK](#)) presented by Burcu Tuncer (SWITCH Med networking facility)

### Group discussion

To complement the presentations on the SWITCH regional programmes, Elisa Tonda and Farid Yaker (UNEP) described the work of the Promoting Resource Efficiency and Eco-innovation in Developing and Transition Economies (REEDTE) and the Sustainable Public Procurement and Ecolabelling (SPELL) projects with the private sector. Relevant efforts under these projects include developing the business case and providing concrete facts and figures on competitiveness and access to new markets, outreach through local partners, the development of toolkit for step-by-step eco-innovation, promoting dialogue between the business community and policymakers, etc. Under the SPELL project specifically, market-readiness studies have also provided opportunities for engagement with the private sector, as well as training delivery for SPP suppliers.

The discussion brought up the following key points:

- Working through business intermediaries: many of these agents have been in place for many years and have important local networks. There is strong potential for intermediaries to act as agents of change but either there are not enough of them, or they lack sufficient capacities.
- IGE cooperation through regional integration: This approach is underway in SWITCH-Asia through the Association of Southeast Asian Nations (ASEAN). Through the Common Market for Eastern and Southern Africa (COMESA), SWITCH Africa also expects one of the grantees project to be replicated in other countries. The regional Roundtables on Sustainable Consumption and Production (RSCPs) are important partners in that respect, with wider networks being also necessary.
- Connecting SMEs to large businesses: this approach has been used through different initiatives such as the International Council of Chemical Associations (ICCA), the International Fertilizer Industry Association (IFA) and the Sustainable Rice Platform.
- The informal sector: it represents 80% of commercial activity in some developing countries. Participants agreed on the need to engage with all kinds of businesses. Well connected local partners –including NGOs and companies across the supply chain- are particularly important to deliver support to the informal businesses, for which services have to be tailored. We have to set up complete services for the informal sector – building business associations’ access to capacity building, which includes visibility, financing and technical support. At the same time, targeted policies providing incentives towards the formalisation of the informal sector are needed, with relevant experience from both SWITCH-Asia projects (e.g. WEEE Recycle in India) and EU MS being particularly useful.
- How to ensure high level political support for SCP and GE: Previous experience showed that IGE policy development building on multiple institutions rather than Ministries of Environment only, is essential. In Mongolia for instance, the Ministry of Environment was able to increase commitment by bringing in other ministries, and in Malaysia, the SWITCH National Policy Support Component had success driven by the Economic Planning Unit. The SDGs can offer opportunities in this regard. It is also important to address the local/regional governance level.

## Session 3: EU SWITCH to Green Website and inclusive green economy map

**Presentation, (LINK) by Jens Kristian Norgaard and Isabelle Demolin (SWITCH to Green facility)**

The tool answers a visibility requirement for the EU. The intention is to provide a collected overview of EU funded IGE activities, as opposed to duplicating existing tools. Therefore, adequate links should be made with relevant resources such as the Green Growth Knowledge Platform, UNIDO's open data platform, SCP Clearinghouse and Cap4Dev.

## Session 4: Policy level cooperation

Transitioning to an inclusive green economy (10 YFP, PAGE), (LINK) presented by Fabienne Pierre and Asad Naqvi (UNEP)

Transitioning to an inclusive green economy (GEC), (LINK) presented by Oliver Greenfield (Green Economy Coalition)

Towards an Inclusive Green Economy - SWITCH-Asia and SWITCH-Africa Green, (LINK) presented by Burcu Tuncer (SWITCH Med networking facility) and Patrick Mwesigye (UNEP)

Greening Economies in the Eastern Neighborhood, (LINK) presented by Rie Tsumitsumi and Luc Reuter (UNEP)

### Group discussion

The discussion brought up the following key points:

