



Greening EU Cooperation

Session 2: Putting greening at centre stage

EU policy and regulatory basis for greening



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Achieving the green transition is a shared responsibility involving all EU services



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Greening – part of the basics



EU founding Treaties and policies



Regulations and guidelines that govern EU international partnerships and cooperation



Multilateral agreements and development agenda



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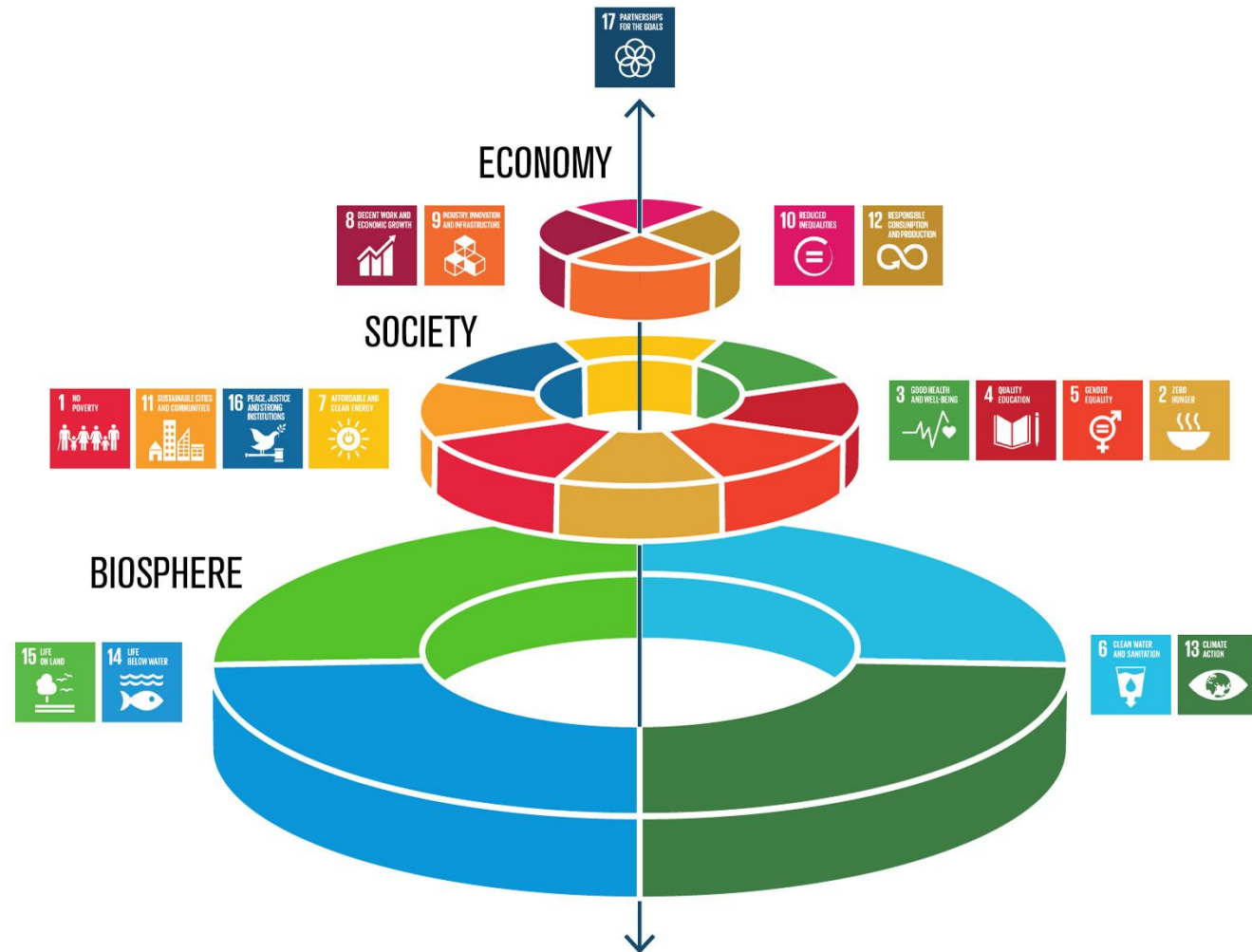
Main EU legal and policy commitments



- EU Treaty
- 2030 Agenda for Sustainable Development
- Paris Agreement
- Global Biodiversity Framework
- Other MEAs (DRR, desertification, water, chemicals, waste,)
- Green Deal (mainstreaming as cross-cutting dimension)
- DNH/DNSH Principle
- Global Gateway Green & Clean principle
- Cooperation instrument regulations (NDICI-GE, IPA III, Ukraine, Western Balkans)



SUSTAINABLE DEVELOPMENT GOALS



The European Green Deal

...strive for more by being the first climate-neutral continent

...we will be a world leader in circular economy and clean technologies

...strategy for green financing and a Sustainable Europe Investment Plan

...Biodiversity Strategy for 2030

...Europe needs to move towards a zero-pollution ambition



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POLITICAL GUIDELINES FOR THE NEXT EUROPEAN COMMISSION 2024–2029

- **Green and clean** – here to stay
 - Industry, energy, trade, digital, diplomacy...
 - Support partners and their concerns
 - Help them adjust and benefit from EU laws



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COMPETITIVENESS COMPASS



Competitiveness
as one of the EU's
overarching
principles for action

Global Gateway investment
packages across the globe in
key areas intertwining Europe's
economic interests with those of
its partners



Clean Industrial Deal outlines
concrete actions to turn
decarbonisation into a driver of
growth for European industries

**Clean Trade and Investment
Partnerships** to diversify supply
chains and forge mutually beneficial
deals

Ensure the EU industry is
economically secure and resilient, in
the face of global competition and
geopolitical uncertainties, through a
range of trade, defence and other
instruments





- ✓ Digitalisation
- ✓ Climate and energy
- ✓ Transport
- ✓ Health
- ✓ Education and Research



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“The Global Gateway stands for sustainable and trusted connections that **work for people and the planet**. It helps to tackle the most pressing global challenges, from fighting climate change, to improving health systems, and boosting competitiveness and security of global supply chains.”

“A **climate-neutral strategy** to speed up sustainable development, create inclusive growth and jobs, and transition to a cleaner and more circular global economy”.

“It will invest in developing **clean, climate-resilient infrastructure aligned with net zero emissions targets**. Projects will respect the 'do no significant harm' principle and use environmental impact assessments.”

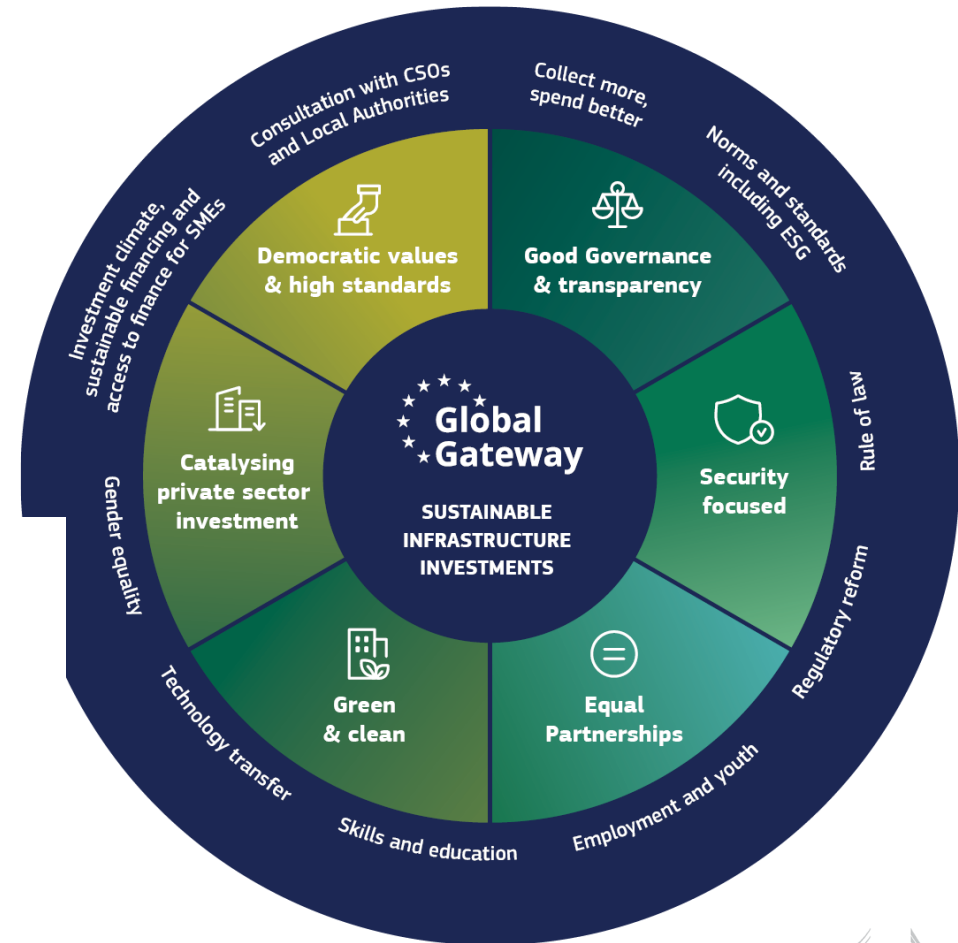
Green & Clean is one of the fundamental principles of the Global Gateway



