



European
Commission

SWITCH to Green

Coordination Meeting Brussels, 3-4 December 2018

Meeting Report

Summary and main conclusions

DG DEVCO hosted the 3rd SWITCH to Green Coordination Meeting in Brussels on 3-4 December 2018 to foster cooperation among EU funded programmes on Inclusive Green Economy (IGE). The meeting was attended by participants from Commission services (DEVCO, ENV, NEAR), and partner organisations involved in EU supported IGE initiatives.

The meeting objectives were to: 1. Improve understanding on the main achievements and challenges in promoting the green economy transition in partner countries; 2. Scale up action on sustainable finance by sharing best practices and lessons among green economy programmes and exploring synergies with other finance initiatives; 3. Identify measures to improve projects' coordination, lessons sharing and collective influence.

Participants reported strong progress on outcomes and impacts of the SWITCH regional programmes in supporting green businesses, especially as regards the development of Micro, Small and Medium Sized Enterprises (MSMEs), job creation and natural capital protection, while they also stressed the need to promote social inclusion to build support from society. Several speakers noted that growing awareness and increasing business take-up of sustainability policies provide additional impetus for the SWITCH to Green agenda.

Participants discussed how to scale up the results of actions supported by the SWITCH to Green Initiative, notably through actions on access to finance and sustainable investments, and through better documentation and communication of results achieved.

On finance and investments, participants explored possible synergies between green economy initiatives and the EU External Investment Plan, e.g. by linking projects on the ground to investment programmes and by supporting policies which contribute to the improvement of the investment climate in partner countries. The Commission shared insights on the new EU Sustainable Finance Action Plan, which can feed into green economy initiatives by providing a blueprint for dialogue with partner countries on sustainable finance policies. Interventions from the European Investment Bank and the International Finance Corporation offered lessons on best practices to promote sustainable investments and facilitate business access to finance.

Participants discussed challenges to improve coordination among different communities working on green economy, Sustainable Consumption and Production (SCP) and other related areas, and to better communicate knowledge and reach out to audiences beyond green economy / sustainable development fora. Recommendations such as better awareness raising on the value of cooperation on inclusive green economy, working across government departments to mainstream inclusive green economy principles, collecting best practice through collaborative monitoring mechanisms and engagement with EU Delegations will feed into DEVCO's follow up.

The agenda, the list of participants and the available PowerPoint presentations can be found [here](#).



International
Cooperation and
Development

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Opening session

Chantal Marijnissen (DG DEVCO) explained that the EU's development policy framework provides a strong basis for ambitious cooperation on inclusive green economy, which has a strong potential to contribute to EU priorities on job creation, investments and sustainable growth.

Ms Marijnissen reminded participants of recent milestones on the implementation of the EU SWITCH to Green Flagship, including the conclusion of a thematic evaluation organised in [2017-18](#), the publication of a new 'reference document' spelling out the EU's approach to [green economy cooperation](#), and the launching of new phases of the EU SWITCH programmes in Asia, sub-Saharan Africa and the Mediterranean region.

Ms Marijnissen reminded the audience that the EU development policy is strongly supportive of Sustainable Consumption and Production (SCP), green business development and the decoupling of economic growth from environmental degradation, as reflected in the [EU European Consensus on Development](#). Within the EU, policy initiatives contributing to the green economy transition, such as those addressing circular economy, eco-innovation, green SME development, and sustainable finance, provide lessons and serve as benchmarks for engagement with development partners to stimulate EU external action.

Among the latest EU policy developments on external action, the [External Investment Plan \(EIP\)](#) and the recent Communication on the [Africa-Europe Alliance](#) were highlighted for their strong focus on boosting investment and job creation.

Ms Marijnissen stressed the need to actively disseminate results and lessons from the EU SWITCH to Green Flagship so they can inform the programming of future EU international cooperation EU budget 2021-2027.

Three immediate priorities face the EU SWITCH to Green Flagship, according to Ms Marijnissen, who congratulated the regional programmes that already delivered promising results on job creation, as evidenced in the thematic evaluation:

- Link initiatives on sustainable investments and access to finance for green businesses to the External Investment Plan as well as other risk sharing and financing mechanisms.
- Increase attention to women entrepreneurship, job creation and empowerment and continue to boost green Start-Ups and SMEs.
- Scale up communication on EU SWITCH impacts through systematic assessment and documentation of results on policies, job creation and improved working conditions which underpin the value of the programme.

