

DEVCO **Environment and Climate Week 2020**

Final report

17–21 February 2020, Brussels

Albert Borschette Congress Center (CCAB)

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INTRODUCTION

The **European Green Deal** signals a strong European ambition to lead international action on climate change and the environment. Europe wants to become the **first climate-neutral continent** in the world by 2050, to be a **world leader in the circular economy and clean technologies**, and to set **new standards for biodiversity**.

Together with the **2030 Agenda for Sustainable Development** and the **Paris Agreement**, this new policy framework calls for a fundamental rethinking of development models. International cooperation has an essential role to play in promoting **climate-neutral and resilient development**, the transition to **inclusive green and circular economies**, the conservation and sustainable use of **ecosystems and natural resources** and the preservation of **global commons**. The evolution of the global context and the scale and complexity of the challenges we face also call for **new forms of engagement with partner countries** based on mutual interests. Putting the right **policies** in place and **mobilising public and private investments** are central to this new approach.

DEVCO Environment and Climate Week 2020, in its third edition, was aimed at gathering colleagues from European Union (EU) delegations and headquarters to exchange views on the policy priorities of the new Commission — in particular, the **latest environmental and climate policy developments** —, to explore how to **strengthen the environmental and climate dimension of EU cooperation** and to discuss key issues. In the course of **thematic sessions** with **high-level speakers, group discussions and networking events**, participants had the opportunity to strengthen their capacity for ambitious environment and climate action through **policy dialogue, programming, mainstreaming and green investments**.

Participants in **DEVCO Environment and Climate Week 2020** considered opportunities for the effective implementation of the external dimension of the European Green Deal in **2021-2027 international cooperation programmes and investments**, in the context of the proposals put forward by the Commission for the **new Neighbourhood and Development International Cooperation Instrument (NDICI)** and the implementation of the **External Investment Agenda**.

The week also served to **strengthen collaboration between EU Delegations, DEVCO, the EEAS, and DGs ENV, CLIMA and NEAR** on issues related to the environment and climate.

This report summarises the main conclusions of each thematic session that took place (see overall programme on page 3), focussing on climate change; biodiversity; sustainable forest management; sustainable food systems; water and oceans; sustainable energy; green and circular economy; sustainable finance and green investments; sustainable cities; the EU Green Deal in its external dimension; and available tools and support services.

Programme

	Monday 17 February 2020	Tuesday 18 February 2020	Wednesday 19 February 2020	Thursday 20 February 2020	Friday 21 February 2020
9:00	High-level opening - Opening remarks, keynote presentation and panel discussion	Biodiversity Land-based approaches Nature-based solutions Natural resources-related conflicts Investing in ecosystems	Water and oceans in a changing climate Oceans – towards integrated approaches Considering climate change impacts on freshwaters	Transition towards green, circular and climate-neutral economies - Reforming the economic system - Operationalising EU ambitions through international cooperation	Sustainable cities
12:30	Latest policy and programmatic developments - European Green Deal, new financing instrument (NDICI) and programming		Sustainable energy - Clean cooking, energy efficiency and climate and environmental sustainability		Integrating the external dimension of the EU Green Deal - focus on programming - Greening EU cooperation - Alignment with NDCs - Supporting transformative action in future programmes
14:00	Climate change - Scientific evidence and sustainable development challenges - Negotiations and NDCs - Adaptation / disaster risk reduction/ disaster preparedness actions - Mitigation actions	Sustainable forest management - The EU action plan on deforestation and FLEGT		Sustainable finance & green investments - Building a financial system supporting sustainable growth - Promoting climate and environmentally sustainable investments in partner countries	Tools and support services
17:30		Sustainable food systems - Farm to Fork initiative - Sustainable agriculture	Regional meeting Africa (2 groups) Regional meeting America Regional meeting Asia and Pacific Regional meeting Neighbourhood		Closing session - Evaluation, conclusions and closing remarks
	Networking evening & launch of the landscape initiative				

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SESSION 1: CLIMATE CHANGE

1. Introduction by Stefano Signore, Head of Unit DEVCO C6
2. Scientific evidence on climate change and sustainable development challenges by Professor Jean-Pascal van Ypersele, Climatologist, Catholic University of Louvain / Intergovernmental Panel on Climate Change (IPCC)
3. Climate change negotiations and the role of nationally determined contributions (NDCs) by Elina Bardram, DG CLIMA and Achim Schaffert, EUD Namibia
4. Climate change adaptation and mitigation by Zinta Zommers, United Nations Office for Disaster Risk Reduction (UNDRR) / IPCC, Nacira Boulehouat, DG ECHO and Philip Owen, DG CLIMA

During this session, speakers from the Intergovernmental Panel on Climate Change (IPCC), DG ECHO, DG CLIMA, DG DEVCO and the EU Delegation to Namibia shared knowledge on scientific evidence of climate change and presented the state of play of the climate negotiations, and of the mitigation, adaptation and disaster preparedness actions in the context of the EU Green Deal.