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Global Gateway's 360-degree approach

“We will support smart investments in quality infrastructure, **respecting the highest social and environmental standards**, in line with the EU's values and standards. The Global Gateway strategy is a template for how Europe can build more resilient connections with the world.”



NDICI-GE regulation – green highlights

Art. 8.6 – programmes and actions under the Instrument **shall mainstream** the fight against climate change, the promotion of environmental protection and, where relevant, disaster risk reduction

Art. 8.8 – programmes and actions shall be guided by the **principle of ‘do no harm’**

Art. 25.5 – establishes an obligation to undertake **environmental screening**, including for climate change and biodiversity impacts, comprising, where applicable EIA, other appropriate ex ante assessments and SEA

Art. 29 – cannot support actions/measures which:

- Are incompatible with the recipient country's NDC; or
- Promote investments in fossil fuels; or that
- According to the environmental screening and impact assessment, cause significant adverse effects on the environment or the climate.



IPA III regulation – Green highlights

- **Art. 6.2** – Programmes and actions...shall mainstream the horizontal priorities of climate change, environmental protection...
- **NDICI-GE** horizontal provisions are applicable to IPA III, including in relation to environment & climate screening and excluded activities



Ukraine Facility and Reform and Growth Facility for the Western Balkans

The [Ukraine Facility Regulation](#) establishes that ‘activities under the Facility shall comply, to the extent possible in a war-torn country, with the **climate and environmental standards of the EU**’; that ‘those activities shall **mainstream climate change mitigation and adaptation, environmental protection and biodiversity conservation**’; and that the activities ‘shall, to the extent possible, avoid stranded assets, be compatible with the “**do no harm**” principle, as well as with the sustainability mainstreaming approach underpinning the European Green Deal’ (Art. 4.4). The DNSH principle is referred to in Recital 30.

Moreover, the Facility **shall not support activities or measures** incompatible with Ukraine’s national energy and climate plan, or with Ukraine’s NDC under the Paris Agreement, which promote investments in fossil fuels or cause significant adverse effects on the environment or the climate or biodiversity.



The general principles under the '[Reform and Growth Facility for the Western Balkans](#)' [Regulation](#) establish that activities under the Facility shall **mainstream climate change mitigation and adaptation, biodiversity and environmental protection**; they should avoid stranded assets and be guided by the **DNSH principle**, as well as by the sustainability mainstreaming approach underpinning the European Green Deal (Art. 4.5). In addition, the Facility **shall not support** activities or measures that are incompatible with the beneficiaries’ national energy and climate plans, their NDC and ambition to reach climate-neutrality by 2050, or that promote investments in fossil fuels, or that cause significant adverse effects on the environment or the climate (Art. 4.7).



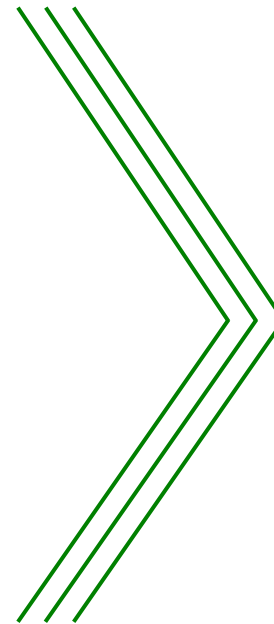
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Mainstreaming

- A long-term, iterative process to:
 - transform ideas
 - transform policies, resource allocations and practices
- In order to:
 - promote desired developmental outcomes
 - and support integrated solutions to human problems

→ Greening



**Become more active
about protecting
our planet**



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The approach to greening



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Always see things from a green perspective

The Green Lens Approach



Positive agenda

Seek opportunities
to **contribute to environment**
and **climate objectives** and **targets**



Do no harm

Avoid and **minimise impacts**
on the environment and climate



Environment & Climate Risk Management

Address risks from
environmental degradation
and **climate change**
to the action



Wear your 'green glasses'!



Do No Harm



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DNH – what does it mean?

Principle under the NDICI-Global Europe Regulation (Art. 8)

‘Green Oath’ in the European Green Deal

‘Do no significant harm’ (DNSH) principle was introduced in the context of EU sustainable finance by the Sustainable Finance Disclosure Regulation and first defined in Art. 17 of the [EU Taxonomy Regulation](#)

→ **Applies to all cooperation/partnerships, not only for ‘investments’**



- ✓ Compliance with national environmental regulations
- ✓ Mandatory screening (NDICI-GE art. 25.5)
- ✓ Excluded activities (NDICI-GE art. 29)

‘**Significant harm**’ → EU Taxonomy Regulation art. 17 (6 environmental objectives)



Discussion

- **'Significant harm'**: EU Taxonomy Regulation art. 17 (6 environmental objectives) if it affects:
 - climate change mitigation
 - climate change adaptation
 - the sustainable use and protection of water and marine resources
 - the circular economy
 - pollution prevention and control
 - the protection and restoration of biodiversity and ecosystems



- Can you think of examples?
- How are you applying it?
- Is it something being discussed in your delegation/unit?
- How about the Green & Clean Principle?
- The double materiality approach?
- Are positive contributions proposed?



Key obligations

Ensure **Do No Harm**

- Comply with **national environmental legislation**
- Avoid **excluded activities** (as per Art. 29 of the NDICI-GE regulation)
- Ensure **compatibility with NDC**
- Undertake environment & climate risk **screening**
- Prepare **SEA, EIA and/or CRA** as determined by the screening results
- Ensure implementation of (adverse) impact **mitigation measures**



EFSD+ European Fund for ... Development

How does the EFSD+ achieve its sustainability aim?
Discussion



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How does the EFSD+ achieve its sustainability aim?



**EFSD+ principles &
NDICI regulation**



**IFIs, MDBs, partner
institutions & their
respective
sustainability
features**



**EU Sustainable Finance
Strategy:**

- EU Taxonomy
- Disclosure regulation
- Standards



How does the EFSD+ achieve its sustainability aim?