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International cooperation on the inclusive green economy: progress and challenges

Moderator: Bernard Crabbé, Head of Environment and Mainstreaming sector, Unit C2 – Environment, Natural Resources, Water, DG DEVCO

Panellists:

- Thibaut Portevin, Policy Officer, Green Economy, Unit C2 – Environment, Natural Resources, Water, DG DEVCO
- Rhoda Wachira, Programme Officer, SWITCH Africa Green, UN Environment
- Carolina Gonzalez Mueller, Industrial Development Officer, Department of Environment, UNIDO
- Alessandra Lepore, Cooperation Officer – SWITCH Asia, Green Economy, SCP, Unit F2 - East, South East Asia and the Pacific, DG DEVCO

This discussion provided an overview of progress and challenges at programme level and identified priorities for action.

The panel reminded the participants of the supportive global and EU policy framework for green economy cooperation and the strong links to EU Planet and Prosperity development policy priorities. The results achieved through the SWITCH programmes were stressed, notably the resource efficiency savings and improved working conditions gained from the approximately 150 EU SWITCH green business development projects, involving about 90,000 SMEs and 350,000 workers. The potential for improved documentation, dissemination and replication, was also highlighted, using the examples of Uganda, where green economy has become the main priority of the bilateral programme, building on the experience of SWITCH Africa, and of Algeria, where a national SWITCH programme is being set up.

In Africa, SWITCH results were delivered across four sectors: agriculture, manufacturing, waste and tourism, reporting efficiency savings on water, waste and energy consumption, improved business skills and job creation. Challenges identified include 1. improving access to finance, with 50% of beneficiaries surveyed indicating access to finance as the biggest issue, especially since interest rates can be up to 30% in Africa; 2. sourcing data on efficiency savings for comparative analysis, in particular related to the size of the companies; 3. replicating positive interventions; 4. sequencing synergies with national programmes; 5. financing mechanisms lending to Start-Ups; and 6. improved communications.

In the Mediterranean region, SWITCH significantly increased awareness and is now benefiting from a growing community of beneficiary ‘ambassadors’ sharing their positive experiences. During Phase 1 of SwitchMed, 125 companies from five sectors made 41 million euro annual savings on water, CO₂, energy and raw materials; 2,000 people were trained to set up green businesses, notably women and youth; and one regional and eight national pilot projects were concluded, contributing to stronger policy implementation. Phase 2 will start in January 2019. Challenges include synergies and coordination between programme components; sustainability of support services; adoption of SCP policies; demand for green products; access to finance for Start-Ups; monitoring, evaluation, and better communication.

In Asia, a growing awareness of SCP was achieved, through national dialogues in Thailand and Mongolia, multi-stakeholder consultation in India, and multi-country communications elsewhere in the region. Challenges identified: how to mainstream green economy across National Ministries beyond environmental departments; create synergies with other initiatives / actors in Asia; build an effective evaluation mechanism; and communicate to stakeholders outside the SWITCH family.

Other inputs on progress and challenges shared by participants include:

- Support to economic planning can be effective to integrate sustainability into jobs and growth policies and promote sustainable investments.