The main messages of the session can be summarised as follows:

- **Global warming is real**, it is with us and it is serious but there is hope that with some technologies **we can avoid its worst impacts**.
- Emissions need to be cut to **(net) zero** as soon as possible and policy makers in the EU and its partner countries need to **follow IPCC recommendations more strictly**.
- With the EU Green Deal, the EU includes a strong financial plan to increase spending on climate action to **25% of its budget** and a proposal to increase EU emissions targets to minus 50-55% below 1990 levels by 2030. This leads to green-growth opportunities with partner countries for a "just transition."
- **Solutions and diplomacy** must be tailored via EUDs with HQ support. They need to be **context specific** and **aligned to the SDGs**.
- **Energy and climate-related diplomacy** needs to be a **combined approach** linked with environmental diplomacy as well biodiversity and nature-based solutions.
- In 2020, it is time to **increase the ambition and the credibility of Nationally Determined Contributions (NDCs)** and their implementation. Moreover, this is a good NDC programming approach opportunity.
- In just 20 years, the energy demand and use profile of the world has radically changed and rapid improvements in **energy efficiency via buildings and in transport are essential** to ensure the Paris Agreement is a success.

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- Regarding climate change **adaptation**, the EU has to increase **investments in key sectors** such as infrastructure and water, supported by policies and strategies, **risk preparedness and enabling recovery**. Also, EUDs and ECHO need to work interconnectedly. The EU's new strategy on Climate Change Adaptation will include a chapter on external actions.
- In addition to top-down national signals, business through investment and **local governments** are taking measures to decarbonise, which are important as well.
- The role of the EUDs is essential in building broad understanding and in prioritising policies/actions with the **greatest potential for transformational change**.
- **EUDs need more guidance** on how to communicate EU positions and priorities in the lead-up to and following key junctures in the multilateral calendar.
- There is a need to **share success stories** with partner countries.

During this session, participants concluded that the European Green Deal knits together many sectors and actions key to promoting low carbon pathways. EUDs are essential to create green-growth opportunities with partner countries. When programming, it will be important to prioritise where existing **policies have potential for transformational change**, given **national and regional contexts**, and where glaring omissions need to be filled. Support from HQ is strong and modalities will be presented throughout the week.

SESSION 2: BIODIVERSITY

1. Moderation: Philippe Van Damme, Adviser to the Managing Director for Africa EEAS
2. Fighting biodiversity loss and climate change: exploiting the synergies by Herbert Lust, Vice-President and Managing Director, Conservation International
3. The road to the UN Biodiversity Conference in Kunming by Humberto Delgado Rosa, Director for Natural Capital DG ENV
4. Translating biodiversity priorities in EU cooperation by Francesca Di Mauro, Director for Central Africa DG DEVCO and Chantal Marijnissen, Head of Unit DEVCO C2
5. Lessons learnt from EU support to the biodiversity strategy of DRC by Daniel Hachez, Head of Cooperation EUD Democratic Republic of the Congo (DRC) (via video conference)

Parallel break-out groups:

Group 1
Room 0.D
Land-based approaches

Group 2
Room 0.B
Nature-based solutions

Group 3
Room 0.C
Investing in ecosystems

Group 4
Room 1.B
Natural resources-related conflicts and human rights

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(1) Land-based approaches

Room 0.D

- Integrated Landscape Management in the Tonle Sap Biosphere reserve by Clemens Beckers, EUD Cambodia
- Integrated Landscape Management, including at multi country level by Sylvanie Jardinet, EUD Cameroon

(2) Nature-based solutions

Room 0.B

- Using nature-based solutions for coastal management by José Legarra, EUD Barbados
- Regreening Africa by Patrick Worms, World Agroforestry Centre (ICRAF) and Mersha Argaw, EUD Ethiopia

(3) Investing in ecosystems

Room 0.C

- Presentation of the Natural Capital Financing Facility by Stephen Hart, European Investment Bank (EIB)
- Nature-based tourism to attract investment for conservation by Thomas Yatich, EUD Kenya
- Financial instruments for conservation by Johnny Ariza, EUD Colombia

(4) Natural resources-related conflicts and human rights

Room 1.B

- Promoting responsible business conduct in natural resources-related conflicts by Beatrice Bussi, EUD Guatemala
- Co-benefits of protected areas for local communities and wildlife, fighting wildlife and timber trafficking by Camille Pubill, EUD Republic of Congo

With the new European Green Deal defined as the priority of the European Commission, **biodiversity for people and nature** is now firmly at the forefront of the world's development agenda. The opening session key note addresses by Humberto Delgado Rosa (Director for Natural Capital DG ENV), Chantal Marijnissen (Head of Unit DEVCO C2), Herbert Lust (Vice President and Managing Director of Conservation International) and Arnold de Dixmude (EUD Kinshasa) all reinforced the message that **the healthy ecosystems that biodiversity creates are critically important for both livelihoods and climate change mitigation**. However, as Humberto Delgado Rosa aptly put it '...nature's invoices are coming...' and it is time for decisive and transformative action. Participants were reminded that this urgency is now reflected in the latest World Economic Forum list of top 10 'global risks', five of which are related to the environment (as opposed to 1 out of 10 in 2011). It was also noted that **nature-based solutions can contribute to over 30% of the Paris climate change mitigation targets** and yet only 2% of climate funds go to biodiversity actions, despite the fact that nature-based solutions are orders of magnitude more cost effective and sustainable than technological solutions.