Points to explore and progress:

- Pillar-assessment
- Harmonisation on Environmental & Social standards
- Integration of E&S Standards into Contractual obligations
- How to ensure sustainability of the intermediaries?
- Shaping the future: HLEG on sustainable finance in LMICs



Climate and biodiversity spending targets



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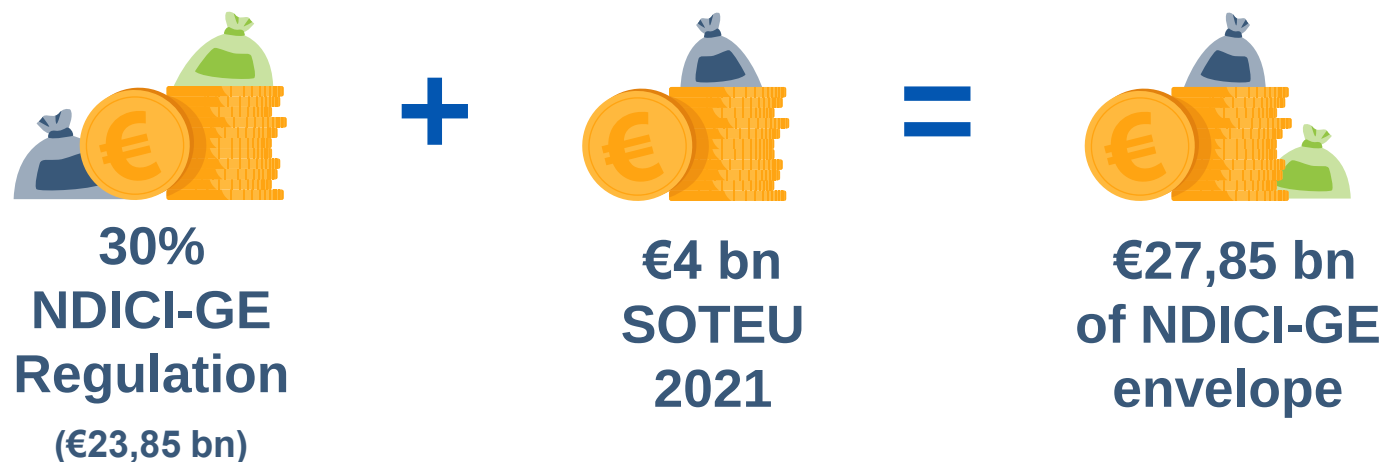
Are we meeting the **climate** and **biodiversity** spending targets?



Which **sector** is the most challenging for contributing to the **climate** and **biodiversity** targets?

Climate target (NDICI – Global Europe)

Total NDICI-GE budget: € 79,5 bn



For geographic budget line:
42%



Climate target (IPA III)



**18% increasing to
20% by 2027**

**IPA III Regulation
(€2,55 – €2.83 bn)**



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Biodiversity target (NDICI – Global Europe and IPA III)



7.5% (in 2024)
10% (in 2026 and 2027)
(MFF)



Doubling Biodiversity Funding
(vs 2014 – 2020 baseline)
(SOTEU pledge)
€ 7 billion over 2021-27



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Biodiversity target – expected contributions (unofficial)



Complemented by the contribution from the thematic and rapid response pillars of NDICI-GE



Targets – Ukraine Facility and Reform & Growth Facility for the Western Balkans

Ukraine Facility

No specific climate and biodiversity targets

20% to climate change mitigation + climate change adaptation + environmental protection (incl. biodiversity) + green transition

Reform & Growth Facility for the WB

Contribute to 30% climate objectives

37% to climate objectives through the WBIF

Contribute to 7.5% (by 2024) and 10% (in 2026-27) biodiversity objectives



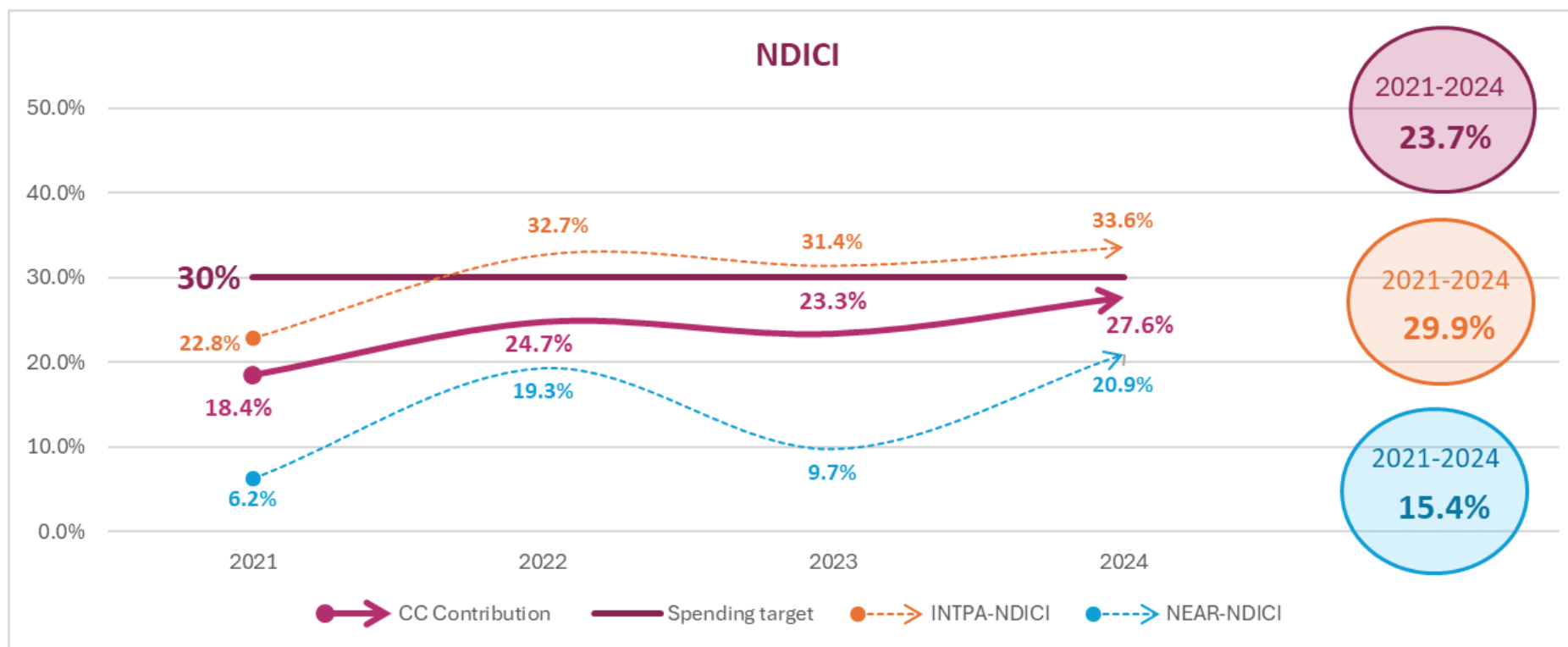
Progress to date – Climate Change contribution



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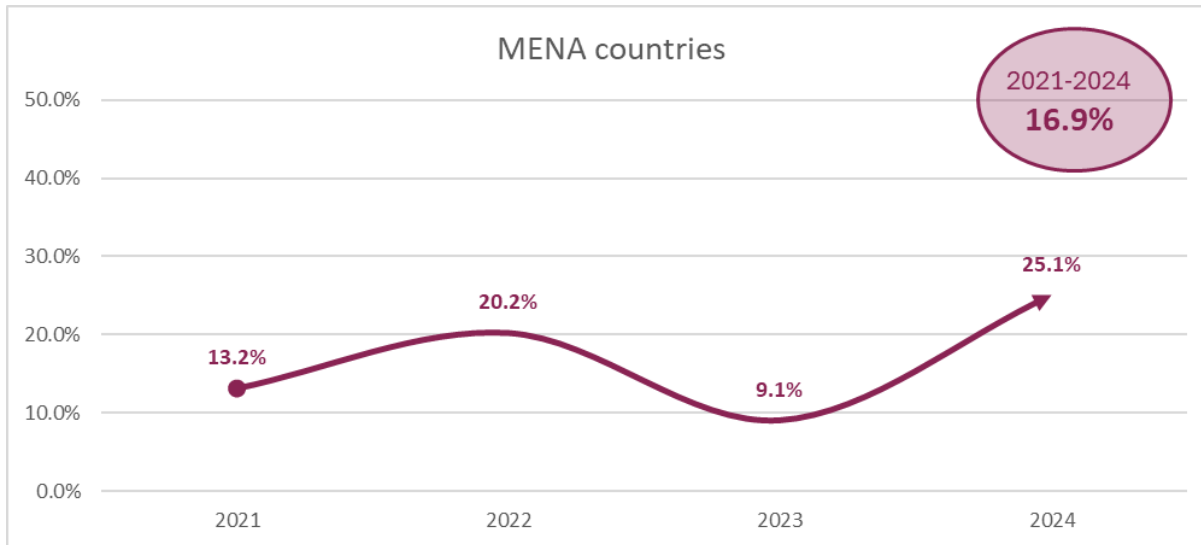


CC contributions 2021-2024 vs targets



CC contributions 2021-2024 (provisional)