- Civil society participation: The meeting stressed the importance of civil society participation in policy development, and the need to build societal support for the IGE transformation. GEC provides an important platform that can contribute to better linkages between government / inter-governmental agencies and civil society.
- Public Private Partnerships: Participants acknowledged challenges in promoting business participation in policy development and relevant successful experiences were mentioned, such as the engagement with the Global Consumer Goods Forum which allows working with different actors along supply chains.
- Linking IGE to other priorities: The meeting highlighted the importance of coordinating IGE with other policies. For example, in China, the health agenda is driving sustainability and in Africa agricultural policies are closely linked with private sector development.
- Inter-ministerial coordination: Participants agreed on the added value of working with a wider selection of line Ministries, to complement cooperation with Ministries of Environment, with the involvement of the Ministry of Finance being a sine qua non for the implementation of IGE principles into the policy formulation process. For implementation, collaboration among various development cooperation actors is equally important, with e.g. different UN agencies giving access to different ministries through their specific focal points.
- Regional perspective: In Africa, gatherings of all the countries' ministers of environment enabled higher political priorities for GE/SCP. Likewise, the role of regional policy platforms in Asia was also stressed, as complementary to that of the SWITCH national policy support component.
- Local ownership: Development cooperation actors need to ensure that their work feeds into national processes and therefore is nationally owned. Stakeholder involvement as early as in the drafting of actions plans is important and can facilitate next steps in implementation. Additional implementation focus should be on local government level and SMEs.



## Session 5: Financing the green economy transition

DG DEVCO introduced the session, noting that significant activity had already been taken in this field. The main objectives of this session were to take stock of activities already undertaken on the issue by EU funded IGE programmes and improve participants' awareness on Development Finance Institutions actions on access to finance for green SMEs in order to encourage synergies.

SwitchMed:

Initiatives to facilitate access to green finance for industry and green entrepreneurs, [\(LINK\)](#) presented by Roberta De Palma (UNIDO) and

SwitchMed: Initiatives to facilitate access to green finance, [\(LINK\)](#) presented by Burcu Tuncer (SWITCH Med networking facility)

EU's approach to blending instruments, [\(LINK\)](#) presented by Jose Manuel Fernandez (DEVCO C3)

The SUNREF initiative, [\(LINK\)](#) presented by Beryl Bouteille (AFD)

### Discussion

The discussion focused on the following points:

- PAGE work on finance in Mongolia - intervention by Asad Naqvi: In June 2014, the Parliament of Mongolia approved a Green Development Policy (GDP) which aims to ensure that green development becomes one of Mongolia's fundamental goals. PAGE supports the implementation of the GDP. Among others, PAGE is supporting the Mongolian banking sector in the development of green and inclusive financial products and services, and mobilising finance for achieving national development goals in partnership with UNEP Finance Initiative and other partners such as the Global Green Growth Institute (GGGI). A first green credit line is planned to be introduced by June 2017.
- GEC work on finance sector reform - intervention by Oliver Greenfield: The finance sector is not sufficiently equipped to support the green economy transition. There is a need for delivering a systemic change in the financial system at a global level, including changing the capital markets by shifting the type of credit lines currently available towards green credit lines. The GEC is running a finance sector reform campaign to drive investments and financial flows towards sustainable development. The aim is to increase investment flow to green economy projects and support the shift to long term value creation over short term profit margins. Collaboration with international actors is a key aspect of this campaign.
- EAP Green experience in environmental credit lines supported by IFIs - intervention by Krzysztof Michalak (OECD): The importance of involving international financial institutions (IFI) has already been mentioned - EAP Green is working with IFIs including the EBRD, KfW, and the EIB. Most of the loans are currently in energy efficiency, renewables and decentralised solutions. The average credit line is EUR 10-20 million, although it ranges from EUR 3-100 million, with minimum loan size still being an impeding factor for many investors. The EBRD is the most important actor for green investment in the region. EAP Green is providing training for local banks with a view to the long-term integration into the local economy.
- What is the leverage being achieved through blending mechanisms? Private funding leverage information is not always available. Depending on organisations, leverage of other funds (both public and private) ranges from 1:2 to 1:20.
- How to improve cooperation in this area? Financial institutions do not have the expertise to assess risk for green projects; this is an area where capacity building would be adequate. Closer engagement with European Development Finance Institutions (DFI) was encouraged, and could be the subject of a follow up meeting. AFD is working on guarantee mechanisms of various kinds. Enabling financing mechanisms in local currency has huge potential in terms of leverage. EC is looking at approaches that include risk capital and subordinated debt that is not currently available or affordable on the market. UNEP and PAGE consider the investment policy framework to be of key importance, with particular focus to be placed on subsidies and on how governance affects local funds availability for green investments.
- Private sector funds: Despite the increased attention given to access to green finance by international cooperation on IGE, there is still a lot to be done to draw on the funding available in the private sector, including improved awareness, information and knowledge about existing financing mechanisms.
- Does Venture Capital (VC) have a role to play? There is an untapped potential of about US\$ 1 trillion that can be mobilised by VCs globally. SwitchMed experience shows that the MENA region is regarded as a high risk region for investment, with the majority of the MENA countries remaining relatively unknown to venture capitals.