Participants then split into four break-out groups to discuss four topics: land-based approaches; nature-based solutions; investing in ecosystems; and natural resources-related conflicts and human

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rights. In each group, delegations shared examples and lessons learned from selected local projects and then split into 2-3 person 'buzz groups' to identify opportunities, challenges and strategic approaches for developing transformative actions for biodiversity. A number of important common themes emerged from these discussions. **Security of land tenure and user rights are critical** to mobilising local communities and indigenous peoples behind practices that maintain the ecosystem goods and services upon which their wellbeing depends. This security of tenure has important knock-on effects for improving governance and reducing conflict, both of which are key constraints to effective biodiversity conservation and sustainable socio-economic development. Adopting a **landscape approach provides an ideal framework for working with multi-stakeholders** (local communities, public & private sector, protected areas, etc.) in a coordinated manner that **preserves the natural capital and maintains ecological linkages between important biodiversity areas** (including protected areas), while at the same time providing opportunities for developing biodiversity-based value chains (including with the private sector). However, in addition to requiring considerably more financial resources than are currently available, the landscape approach requires a concerted effort to tackle the pervasive issue of weak **territorial governance**. This must be achieved through re-establishing the balance of power between the different actors and ensuring that natural resource-use actors in the landscape have the appropriate long-term mandate for managing the resources for which they are responsible (for example community conservancies or concessions, public-private partnerships for protected area management, etc.).

Another key point to emerge from the discussions is the need for **much better communication** (and **education**) on the economic and social values of ecosystems and the goods and services that they provide. Lack of political will for biodiversity interventions is generally because the links between the effects of climate change/extreme events and degrading ecosystems is simply not understood by decision makers.

SESSION 3: SUSTAINABLE FOREST MANAGEMENT

1. The role of EU delegations in the implementation of forest-related policies: EU Communication on Stepping up EU Action to Protect and Restore the World's Forests and 2018-2022 FLEGT workplan by Astrid Schomaker, Director DG ENV and Patrice Moussy, DEVCO C2
2. Lessons learnt from EU support to forest governance and sustainable forest management in partner countries by Solomon Ioannou, EUD Honduras, and Mersha Argaw, EUD Ethiopia



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Action on forests is a prerequisite of achieving many SDGs and EU commitments in different domains, including climate, biodiversity conservation, livelihoods, human rights, governance or the fight against organised crime. The experience shared by EUDs illustrated that support for the forest sector has many positive spill-over effects. The **cross-cutting role of forests is a key to success** for the implementation of the external dimension of the European Green Deal.

An overall picture of the EU policy framework relevant to forests was provided. The EU Communication on ‘**Stepping up EU Action to Protect and Restore the World’s Forests**’, released in July 2019, including its 5 pillars and its first stages of implementation, were presented in detail. Deforestation and forest degradation are at the forefront of the attention of EU policy makers. Agricultural expansion is responsible for 80% of deforestation worldwide. The EU bears its share of responsibility through imports (“imported deforestation”). The European Commission is thus examining additional mandatory and voluntary measures to **promote products and value chains that do not involve deforestation and forest degradation**. It is a complex exercise; enforceability and potential impacts on third countries must be assessed. The EU can have a positive impact but it cannot act alone, we need to focus on **strengthening dialogue and practical cooperation with both producing and consuming countries**.

To achieve an effective integration of forests in future EU programmes and political dialogues with partner countries, DEVCO is developing a concept of “**Forest Partnerships**” around the principles of mutual interest, an integrated approach reconciling different uses of forests, and country-specific measures. Forest Partnerships will provide a structured, jointly accountable frame within which to work with partner countries on forest- and deforestation-related issues. The scope will thus be much broader than in FLEGT/VPA processes. The EUDs will play a crucial role in making the Forest Partnerships actionable, while guidance and support from HQ must be strengthened. Consultations about the concept are ongoing and input from the EUDs will be appreciated.

Key conclusions and recommendations:

- The objectives of the **Green Deal**, SDGs and many EU sectoral strategies cannot be achieved without a decisive action on forests.
- Different uses of forests must be reconciled to reverse the decline of forests.
- We need to build on the successful experience of **FLEGT/VPA** and the potential for positive spill-over effects of the forest sector.
- The new concept of “**forest partnerships**” (under development) seeks to propose an integrated and locally appropriate answer over a long-term engagement in partner countries in the framework of development cooperation.

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- We need to move to a “**deforest-proof**” EU cooperation in all sectors. But the common definition of deforestation-free supply chains accepted by all partners is a big challenge.
- A coherent approach by all DGs is essential.

SESSION 4: SUSTAINABLE FOOD SYSTEMS

1. Introduction to the Farm to Fork initiative in EU international cooperation by Wim Olthof, Deputy Head of Unit DEVCO C1
2. Sustainable food systems by Emile Frison, member of the International Panel of Experts on Sustainable Food Systems (IPES)
3. Land governance – a key factor for sustainability by Michael Taylor, Secretary General International Land Coalition (ILC)
4. Deforestation-free and sustainable agricultural value chains by Regis Meritan, DEVCO C1
5. Rwanda’s experience in agroforestry by Pascal Zahonero, EUD Rwanda

Farm to Fork is one of the proposed initiatives under the Green Deal: it focusses on the sustainability of food systems in the EU and has essential **connections** with other Green Deal strategies (climate law, biodiversity, circular economy) and has an important **external dimension**.