MENA & ENEST countries

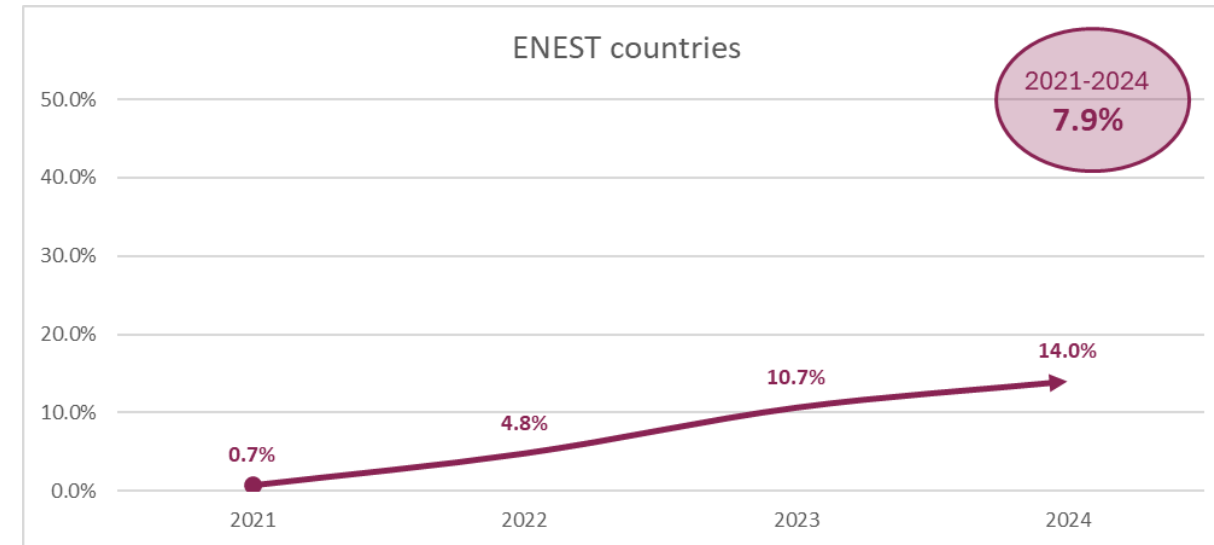


MENA

- **NDICI actions**, all DGs
- filtered by countries + North Africa, regional
- regional actions encoded as unspecified developing countries are not included



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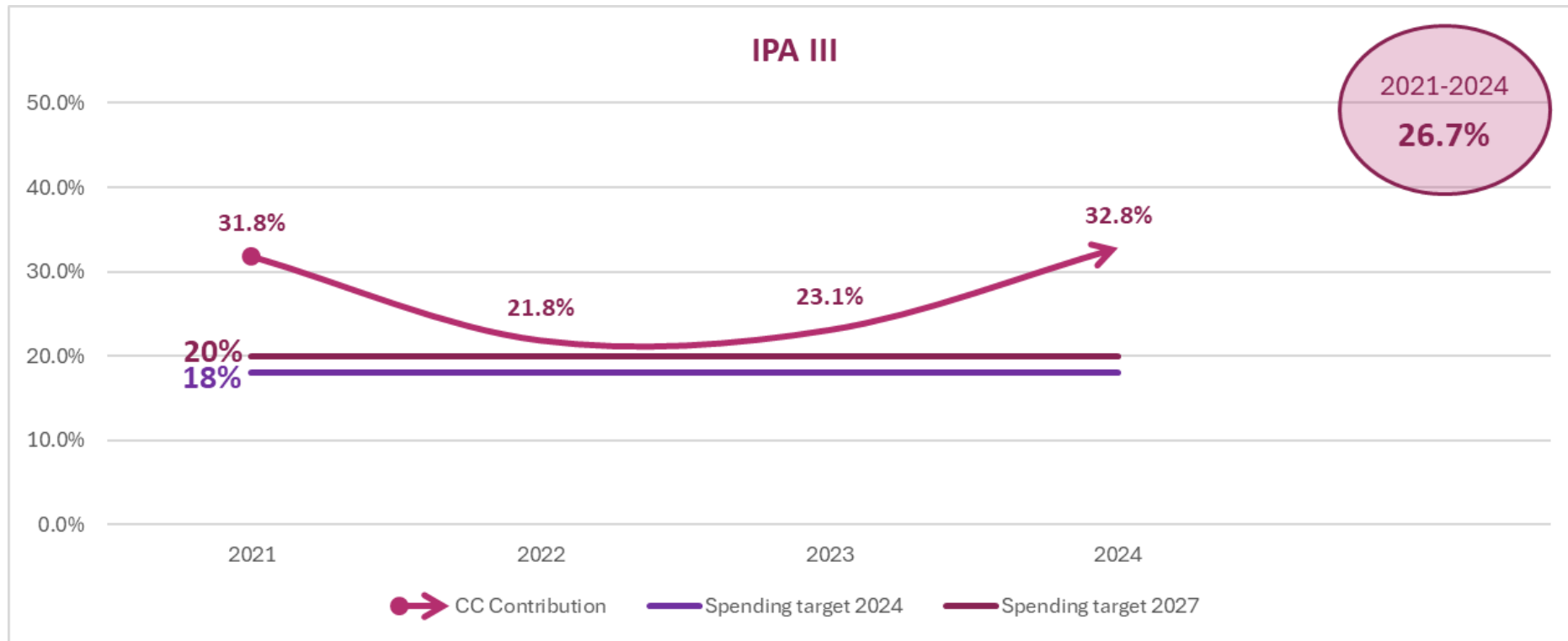
ENEST

- **NDICI actions**, all DGs
- filtered by regions (WB & Türkiye, ENP East, Regional Europe)
- regional actions encoded as unspecified developing countries are not included