- Increased capacity and awareness is required within Ministries of Economy. Quantifying and monetizing benefits from the green economy transition, building for example on green business project results, can contribute to this.
- Better documentation of domestic spending on SCP can help to identify activities supporting the green economy, connect them, and improve the focus of both policies and business investments.
- A proper combination and sequencing of support activities is key. For example, raising awareness and building capacities are pre-requisites for policy development and implementation on domestic resource mobilization.
- Programmes need to become a catalyst for access to finance. Grants per se are not a sustainable financing mechanism so de-risking mechanisms are vital to enable access to finance, especially for SMEs and Start-Ups.
- Given that investments of different sizes are needed, a customized financial offer is required, with adequate structures and mechanisms in place.
- Proper environmental safeguards contribute to the improvement of the (green) investment climate.
- Building collective ownership among green economy stakeholders at country level is crucial for the sustainability of efforts beyond government. This requires mapping of actors working for the green transition in each country.
- Developing and sustaining the capacity of SCP service providers established and/or supported under the SWITCH programmes is important to enhance sustainability and scaling-up prospects.
- Communication is key. It requires tools to measure and document project results, as well as proper analysis on the drivers of the green economy transition.
- Transformational change can be supported by encouraging more 'local ownership' and identifying 'ambassadors' to promote the impacts made possible by SWITCH to Green.
- Better documentation of domestic spending on SCP can help to identify activities supporting the inclusive green economy, connect them, and improve the focus of both policies and business investments.
- Programmes need to become a catalyst for access to finance. Grants per se are not a sustainable financing mechanism so de-risking projects is vital to enable access to finance, especially for SMEs and Start-Ups.
- Developing and sustaining the capacity of SCP service providers established and/or supported under the SWITCH programmes is important to enhance sustainability and scaling-up prospects.
- Sequencing of capacity building prior to domestic resource mobilization is key. Given that investments of different sizes are needed, a customized financial offer is required, with adequate structures and mechanisms in place.
- Partners have to focus on changing the way of thinking of policy target groups, in particular the Ministries of Economy, by raising awareness and building understanding of green economy principles. If the results of SWITCH to Green projects are quantified and monetized, they can be presented to the Ministries of Economy with strong impact.
- Partners have to promote environmental safeguards to support a green investment climate, with EU delegations having a clear role to play.
- Communicating on green and inclusive economies is key, but this needs to be coupled with tools to identify and report on project results and the reasons facilitating the transition, using better analytics. For example, how does the SWITCH family analyse and scale results captured by the SWITCH Networking Facilities?
- Transformational change can be supported by encouraging more 'local ownership' and identifying 'ambassadors' to promote the impacts made possible by SWITCH to Green.



International cooperation on the inclusive green economy: reflections on the global context

Moderator: Bernard Crabbé, Head of Environment and Mainstreaming sector, Unit C2 - Environment, Natural Resources, Water, DG DEVCO

Panellists:

- Luca Marmo, International Resource Panel and G7/G20 Desk, Unit F1 – SDGs, Green Finance & Economic Analysis, DG Environment
- Asad Naqvi, Head, Secretariat of the Partnership for Action on Green Economy (PAGE), UN Environment
- Charles Arden Clarke, Head, One Planet Network (10YFP) Secretariat, UN Environment
- Stuart Worsley, Programme Director, Green Economy Coalition

This session discussed cooperation on Green Economy and SCP in the context of the global development and environment agenda, and how it supports the UN Sustainable Development Goals and the transition in partner countries.

In the EU, the circular economy action plan (CEAP) provides the basis for increased engagement with partner countries. The Commission is stepping up circular economy missions –which entail high-level political and business meetings- to communicate and promote sustainable and resource-efficient policies in third countries. Several missions are being planned to various countries in Africa and other regions in [2019](#).

As the panel pointed out, EU action on circular economy includes measures to tackle plastics challenges, which are also addressed at G20 level. The resource efficiency dialogue and action plan to combat marine litter launched by the German Presidency will likely be supported by the Japanese Presidency in 2019, with emphasis to curbing plastic pollution and fostering more circular use of plastic. In the G7, the French presidency is prioritizing climate change and biodiversity. Eco-systems protection will gain more attention since eco-systems and species loss, unlike climate change, are not reversible. In 2019, UNEA 4 will be an important milestone to promote green economy and SCP policies.

The panel also stressed the power of collective action to achieve impact at the highest level. The Partnership for Action on Green Economy (PAGE) has showcased a way forward, by connecting relevant UN agencies with corresponding national ministries to incorporate sustainability into national growth and jobs agendas while promoting civil society participation. The PAGE approach has resulted in collective national ownership beyond political parties, has supported the development of national plans which integrate environmental sustainability, and has encouraged high level commitments –e.g. UN Secretary General public comments on green growth etc. Some of the priorities identified by PAGE include capacity building delivery to create enabling policy environments; unblocking the flow of finance and linking it to policy targets; redirecting resources to focus on national development plans and identifying and replicating successes.