Our **current food systems** are **not sustainable**: hunger and malnutrition, health issues, environmental and climate impacts, social inequities: a **profound transformation** is needed!

To build **Sustainable Food Systems**, both subsistence farming and industrial farming have to evolve towards a new paradigm: **diversified agroecological farming**. In terms of food security, climate change, environment impacts, **agroecology** is a promising, **multi-purpose** avenue; it achieves several **SDGs** across economic, social and environmental levels.

The potential of agroecology is supported by **evidence**: increasing amounts of scientific research, concrete results of applied **innovation** (over 500,000 farmers apply agroecology in India, with a 20% productivity increase and a 50% income increase).

Land governance is a key factor for sustainability: most sustainability actions in the sector require transparent and stable land tenure systems. Land governance must thus be integrated in Food Systems strategies.

The **EU already engages in innovative actions** to support this transition to more sustainable food systems.

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With Côte d'Ivoire and Ghana (accounting for 55% of global cocoa production), the EU supports a proposal to reform the **cocoa value chain**, setting a new standard for decent living income, no deforestation and no child labour. This would make cocoa the **first fully sustainable global agricultural commodity**.

The EU supports Rwanda in its unprecedented efforts to preserve its **natural capital for agriculture**. There are multiple **positive** experiences in promoting **agroecological and agroforestry** practices, with impressive results, at multiple layers (from policy dialogue to research and fieldwork), with different tools and instruments (budget support, project approach, DeSIRA¹), and ensuring complementarity between actions, stakeholders and donors.

SESSION 5: WATER AND OCEANS IN A CHANGING CLIMATE

5.1. OCEANS – TOWARDS INTEGRATED APPROACHES

1. EU oceans policies and international processes by Stefanie Schmidt, MARE B1
2. Promoting regional cooperation – experience from political dialogue under PEUMP by Adrian Nicolae, EUD Fiji
3. Sustainable blue economy – fisheries and sustainable value chains by Christophe Larose, DEVCO C1
4. Specific conditions and needs of coastal communities by Bérénice Muraille, EUD Haiti and Federico Esteban Suárez, EUD Guyana and Suriname
- 5.

Global discourse on oceans is changing towards an integrated narrative, taking into account all interactions and mutually reinforcing pressures the oceans are facing, and finally recognising the **climate-ocean nexus**. Ocean health is rapidly declining threatening livelihoods and prosperity. Oceans have a **crosscutting role in the 2030 Agenda** and are part of the external dimension of the Green Deal. The EU is the top donor, service provider and blue economy business partner. The EU's priority is **International Ocean Governance** (IOG) and the development of a **sustainable blue economy**; it is a complex but very concrete issue with many co-benefits. It concerns all geographic areas and many areas of development cooperation (food security, pollution, climate change, biodiversity, ecosystem approach).

¹ Development Smart Innovation through Research in Agriculture

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EU cooperation must reflect the fact that the ocean is a complex set of interconnected systems by promoting holistic, cross-sectoral and cross-regional approach.

- **EUD shared lessons learnt and best practices** from different types and scales of actions. In practice, it is a big challenge to establish a holistic political dialogue and cooperation beyond specific topics such as fisheries, and break “the silos”. Capacity building across all areas, considerable time and effort to put in place functional multi-stakeholder processes are some of the preconditions. Broadening the scope of the dialogue would require systematic support from line DGs as the expertise in EUDs is already strained.
- The concept of **sustainable value chains in fisheries** fits well into this approach. This practical tool can help in designing support to fisheries and aquaculture in a way to help boosting economic returns and social equity while reducing negative impacts on the marine environment, as well as in understanding the impacts of investment in fisheries value chains.

Key conclusions and recommendations:

- **Healthy oceans have a cross-cutting role in the Green Deal**, climate related objectives and SDGs; a bigger role for oceans in the programming will bring many co-benefits.
- **Oceans are interconnected**: a truly integrated approach across sectors, borders and actors is the only way to address drivers of ocean degradation effectively and efficiently.
- **Establishing a political/policy dialogue on the complex issue of ocean governance** requires closer collaboration between line DGs (ENV, CLIMA, MARE) and EUDs.
- **Value chain analysis** is an available tool to facilitate the development of the sustainable blue economy, to link livelihoods and the preservation of natural resources.
- **Environmental action** is very relevant in fragile contexts.
- **Innovative financial tools**, such as blue bonds, cannot solve all issues if a sound business environment is not in place.

5.2. CONSIDERING CLIMATE CHANGE IMPACTS ON FRESHWATERS

1. Water and climate change by Sonja Koeppel, UN Water Convention Secretariat (UNECE)
2. Policy update – Water and the Green Deal by Claudio Bacigalupi, DEVCO C2
3. Creative solutions to new challenges by Anna Beserra, UN Youth Campion
4. Resilient water services – a critical line of defence against climate change by Jonathan Farr, WaterAid
5. Eco villages case study and positive lessons learnt on water by Jenny Correia Nunes, EUD Tanzania



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Water is the primary medium through which we will feel the effects of climate change. Water availability is becoming less predictable in many places, and increased incidences of flooding threaten to destroy water points and sanitation facilities and contaminate water sources.

In some regions, droughts are exacerbating **water scarcity** and thereby negatively impacting people's health and productivity.