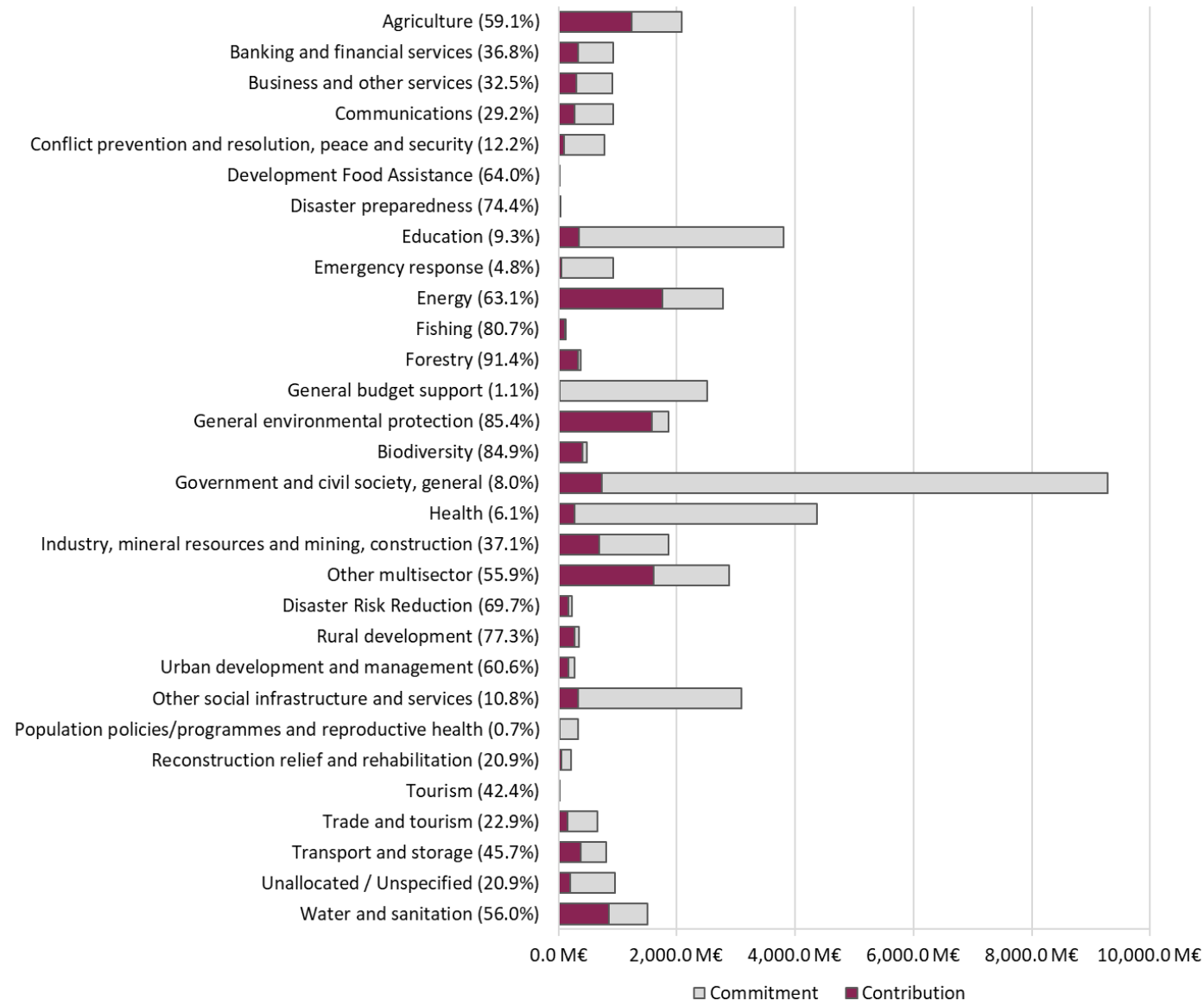


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CC contributions 2021-2024 vs targets



CC contributions 2021-2024 – by Sectors

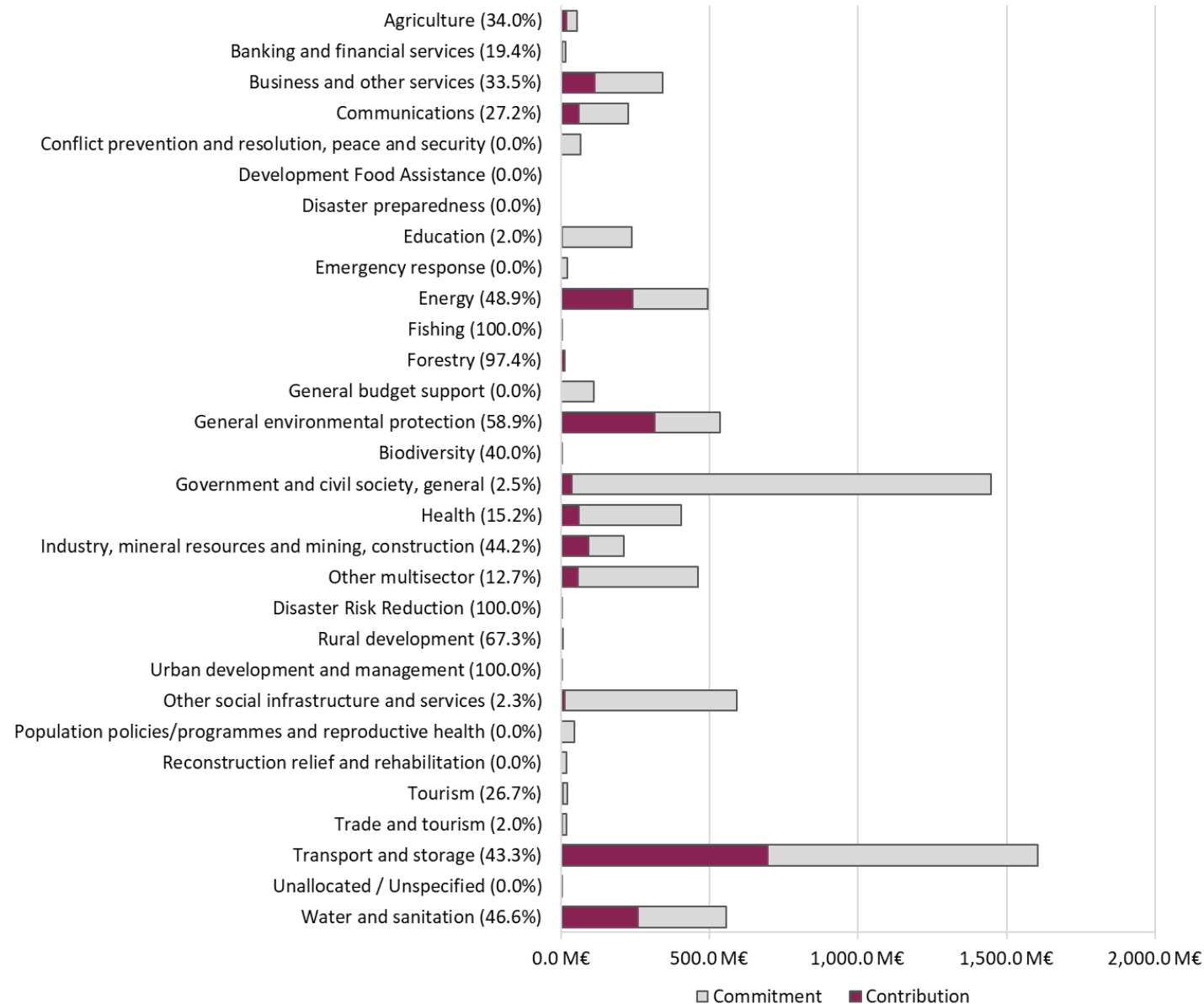


INTPA + NEAR-
managed NDICI

Health – Agriculture



CC contributions 2021-2024 – by Sectors



NEAR-managed
IPA III



Transport



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Contribution to the marker in the relation to the commitment per sector

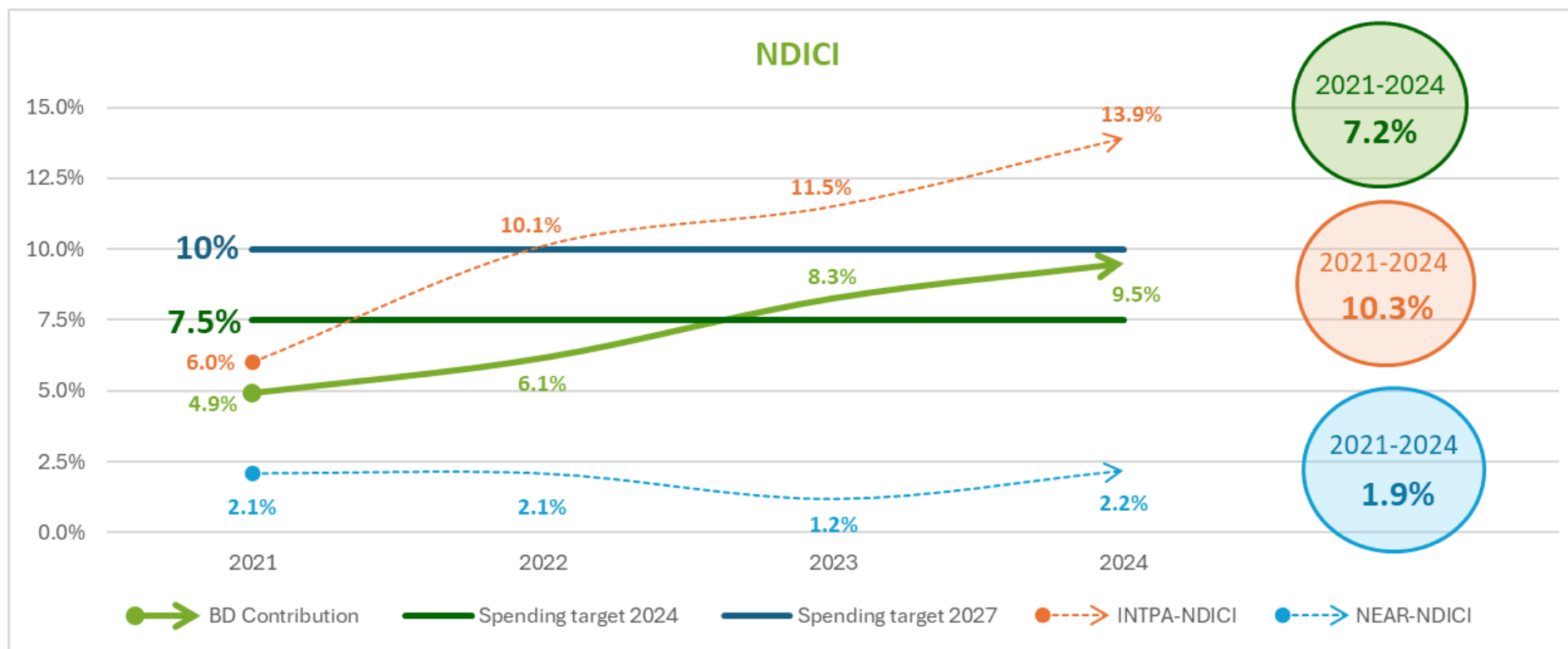
Progress to date – Biodiversity contribution