The panel emphasised the need for sequencing actions, starting with: 1. policy implementation, harnessing the engagement of the private sector to bring new political impetus to national governments; 2. quantifying environmental, social and governance (ESG) benefits by setting indicators; 3. communication across government departments; 4. inter-Ministerial collaboration;

5. financing of SCP policy projects with public sector seeding and private sector investment; 6. setting blending instruments to trigger scale; and 7. developing risk instruments to avoid bottlenecks.

The panel reminded participants that citizen-supported policies have the potential to transform. Communication on inclusive green economy can embrace ecological footprint, resource degradation and natural capital as well as SME growth and jobs, poverty and hunger relief and halting unsustainable practices such as brown energy subsidies. It is paramount to reach the critical mass that is needed.

Insights from the session raised by partners on the global context included:

- The need to create better policy-making synergies between the EU SWITCH programmes and macro-level initiatives like PAGE to improve uptake of successful results on the ground.
- Policy coherence can be improved by identifying the priorities of partner countries and by linking the resource efficiency agenda with biodiversity loss and climate change.
- There is space and commitment to work together as partners, but the level of analysis needs to be improved, notably on stakeholder mapping, segmentation and prioritisation.
- Partnerships with countries interested in SCP and circular economy approaches need to become more business-oriented, by for example, promoting EU domestic experiences during the DG Environment circular economy missions to partner countries, in collaboration with the EU private sector.
- Sequencing citizen dialogue early in the green economy transition will help establish positive and lasting policy co-creation.
- There is a need to improve analytics and establish a common framework for measurement at the outset with project indicators.
- The importance of framing messages to convey the value of inclusive green economies in the context of natural capital protection and climate mitigation. Multiple terms such as sustainable trade, gender equality or circular economy are not an impediment to communication.

The session concluded by emphasizing the importance of measuring impact, improving access to finance and creating internal and external synergies in order to scale up, as well as underlining collective ownership among partners, effective sequencing, capacity building and national stakeholder engagement.

Supporting green business access to finance

Moderator: Thibaut Portevin, Policy Officer, Green Economy, Unit C2 – Environment, Natural Resources, Water, DG DEVCO

Panellists:

- Francesca Raimondi, EIP Secretariat, DG DEVCO
- Adina Relicovschi, Deputy Adviser, Environment, Climate and Social Office, European Investment Bank
- Farzin Mirmotahari, Senior Operations Officer, International Finance Corporation
- Benoit Lallemand, Secretary General, Finance Watch

This session covered instruments to support business access to finance for green investments. It aimed to improve awareness on best practices to support green business access to finance and to identify follow up activities by Green Economy and SCP programmes, including creating synergies with the EIP.

The EIP is piloted in Africa and the EU neighbourhood. It includes 3 pillars: 1. mobilising investments –including private finance- through a new guarantee under the External Fund for Sustainable Development; 2. providing technical assistance to develop financially attractive projects and 3. improving economic governance, the business environment and engaging with the private sector. Investment windows include 1. MSMEs, 2. sustainable energy and connectivity, 3. sustainable agriculture, rural entrepreneurs and agribusiness, 4. sustainable cities, and 5. digital for development. The EIP should also be seen in the context of the EU partnership framework on migration. Tackling the root causes of migration means creating sustainable quality jobs.

The panel stressed the needs and opportunities to promote synergies with the EIP, e.g. by compiling regional data on environmental benefits to demonstrate the value of green economy projects, de-risking private sector investment, developing policy frameworks that support more long-term investments. Catalysing private investment beyond the EIP can also be beneficial, e.g. by linking projects on the ground with financing instruments.

The session showcased the experience of the EIB and IFC in mobilising sustainable finance, including private finance. For example the EIB launched in September 2018 a sustainability

awareness bond, prioritising funding in circular economy, natural capital, gender lending and economic resilience. IFC shared details on its work on promoting sustainability across value chains and supporting SMEs through local finance institutions, for example through the [Partnership for Cleaner Textile](#).