During the session, different actors active in international development cooperation (ranging from the EU and the UN to NGOs and youth champions) demonstrated the range of **water and sanitation actions** underway to address these challenges — **at diplomatic, political, technical and community levels**.

In particular, the session underlined that the EU Green Deal provides a framework to cooperate with partners from other sectors, increase the resources needed, and tackle the water and sanitation issues, which support all segments of society.

With presentations on recommended policies and practical cases for **water-smart climate mitigation** and adaptation measures, the speakers tackled the issue and demonstrated the significant co-benefits of managing water resources and climate in a more coordinated and sustainable manner.

The main messages of the session can be summarised as follows:

- A change in the **understanding of the WASH sector is needed**: it is not only a tap and a toilet. The Green Deal offers a framework to do so with a multisectoral approach.
- As **climate-vulnerable societies** experience changing weather patterns, ensuring that everyone has access to sustainable water and sanitation services is a critical line of defence and an important climate change mitigation strategy for the years ahead.
- Currently, very low levels of **climate finance** are directed to the water and sanitation sector, reflecting the need to urgently recognise the role of WASH in climate resilience.
- Unconventional uses of water (e.g. water harvesting, faecal sludge management, etc.) and **context specific technologies** offer the opportunity **to better face water scarcity and pollution**.
- **Youth and women have an important role to play**. They can become creators, leaders, and entrepreneurs in addressing the challenges of the sustainable management of water resources in a changing world and global climate.

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SESSION 6: SUSTAINABLE ENERGY

1. Introduction by Stefano Signore, Head of Unit DEVCO C6

Clean cooking and its links with the climate and the environment

2. The clean cooking sector and its links with the climate and the environment by Maryse Labriet, EU Technical Assistance Facility
3. New thoughts and activities on clean cooking by Athena Koulouris, DEVCO C6
4. Health as an action driver toward clean cooking solutions by Jessica Lewis, WHO
5. Market evolution, opportunities and future of the clean cooking sector by Shrikant Avi, Clean Cooking Alliance
6. Clean cooking in the Dominican Republic by Sarah Soriano, EUD Dominican Republic

Fighting climate change with energy efficiency

7. Scene-setter on energy efficiency and its role in fighting climate change by Wolfgang Mostert, energy consultant
8. Upcoming EU strategy and activities on energy efficiency by Nicolas Ritzenthaler, DEVCO C6
9. Experiences from the field by EUD Egypt and EUD Tanzania

Promoting **energy efficiency and clean cooking solutions** is key in order to achieve **SDG7 targets** (and other related SDGs) and will contribute to the external dimension of the **European Green Deal**. Boosting market penetration and developing adapted sustainable business models will reduce fossil fuels import dependency, urban air pollution, CO2 emissions, pressure on natural resources, health, and gender. This will support energy savings and maximise socio-economic and development impacts.

Clean Cooking – shifting our approach?

Close to 3 billion people still rely on fossil fuels for cooking and almost 4 million annual premature deaths are attributed to household air pollution mainly from the smoke of inefficient cookstoves. Clean cooking not only has environmental and climate change impacts but also addresses health issues. In that sense the WHO definition of “**clean**” is related to a **set of criteria having an impact on health and does not exclude unsustainable fuels**. Recently new technological developments have contributed to cleaner or more efficient solutions. However, their **market penetration** is still weak and the solutions not yet affordable for many due to a huge financial gap. The Clean Cooking Alliance presented identified innovative business models that could be scaled up. Those models are more successful when tackling the whole value chain, integrating stoves and fuels and combining

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sectors. DEVCO C6's action under the annual action plan aims at **shifting from a traditional grant approach to a market approach mainly by de-risking investments in the clean cooking sector.**

Fighting climate change with energy efficiency

The world is far from meeting SDG 7.3's target (double the global rate of improvement in energy efficiency by 2030) as there is a slowdown in progress towards energy efficiency. **Adapted regulatory frameworks, innovative financial schemes, such as Super-ESCO and Demand-Side Management (DSM), are key** to overcome the lack of proper policy makers and company managers' awareness of the need to save energy even in sectors where energy only represents a small share of costs. DEVCO presented the **super-ESCO business model**, designed for large public sector demand. Therefore, only a few middle-income countries are concerned. In this business model, a publicly owned, commercially operating project developer and investor, 'Super ESCO' will (i) develop projects (e.g. street lighting), (ii) aggregate projects to generate economies of scale for its clients (e.g. municipalities), (iii) develop model templates of the agreements, payment security, memorandums of understanding, etc., necessary for project implementation, and (iv) assist the financing of energy efficiency (EE) projects. The structure has the added attraction of potentially enabling the issue of a green bond, based on the annual EE-service revenue income, which can be sold on the local capital market and enable the money from the bond sale to be used for new EE-investments.

Key concerns and ideas raised by the audience

Concerning clean cooking, EUDs expressed their own experiences and raised a few concerns mainly linked to the choice of solutions: **clean or sustainable?** HQ underlined that the choice is subject to the local context and that various elements should be taken into account in the selection of the solution. HQ welcomes feedback from EUDs to gather relevant information to feed further discussions.

The practicalities of the Super-ESCO scheme were widely discussed in light of experiences in Moldova and Nepal (measurement of savings, use of saving certificates and reimbursement of EU funds). The question of using the Super-ESCO model for the transport sector was raised.