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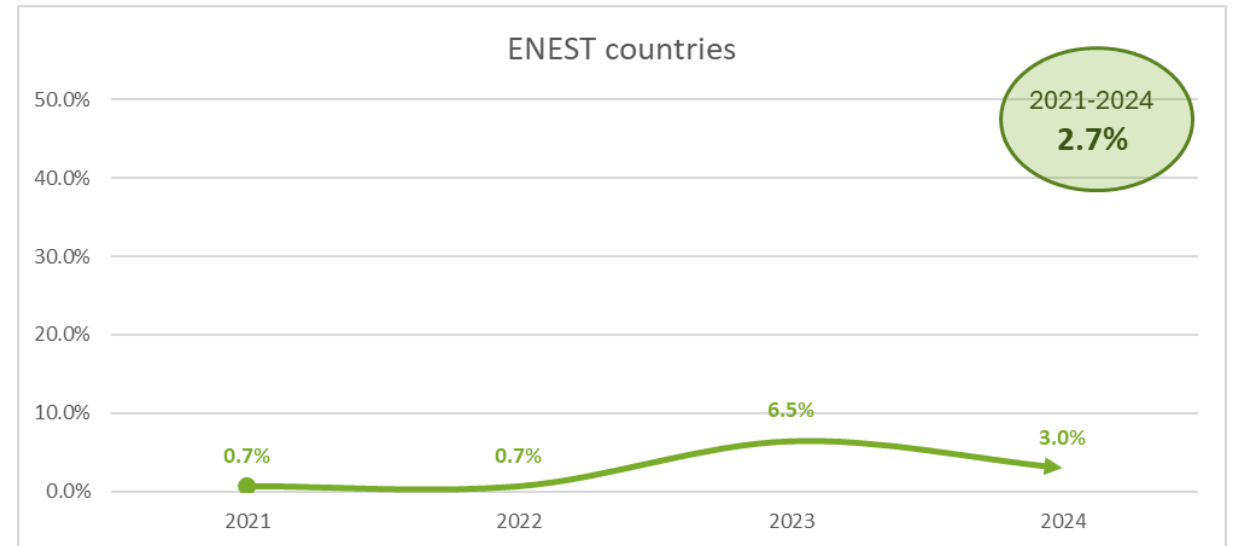
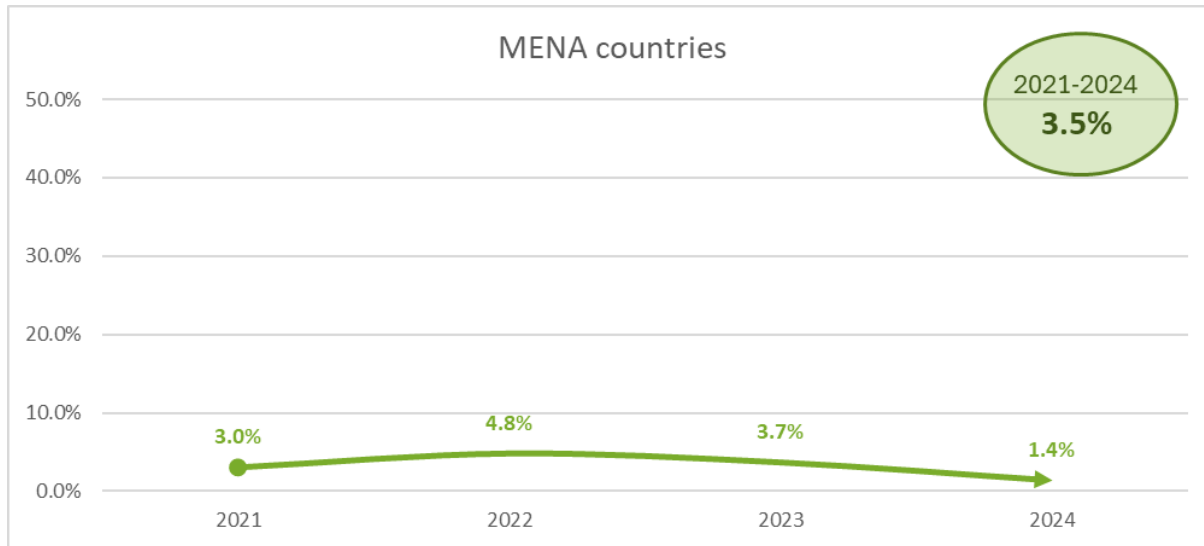


BD Contributions 2021-2024 vs targets



BD contributions 2021-2024 (provisional)

MENA & ENEST countries



MENA countries

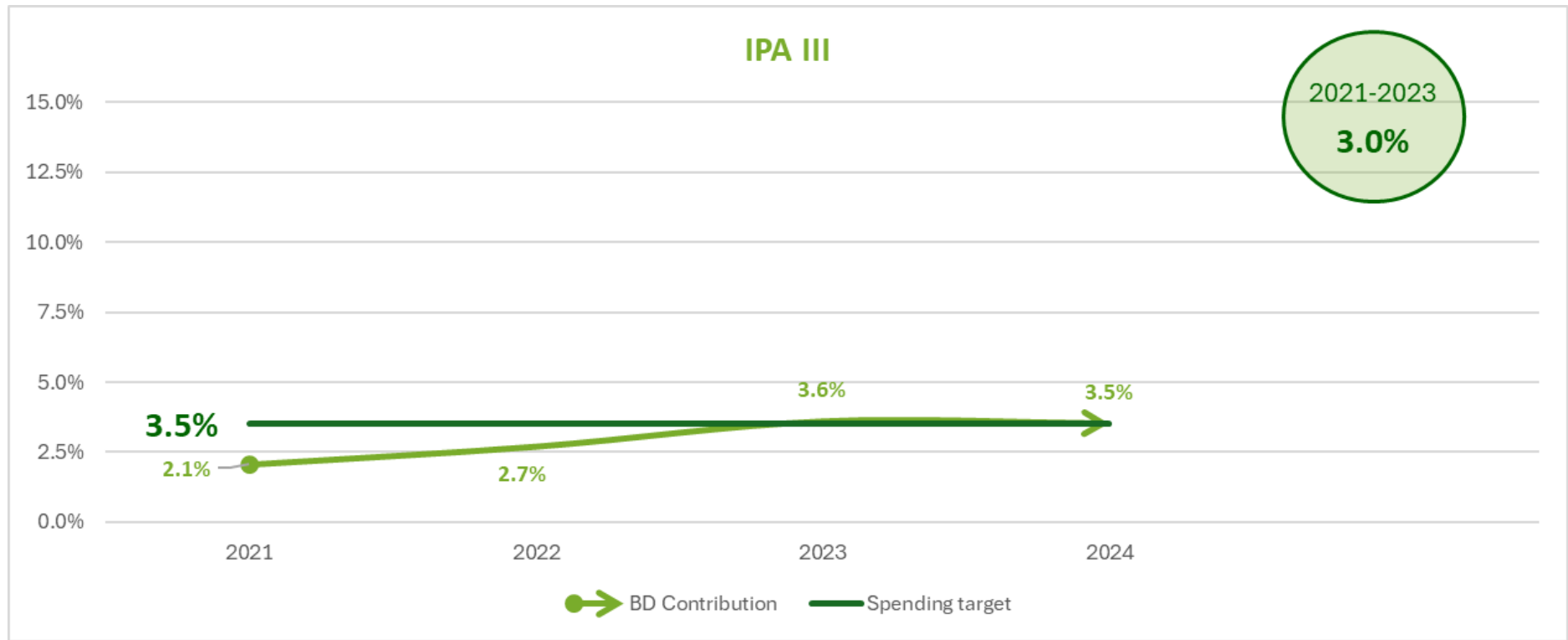
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ENEST countries