The panel emphasized the lack of working capital, which acts as a barrier to green supply chains. Financial incentives may thus serve to improve compliance levels. Equally the cost of financing may be reduced by improving compliance levels, with potential to revolutionize the supply chain. In effect, at the factory level, workers may come up with solutions that reduce resource use and make the company more attractive to investors.

The session stressed the importance of bringing together green entrepreneurs and the finance community to facilitate green businesses access to finance and sustainable investments. This is the approach pursued by SwitchMed, which has facilitated liaison between the ‘Switchers’ and the finance community in the Mediterranean region.

The panel noted some progress, in the aftermaths of the global financial crisis, towards increased accountability and sustainability, through e.g. improved investment rules, with the EU playing a leading role in the process. Understanding the blocking factors of sustainable finance, clarifying concepts, working on outreach and influencing, and building a new narrative which pays due attention to access to finance for small businesses will further build trust and engagement among citizens and entrepreneurs.



Improving the investment climate and the business environment

Moderator: Antti Karhunen, Head of Unit, DEVCO C4 – Private Sector, Trade

Panellists:

- Maarten Vleeschouwer, Policy Officer, Unit C1 - C.1 - Capital markets Union, DG FISMA
- Careen Abb, Programme Leader, Positive Impact Finance, UNEP Finance Initiative, UN Environment

The panel stressed the wide-ranging set of issues that create an investment climate that works for sustainability, including: dialogue between the private and the public sector, which is necessary for government reforms; consensus with civil society; political stability; and appropriate macro-economic policy, education, skills, taxation, and land rights. The pillar 3 of the EIP aims specifically to improve the investment climate in partner countries.

In this context, it is interesting to note that there is growing attention to sustainable finance globally, with various initiatives emerging over the past years. This includes the EU, which has adopted an Action [Plan for Sustainable Finance](#) in 2018. This Plan focuses on EU level action but can also serve as a blueprint for dialogue and cooperation with partner countries. Its main objectives are to: 1. reorient capital flows towards more sustainable investments; 2. integrate sustainability risks into risk management; and 3. foster transparency and long termism. Measures are now being rolled out, including the development of a taxonomy to define green investments; the creation of standards and labels, the strengthening of sustainability reporting and accounting requirements etc.

The panel noted the significant gap between sustainable finance needs and business-as-usual investments, highlighting the need for financial institutions to contribute to SDGs financing while mobilising private finance. Both the corporate sector and the public sector – including regions and municipalities- need to be mobilised in this process.

Actions such as UNEP FI's Positive Impact Initiative contribute to address this need. The initiative convenes banks and investors and reaches out to companies and public sector to develop a business approach to address the issues of sustainability and greening of investments. The Initiative acknowledges that risk profiles and returns have always been an issue in investment decision-making, but makes its case by proving that there are business models for positive impact sectors, such as education. By building understanding that positive impacts can become the heart of the business model, and can become the guarantee of profits, the Initiative helps rethink impacts in order to finance the SDGs, and showcases that delivery impact can become the motor of the green business model.

The Initiative has also shown that business models for sustainable supply chains must look at risk along the supply chain, including at consumer demand. A better understanding of impacts is required to help define positive impact products in terms of environmental, social and economic impacts.

The session concluded with several participants expressing an intention to promote sustainable finance and impact-based business and finance, and to share impact metrics.



Improving Knowledge Development, Sharing and Communication

Moderators: Isabelle Demolin, Communication expert, SWITCH to Green Facility and Jens Norgaard, SCP expert, SWITCH to Green Facility, Benjamin Simmons, Head, Green Growth Knowledge Platform and Alexander Charalambous, Team leader, SWITCH to Green Facility

Interventions by:

- Benjamin Simmons, Head of Secretariat, Green Growth Knowledge Platform
- Fabienne Pierre, One Planet Network (1OYFP) Secretariat
- Rhoda Wachira, SWITCH Africa Green, UN Environment Programme Officer
- Alexander Charalambous, SWITCH to Green Facility Team Leader

Two parallel complementary sessions were organised to provide forward-looking recommendations for the planning of activities on knowledge development, management, exchange and communication:

- A session on communication and outreach, focusing on perceived communication strengths, weaknesses, opportunities and threats, and on the potential to leverage major upcoming development cooperation processes.
- A session on knowledge development and sharing, focussed on IGE/SCP knowledge content to be created and exchanged with relevant target audiences.