## Session 6: Monitoring and evaluation session

Evaluation of EU international cooperation on Sustainable Consumption and Production, (LINK) presented by David McCormick (Team Leader, evaluation of EU international cooperation on SCP)

### Discussion

- UNOPS briefly introduced the monitoring and evaluation guidelines developed for SWITCH Africa Green grantees. Copy of the guidelines can be shared by UNOPS with interested participants.
- DEVCO informed of the organisation of a SWITCH Asia workshop on monitoring and evaluation, likely to take place early in 2017.
- Several initiatives are currently working on the formulation of indicators that are coherent with the SDGs framework. This makes coordination on indicators particularly important.
- It was noted that IGE and SCP actions at present do not sufficiently look at the decline of natural systems. More attention should be given to improving ecosystems function and health.

### Conclusion session

- Many participants shared the view that the meeting was useful –to meet different colleagues, network, learn about other initiatives and share ideas– , and indicated willingness to build on the momentum to work further together, in particular on issues such as visibility, communication, measuring and tracking impact, and green finance.
- Several participants recommended follow up discussions, with the same format and/or focusing on specific issues, e.g. on the result of the ongoing EU evaluation on SCP once its results will be known, or with the participation of Development Finance Institutions to explore further synergies with their operations. Events from relevant initiatives –such as the PAGE Ministerial conference of 27/28 March 2017 in Berlin will also provide opportunities for further exchanges with participants of this meeting and other key partners.

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## Participants

### European Commission

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 Marc Leon Mazairac (DG DEVCO C4)  
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 Silvia Sartori, SWITCH-Asia Network Facility  
 Janet Salem, UNEP regional office Asia and Pacific

### SwitchMed

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 Enrique de Villamore Martín, SwitchMed Networking Facility (SCP/RAC)  
 Roberta de Palma, UNIDO  
 Luc Reuter, UNEP-DTIE

### SWITCH Africa Green

Patrick Mwesigye, UNEP  
 Rhoda Wachira, UNEP  
 Paul Nteza, UNDP  
 Celia Marquez, UNOPS

### Sustainable products through Sustainable Public Procurement and Eco-labelling project

Farid Yaker, UNEP

### Green Economy Coalition

Oliver Greenfield, Green Economy Coalition

### PAGE / UNEP inclusive green economy

Asad Naqvi, UNEP-DTIE

### EaP Green

Krzysztof Michalak, OECD  
 Rie Tsutsumi, UNEP

### 10-YFP Secretariat

Charles Arden-Clarke, UNEP (also coordinating UNEP participation in the SWITCH regional programmes)  
 Fabienne Pierre, UNEP

### Evaluation of EU international cooperation on SCP

David McCormick, team leader  
 Sergio Ugarte, green economy / SCP expert  
 Seán John Burke, Private Sector Development expert

### Invited expert

Beryl Bouteille, AFD

### Other

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 Ulf Bjornholm, UNEP Brussels office  
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