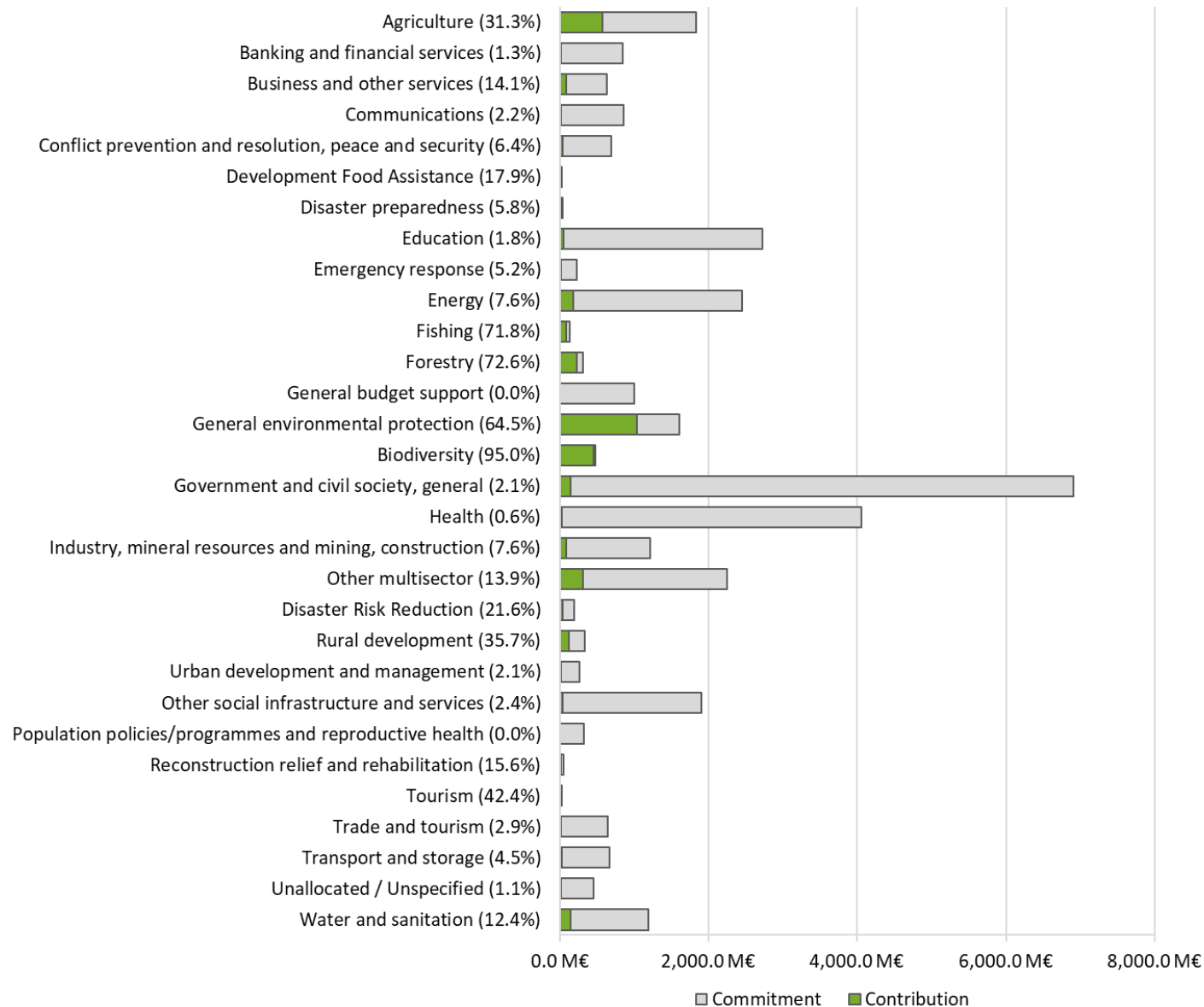
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BD contributions 2021-2024 vs targets



BD contributions 2021-2024 – by Sectors

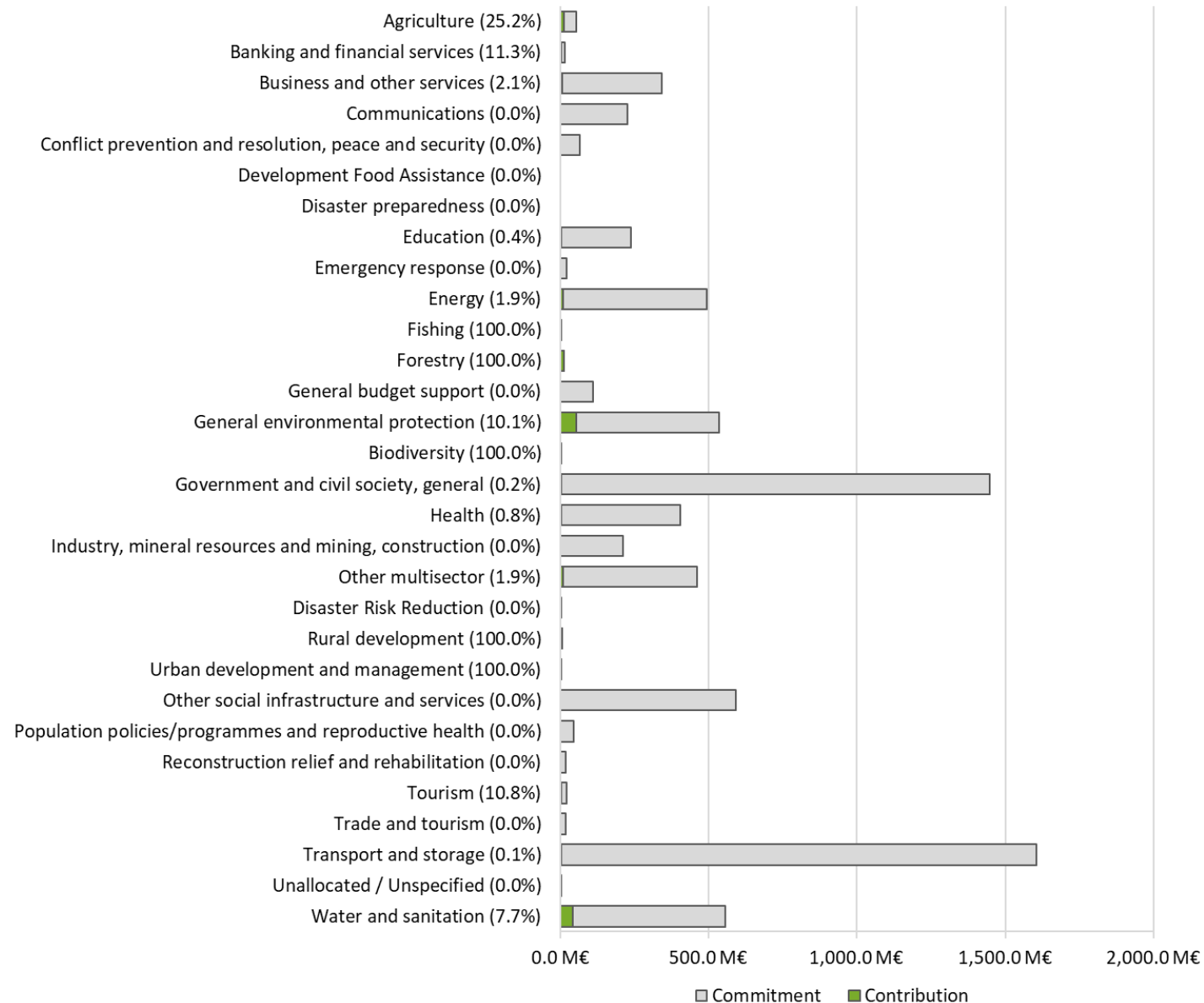


INTPA + NEAR-
managed NDICI



Contribution to the marker in the relation to the commitment per sector

BD contributions 2021-2024 – by Sectors



NEAR-managed
IPA III



What is needed to achieve the targets



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What is needed to achieve the targets

- More needs to be done to compensate under-performance
- Always seek for the opportunities to contribute to the climate and biodiversity targets in all sectors
- Take climate change and biodiversity as a starting point for identification and design of the action
- Check the NDC/NBSAP and see if the action can contribute to their implementation
- Find synergies between climate and biodiversity

All
opportunities
must be
grasped!!