Key insights harvested during the discussions are meant to form the baseline for next steps. These include:

- The diversity and the sheer number of partners –including international organisations, business organisations, NGOs and SMEs- is a core strength for the SWITCH to Green brand, covering both regional and global aspects of the Green Economy agenda.
- The brand is in constant co-creation as a living brand, harnessing the collective strength of the SWITCH family, with DG DEVCO as convener. There is some fragmentation in global efforts to promote the green economy transition. While fragmentation needs to be addressed, the diversity of actors and their communication can become a strength in a society with a growing appetite for the Green Economy.
- There are clear synergies between efforts to promote on green economy and cooperation in other sectors. It is

necessary to mainstream green economy considerations into other sectors, which SWITCH to Green partners should contribute to by communicating its results to new audiences.

- Different narratives linking SCP, Green Economy, and environmental topics such as biodiversity, plastics and climate change, can reach and engage different audiences. Existing information products and supporting structures (e.g. 10 YFP clearing house, GGKP) can be deployed to promote individual projects and programmes.
- Aggregating results can bring multiple benefits, yet the lack of interconnectedness and fragmentation at different levels is still a brake to coherence.
- Scaling up knowledge sharing can help achieve recognition and reach beyond the already convinced. High level events, such as UN events and national trade fairs among others, could provide key platforms to showcase aggregated results.
- Harvesting impacts is a powerful strategy to build ‘champions’ and ‘ambassadors’ for the programme, linked with the capturing of specific stories to create co-ownership.
- The perceived benefits of improved knowledge management are multiple: better accountability and transparency; improved performance and avoidance of duplication by building on existing work and learning lessons; improved communication of impacts and benefits to target groups – creating a good story to tell; availability of metrics for reporting on global development processes such as on SDG delivery; inspiration to expand cooperation and engage more stakeholders; fundraising; etc.



- Reporting on results has been quite successful at output level but relatively modest at outcome and impact levels, with behavioural change measurements identified as a major gap in IGE/SCP knowledge development. This is due to the complexity of the task, requiring effort to go beyond data capturing, to distil knowledge from the projects on the ground, including acquiring good knowledge of the baseline.
- Expected changes can be monitored through collaborative mechanisms - such as national committees and dialogue processes involving civil society and other stakeholders - and the application of best practices systems review. Several tools may be used for that purpose, such as surveys, interviews with stakeholders, scoping missions to establish the baseline, narratives identification using techniques like process tracing and outcome harvesting, and reporting frameworks.
- EU Delegations, together with the SWITCH networking facilities, can play a role in preparing knowledge-based information packs about SWITCH to Green and broader cooperation on green economy to increase visibility and advocacy, including to mobilise private sector investment.
- Reaching out to communities working on sustainable finance, social inclusion and poverty reduction can enrich the impact of the programmes e.g. dialogue with the ILO and potentially the World Economic Forum on labour employment issues.
- Engage with stakeholders at their point of comfort, but also migrate them towards becoming ambassadors, especially with a focus on private sector stakeholders.
- Give the floor to the change makers themselves – the people who benefit from SWITCH to Green can be authentic voices of SWITCH to Green.
- Target high level global visibility events as common communication milestones (e.g. UNEA-4, CBD in China).
- Create a common press pack for partners to test during major events where present.
- Better engagement / communication with EU Delegations. As a first step request to meet their communication officer to discuss a common approach.
- Share knowledge to avoid duplication, demonstrate cost efficiency by limiting duplicate tools and communication platforms, and better engage with stakeholders e.g. through online knowledge platforms.

Recommendations to be taken up within DEVCO and among partners include:

- Work towards building a single narrative that is larger than the sum of its parts and at the intersection of the different narratives, and focus on the right channels to reach key audiences.
- Mainstream messages on structural economic reform and link these messages with the different narratives on biodiversity, natural capital loss, and climate change.
- Harvest facts and figures on positive approaches and results, and report human stories to craft multi-donor intersectional success stories and share collective impacts.