Key conclusions and recommendations

There is no one-size-fits-all solution. Every solution has to be adapted to the needs and the local/country context. New emerging business models, an enabling environment, financing schemes and de-risking investments are needed to scale them up and make them affordable to all.

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Tackling clean cooking in an integrated, coordinated manner and adapted to the local context is essential. Adapted business models such as Super-ESCO have proved efficient to aggregate the demand and reduce transaction costs, reinforce the capacities of the beneficiaries, and foster the local banking sector.

Innovative business models at country level should aim at (i) increasing the **sustainability of the action** (beyond EU/DFIs action), (ii) increasing **private sector involvement** by de-risking investment and leveraging **local funding**, (iii) increasing **development impact**, and (iv) increasing **local institutional support and ownership**.

SESSION 7: TRANSITION TOWARDS GREEN, CIRCULAR AND CLIMATE NEUTRAL ECONOMIES

1. Moderation: Sandra Kramer, Director for West and East Africa DG DEVCO
2. Keynote presentation on reforming the economic system to tackle the environment and climate crisis by Sandrine Dixon-Declève, Co-President of the Club of Rome
3. Global and EU policy context on circular economy, Astrid Schomaker, Director for Global Sustainable Development, DG ENV
4. Operationalising EU ambitions through international cooperation - Panel discussion with
 - Thibaut Portevin, DEVCO C2
 - Lidia Afonso Gallegos, EUD South Africa
 - Cécile Leroy, EUD Vietnam
 - Asad Naqvi, Partnership for Action on Green Economy (PAGE) Secretariat
 - Oliver Greenfield, Green Economy Coalition

- The **European Green Deal** is a **high priority EU growth agenda**, responding to an economy that is not fit for purpose, by dealing with the cause rather than treating the symptoms. It **promotes a well-being economy**, in order to align to the global demand to save the planet and benefit the people. As such, it raises an ambition to stimulate new Green Deals around the world.
- **Circular Economy is at the heart of the European Green Deal**, contributing to a development that respects planetary boundaries, in terms of both resource use and greenhouse gas emissions. Within the EU, several initiatives already exist in support of the Circular Economy; but **the EU cannot be circular in isolation**. Circular Economy is the desired model for articulating development approaches by EU partner countries, to the benefit of EU businesses and their value

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chains, globally. As such, Circular Economy should not be merely understood as a waste policy, but as a holistic approach to a resource efficient society.

- **EU Delegations are key actors** in stimulating the political buy-in to change our economic models: EUDs have a key role to play in identifying the Circular Economy transition entry points, helping governments integrate sustainability into their economic growth policies and connect policies with financing, supporting private sector engagement (including by leveraging trade), and building capacities of local institutions and actors. **DG ENV, together with DG DEVCO, joins forces to mainstream the Circular Economy in all actions**, and to strengthen Circular Economy missions. The **EIB has initiated a divesting process**, with other central banks globally already taking relevant decisions on their investment portfolios.
- **There is still a long way to go for the circular economy transition**, hence the need to mobilise civil society to stimulate relevant discussion and support, notably in terms of articulating a narrative on how the circular economy improves people's lives. Such a narrative demands new metrics (beyond GDP, internalising externalities), a clear focus on implementation, due consideration of social and economic implications of new technology, and innovation linked to people, planet and prosperity, in order to convince broader audiences. **Prospects are promising**, with the Circular Economy transition having already attracted the interest of young people, for whom ownership is no longer a fundamental concept.
- **Policy engagement, circular economy missions and green investments** can be instrumental in supporting the transition to a low carbon economy.

SESSION 8: SUSTAINABLE FINANCE AND GREEN INVESTMENTS

1. EU approach to shift investments towards circular and climate-neutral economies - Introduction by DEVCO C6
2. EU Action plan on sustainable finance and EU classification system Caroline Wellemans, Head of Unit DG FISMA
3. Integrated National Financing Frameworks (INFFs) by Elise Hadman, DEVCO A2
4. Fiscal policies for climate and environmental action (OECD)
5. Experience from an EU Delegation
6. Mobilising external investment instruments to support green investments by DEVCO C3 and C7
7. Cooperation with the EIB under the next MFF and Green Deal by Richard Amor, EIB
8. Experience from Latin America by DEVCO G and an EU Delegation



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Sustainable finance is fundamental to **achieve the EU Green Deal** in Europe and worldwide, and to address global challenges like climate change and biodiversity loss. **Public and private capital flows** need to be **reoriented in the next 10 years** in order to finance the **transition towards carbon neutrality**. Green financial products aligned with environmentally sustainable objectives have the potential to mobilise private capital and to effectively redirect investment flows towards sustainable development objectives.

The upcoming **EU Taxonomy** is a **powerful tool to identify green investments** contributing to this goal, by promoting a common classification system at EU level that defines “environmentally sustainable” economic activities. The tool is relevant for EU international cooperation. Once implemented, the taxonomy will decrease costs and create a significant incentive for economic actors, facilitating access to cross-border capital markets for sustainable investments. Based on the Taxonomy, the EU will also develop a Green Bond Standard aiming at **reorienting private capital worldwide**. The Standard will enhance transparency, comparability and credibility of the green bond market and encourage market participants to issue and invest in EU Green Bonds.