Always see things from a green perspective

The Green Lens Approach



Positive agenda

Seek opportunities
to **contribute to environment**
and **climate objectives** and **targets**



Do no harm

Avoid and **minimise impacts**
on the environment and climate



Environment & Climate Risk Management

Address risks from
environmental degradation
and **climate change**
to the action



Great Green Wall

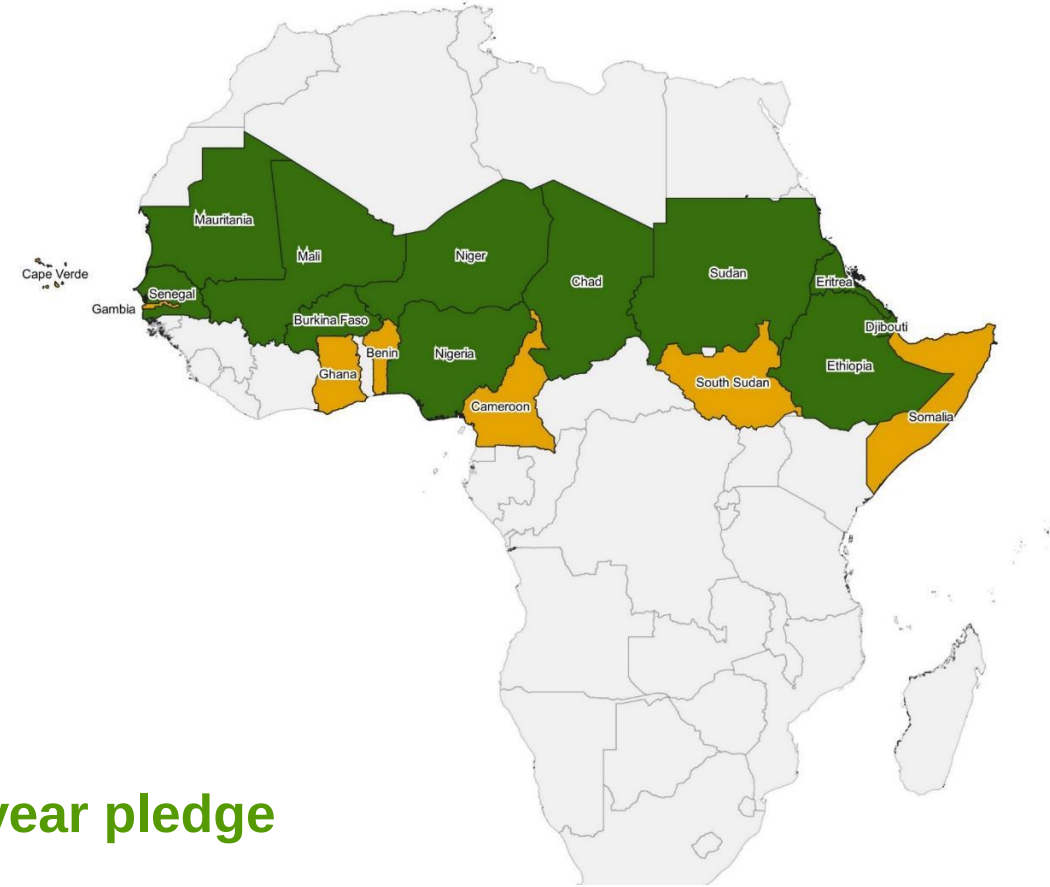


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Great Green Wall

- Aims to restore **100 million ha** of degraded land and transform the livelihoods of millions of people
- From a « green barrier » ... to an integrated initiative promoting a mosaic of green, productive and resilient landscapes for sustainable development, resilience and stability
- **One Planet Summit in 2021 → EUR 700 million/year pledge**
- **Great Green Wall Accelerator Strategy**



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Annexes



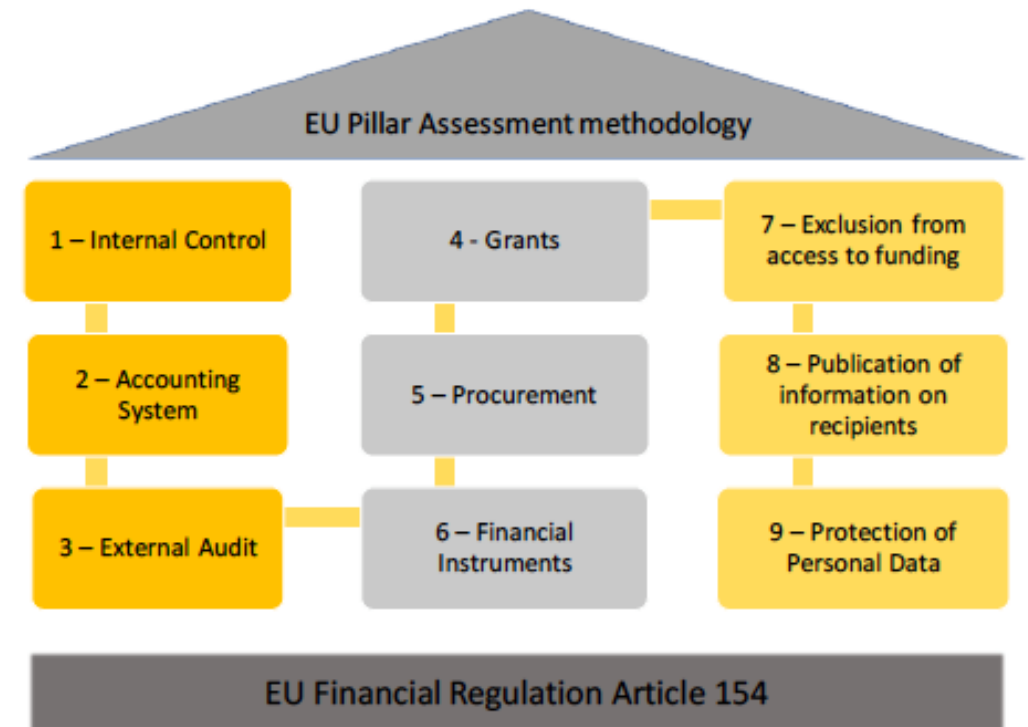
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The pillar assessment of EC partners does not check their E&S systems so far

- Mandatory Pillars - internal organisation of the Entity
- Optional Pillars - provision of funding to third parties
- Mandatory Pillars - triggered by optional pillars



Preliminary findings of desk review of 47 IFIs' ESS: Most FIs have a sustainability framework

- 92% of the 47 FIs have an E&S Sustainability positioning
 - Policy
 - ESS
 - Environmental Exclusion List
- 87% of them disclose it online
- The ESS are systematically part of a framework
- 42% of the 47 FIs disclose their ESS and complementary toolboxes, sectoral guidelines and implementation manuals
- 8 smaller FIs have a “positive impact” set-up (“do good” beyond DNH), only 2 of them disclose their ESS
- 2 FIs don't mention ESS
- 2 other FIs refer to sustainability but don't disclose any related document
- 5 other FIs refer to sustainability and have policies but do not disclose their standards

HLEG on scaling up sustainable finance in LMICs

“What should the EC do more of, less of, or simply differently?”

- # 1 Is it time for a **new model of strategic engagement** to deliver Global Gateway?
- # 2 How can EU external financial support be made **more agile and fit-for-purpose** to scale up sustainable project dev?
- # 3 What innovative instruments are available to **increase fiscal space** for sustainable investments?
- # 4 What innovative instruments are available to support **climate resilience and disaster risk cover**?
- # 5 How to channel finance into other challenging sustainability objectives? Part 1 – **Social** finance
- # 6 How to channel finance into other challenging sustainability objectives? Part 1 – **Nature** finance
- # 7 How can the EU help bolster the size and depth of **local capital markets**?
- # 8 How to address the question of **risk-return** for the EU investors vs. the **cost of financing** for beneficiaries?
- # 9 What is needed to foster **credible and interoperable sustainable finance frameworks** in LMICs?
- # 10 What is needed to support **SMEs**’ access to sustainable finance and enable robust sustainability reporting in LMICs?