Better shaping fiscal systems and policies including the promotion of **Green Public Finance Management** — e.g. carbon tax policies and support for a just transition, environmental taxes, emissions trading systems or the removal of harmful subsidies — can contribute to improved alignment of EU partners’ economic policy with the Paris Agreement. **Blending operations in EU support** may also provide opportunities to finance the green transition in line with the 2030 Agenda and the Paris Agreement. **Integrated National Financing Frameworks (INFFs)** are also a possible tool to match sustainable finance goals with means of implementation.

EUDs have a key role to play in promoting sustainable finance, notably through the provision of support for the development of investable project pipelines, the improvement of investment climate and the development of capacities in local players, including development banks, financial institutions and companies. **It is thus crucial to ensure coordination amongst EU Delegations and financiers in the upcoming programming cycle in order to define the future pipeline of the European Fund for Sustainable Development - EFSD+.**

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SESSION 9: SUSTAINABLE CITIES

1. Introduction: the centrality of cities in delivering on the external dimension of the Green Deal by DEVCO C5
2. Green city planning and implementation in practice – the case of an African city by Issac Mugumbule, Kampala City Authority
3. EU Lessons learned and good practices in green cities by Maryke van Staden, ICLEI (Local Governments for Sustainability) World Secretariat

Sustainable development is primarily up to **city governance**. Cities can be a **driving force in sustainable and green development**, which in turn allows them to adequately address specific actions to shape and **articulate green policies**. By its nature, urban concentrations generate value through economies of location and of agglomeration, impacting on most businesses but also on public goods and services. For example, ensuring provision of infrastructure and services, keeping down waste levels, reusing waste streams and delinking a high quality of life from high levels of resource consumption (and greenhouse gas emissions).

The objective of this session was to emphasise the necessity of having a specific urban perspectives to advance green deal actions; hence promoting the **role of cities in advancing sustainable and green development**.

This session debated how to **strengthen sustainable and green urban development**; how to get a better understanding of what the key elements or conditions are for implementing appropriate measures to shape **green policies**; and how to analyse the major constraints to designing and implementing **green measures** and actions in partner countries **based on EU cities' good practices**.

Some of the conclusions of this exchange with participants were:

- Cities and urban development are key to a green/low carbon transformation. Cities are an essential element for delivering on the **Green Deal**. Inside the EU the Green Deal focusses on a wide range of policy measures. It is essential to share EU good practices to inspire cities to take actions and initiatives to foster sustainable development.
- To fully embrace their leadership role in implementing sustainable and green development, cities and local governments in partner countries need **appropriate governance structures**, additional **capacity, financing, and technology** to make and implement relevant policies and actions– linked to waste management/plastics, sustainable mobility, residential energy



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consumption, etc. How a city is planned, managed and governed has important implications for green policy efficiency.

- Major environmental issues including **waste management, air quality, urban mobility or the green economy** can only be tackled efficiently if addressed in the context of sustainable urban development.
- Beyond national policy frameworks, new forms of **engagement with cities**, including with **civil society** and the **private sector**, are required to ensure proper implementation of environmental policy.
- In our partner countries continued rapid urban expansion necessitates a strong focus on urban development per se — and not just on environmental issues — to **advance green transformation**.
- “Cities that work” may deliver jointly on **greening and job growth** — this is key.
- The next programming aim is to have **comprehensive urban development programmes** in a number of countries, regional facilities and access to finance programmes.
- Kampala is an excellent example of a capital city taking the green agenda forward. Uganda established the *Kampala Capital City Authority* to drive this process. They are dealing with key sectors (**revenue collection, treasury, gender, education social services, physical planning**, etc.) to address issues comprehensively and avoid a silo approach. Moreover, an action strategy has been put in place.
- ICLEI (Local Governments for Sustainability) works with five pathways to create systemic change. There is a framework for designating integrated solutions that balance patterns for human life and the built and natural environments. Pathways encourage **holistic thinking with political involvement**.

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SESSION 10: INTEGRATING THE EXTERNAL DIMENSION OF THE GREEN DEAL IN PROGRAMMING

1. Introduction to the DEVCO approach for greening EU cooperation by Andrea Alfieri, DEVCO C6
2. Environment and climate change mainstreaming: results and trends by Juan Palerm, DEVCO Environment and Climate Change Mainstreaming Facility
3. How can the EU support the Paris Agreement implementation in partner countries? NDC based approach by Nicola Di Pietrantonio, DEVCO C6
4. Group exercise on transformative change through country programmes:
 - Group (1): Sustainable agriculture and land use
 - Group (2): Sustainable finance and investments
 - Group (3): Circular and climate-neutral economies
 - Group (4): Ecosystems and nature-based solutions
 - Group (5): Sustainable cities
 - Group (6): Water and oceans
 - Group (7): Sustainable energy

Group discussions took place to explore what is needed to **align programming to the pillars of the Green Deal**. Some common elements were highlighted in the different presentations. These included the importance of policy dialogue; the potential of investments, bringing in the private sector and de-risking; the importance of having good data, but also good monitoring & evaluation systems in place; multi-sector links were emphasised, where actions under different sectors can be mutually reinforcing (e.g. agriculture-biodiversity-circular economy-finance-governance, education). Governance and education were highlighted as areas of attention, offering an important potential to contribute to environmental sustainability. Interventions should not be limited to specific projects and should also be looking at aspects such as policy, regulatory and planning systems, where instruments such as the Strategic Environmental Assessment (SEA) can play a role in constructing sustainable project pipelines.

Some key elements highlighted in the different groups are described below:

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Sustainable agriculture and land use

Promote **sustainable food systems** (e.g. agroecological approaches, soil & water conservation, forest management, sustainable livestock management, context-specific approaches, integration of livestock and agricultural systems); **land use planning and governance**; **sustainable value chains** and integration of the circular economy (all components of value chains); **evidence-based approaches** (research and innovation, local knowledge); and **multi-sectoral approaches**. Some elements to consider include **political commitment** within DEVCO and partner countries; **policy dialogue** and **capacity building**; **integrating environment and climate change from the very start**, and effective **monitoring and reporting**.

Sustainable finance and investments

Moving from a “do no harm” to a “do more good” approach. Strengthening **capacities of local financial institutions** in addressing sustainability; understanding how **“bankable” projects can also be “sustainable”**; understanding that **IFIs** need to take the risk to provide local currency; creating **platforms** that address all stakeholders, including public institutions and the private sector. This requires **detailed knowledge of the financial sector** in the countries where we operate, including of the informal financial sector; using a **value chain approach**; having **more in-depth knowledge of how IFIs operate** (e.g. seconded experts from IFIs).

Circular and climate-neutral economies

Policy dialogue is fundamental. There is an important potential for **pilot projects**. It is also important to work on trade and investments, where we can support the **“greening” of economic policies**. This requires **capacity building**, **knowledge transfer** and **learning from experience**. A **multi-stakeholder approach** is necessary, engaging also with CSOs and the private sector. It is important to have a **value chain approach**, not only integrating waste streams into production, but also guaranteeing the markets are there.

Ecosystems and nature-based solutions

Some ideas that could be pursued include **valuation of ecosystems**, the importance of **information on biodiversity** and of planning tools across all sectors; **promoting a landscape approach**, highlighting also the importance of **stakeholder mapping** and identifying the real centre of decisions; **supporting Ministries of Environment** financially, technically and politically, as well as in

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their mainstreaming function; recognising the opportunities from **supporting CSOs**; addressing **transformative sectors**, such as forestry, energy and infrastructure; **political dialogue** is fundamental.

Sustainable cities

Strong **governance systems** are needed, and **policy dialogue** is also highlighted as fundamental. Mainstreaming needs to be built into **urban planning systems**. **Public authorities** need to be empowered, in addition to having the political will. Decisions need to be **context-specific**. **Strategic partnerships** are important, e.g. the Covenant of Mayors for sub-Saharan Africa. It is important to also work on **secondary cities**, which can bring more achievements and help address decentralisation of goods and services. It is important to ensure **domestic revenue mobilisation**; local authorities should have the mandate to raise resources to run operations. Finally, participants highlighted the importance of **education and awareness** to build sustainable cities.

Water

The group has suggested targeting interventions in specific areas, such as water supply, pollution control, resource recovery and technical assistance – it is key to have an integrated approach, multi-sector, and including elements such as the economy, land protection, biodiversity and addressing future planning scenarios; make use of **pilot projects** that can be scaled up, using flexible schemes and opening up to the **private sector**; **governance** as fundamental, linking investments with dialogue at different levels and ensuring investments can be leveraged – **data** is fundamental for all investments; **accountability**, both in-country (e.g. water balances), but also through certification systems and reflecting externalities (e.g. pollution) into trade practices.

Sustainable energy

It is important to increase the share of **renewable energy**, as well as to promote **energy efficiency** at all levels and sectors. There is a political will to reduce dependency on fossil fuels, which represents a huge potential. It's important to address **regulations**, but also strengthen planning and implementing capacities. **Standards** for energy performance are necessary (e.g. for appliances, buildings, transport). Finally, the group discussed the importance of promoting **sustainable finance**, e.g. support to integrated energy markets, to risk management, mobilising the private sector and promoting local investments.



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CONCLUSIONS

The EU's Green Deal provides a framework for accountability in environment and climate change action. It represents a real paradigm shift that requires a joint effort by all the Directorates-General of the European Commission and EU Delegations around the world.

DEVCO Environment and Climate Week 2020 brought together policy makers and actors on the ground to tackle some of the most pressing issues concerning the implementation of the ambitious Green Deal in its international dimension.

Through expert presentations, panel discussions and group meetings on a comprehensive array of themes, the participants explored options for new and more effective action in the regions and countries served by the EU's cooperation and development initiatives.

Participants were bestowed the responsibility of being "Green Deal Ambassadors", tasked with raising awareness around the EU's roadmap for making economies sustainable and with supporting action to turn climate and environmental challenges into opportunities for greater development.

The commitment to advocate and support sustainable development through constructive policy dialogue, innovative and efficient programming, consistent mainstreaming and green financing instruments is a driving force in achieving a more just and secure global balance that helps preserve the environment, mitigate climate change and protect the most vulnerable populations.

Presentations from the sessions are available on the capacity4dev knowledge-sharing platform at the following page: <https://europa.eu/capacity4dev/public-environment-climate/wiki/devco-environment-and-climate-week-2020>

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