

DEVCO Environment Week 2018

Supporting the transition to sustainability

Introduction

The **DEVCO Environment Week 2018** took place from 15-19 October 2018 and brought together colleagues from EU Delegations (EUDs), DEVCO headquarters and other line Directorate-Generals. Participants shared knowledge and discussed the latest environmental and policy developments and key environmental issues. The week provided the opportunity to explore ways to strengthen the environmental dimension of EU cooperation.

The week began by highlighting the EU's clear commitments to green its international cooperation and to promote an inclusive green economy. The alarming and increasing scale of the impacts of environmental degradation and climate change, which undermine development, peace and stability prospects in many developing countries, were underlined. On a positive note, the EU has high ambitions and leads the global response on these issues. Throughout the week particular attention was dedicated to opportunities to enhance the environment dimension of future programming under the new Multiannual Financial Framework (MFF 2021-2027) and of the investment agenda under the External Investment Plan (EIP) and other EU investment facilities.

The **DEVCO Environment Week 2018** included several informative thematic sessions around biodiversity, environment mainstreaming, wildlife and ecosystems, forests, sustainable landscapes management, green and circular economy, pollution and sustainable cities. Featuring renowned experts, high-level speakers from the European Commission and its partner organisations, these sessions aimed to strengthen participants' capacity to promote environmental sustainability through policy dialogue, programming and investments.

An optional half-day of training was devoted to policy dialogue on environment and climate change, while another half-day of regional meetings took place to share recent experience, challenges and achievements on environment and climate change in EU partner countries worldwide. The week also included useful networking opportunities for all participants.

Key messages throughout the week were:

- There is an urgent need to further reconcile the development and environmental agenda;
- The transition to development pathways that are compatible with the planet's ecological boundaries has to be promoted.

High-Level Opening Session

The high-level opening session of the **DEVCO Environment Week 2018** set the scene for the rest of the week. After welcoming remarks by Chantal Marijnissen, Head of Unit DEVCO C2, Stefano Manservisi, Director-General of DG DEVCO, highlighted the importance of environment in development and international cooperation.

Opening remarks

In his video opening remarks, Stefano Manservisi emphasised the importance of the environment and that we all share responsibility for it. At the heart of the work of DG DEVCO are human and social development, peace, investment, and the sustainable use of natural resources. Besides environmental preservation, social, political and economic opportunities to achieve the goal of sustainable development also have to be created. Our agenda includes climate change, biodiversity, assets such as land, seas and skies, and green economy. The EU development community must work for the UN Sustainable Development Goals (SDGs). As Europeans we have a story to tell and to share our values, knowledge and best practices.

Keynote presentation on ecosystems, biodiversity and sustainable development

In his keynote presentation Professor Watson, Chair of IPBES, emphasised how climate change, biodiversity loss and land degradation threaten human well-being, especially in developing countries, making it harder for countries to achieve the SDGs. Key messages of his presentation include:

Biodiversity must be part of everything, so that there is no perceived dichotomy between biodiversity and development.

Prof. Robert Watson

The current Paris Agreement pledges will not limit climate change to 2°C, let alone aspirational target of 1.5°C. Most Aichi biodiversity targets will not be met in most countries, under current trends. All countries have to transition now to low-carbon sustainable development pathways to limit human-induced climate change, enact policies to conserve and sustainably use biodiversity, and halt and reverse land degradation, the latter being at the cross-road of several SDGs. This is especially important to achieve the SDGs on water, sustainable consumption and production, climate, hunger, poverty and cities.

Panel discussion & discussion with the participants

The keynote presentation was followed by a panel discussion and interaction with the audience on the transition to sustainability. The panel discussion with Koen Doens, Deputy-Director General DEVCO, Astrid Schomaker, Director, DG ENV, and Prof. Watson focused on

the role of the environment in international cooperation. The key points of the discussion were:

- Bold answers are required to tackle unsustainable production and consumption patterns and demographic growth. Thereby, it is essential to mainstream a holistic approach to environment, such as in the Virunga Park (DRC), where protecting biodiversity, renewable energy and sustainable tourism are combined in an inclusive manner with local communities' engagement.
- Environment and climate change should be mainstreamed in all EU policies and in relations with partner countries.
- The EC has lots of environmental knowledge to feed into next EU programming exercise. Knowledge sharing and lessons learning should be key in its international cooperation policy.

When looking at different priorities, such as gender, education, climate change, and environmental protection, it is important to understand that these are not conflicting priorities, but they are parts of one Rubik's Cube on sustainable development.

Koen Doens

- We need the 2020 Beijing Biodiversity conference; a strong pollution policy; to change our economic model to one that creates jobs and a circular economy. Our EUDs can help with all these issues through policy dialogue.

Session 2: Environmental and climate change policies & new cooperation instruments

The second session focused on environment and climate change policies and its linkages to the new cooperation instruments. First, **Chantal Marijnissen** explained that the role of DEVCO HQ is to provide support and expertise to EUDs, calling on sustainability as a foundation for development, growth and jobs, resilience, stability and security. DEVCO has to support partner countries to use natural capital sustainably and to understand and promote the role of a healthy environment in the transition to a low-carbon economy. Our aim is to ensure a strong environmental dimension in the next programming phase, in line with the 2030 Agenda and the Paris Agreement.

Philip Owen, CLIMA A2 & Felice Zaccheo, DEVCO C6, noted the urgency of collective action on climate change and how the EU is playing an active role there, while offering partner countries a range of climate action support. The EU has a leadership role on climate change and is on track to meet its targets on green house gas emissions and climate finance. EU partner countries, however, will be among those that are hardest hit by climate change, undermining EU's development cooperation efforts, therefore EU focus has to include climate change adaptation and disaster risk management. DEVCO's climate action focuses

primarily on agriculture, energy, water management, sustainable consumption, land management, and forests. We must embed (not just mainstream) climate change in cooperation programming.

The new investment agenda under the EIP and the EFSD was presented by **Francesca Raimondi, Team Leader, DEVCO C7**. The EIP has a medium- and long-term focus and seeks to contribute to sustainable development, encourage private investments, create jobs and growth, improve the investment climate, and tackle root causes of migration. There is a huge global investment gap (US \$2.5 trillion; 2015-30 annual average) to reach the SDGs. EIP builds on an integrated three-pillar approach to seize synergies: EFSD, Technical Assistance, and Investment Climate.

Bernard San Emeterio, Team Leader, DEVCO A6, noted how the new Neighbourhood, Development and International Cooperation Instrument (NDICI) will mainstream climate and environment into cooperation (25% contribution). The NDICI under the next MFF (2021-27) enters into force January 2021. The current proposal is to increase international cooperation to €123 billion, to strengthen the EU's external action, with the EFSD covering the entire world.

The discussion with the participants stated the need to promote environment/climate action into future geographic national/regional programmes. The additionality of the EFSD to bilateral funds, mostly targeting private sector, has been emphasised. EFSD was labelled as a “game-changer”, with a worldwide scope.

Session 3: Biodiversity and ecosystems – EU action and the global agenda

This session opened with a reminder from **Pascal Canfin, President of WWF France**, of the world's devastating collapse of biodiversity and EU action to fight it. He emphasized that the biosphere is crucial for all SDGs. Biodiversity loss and climate change are increasingly recognised as threats to security, stability and sustainability. The business world is taking this seriously. A momentum is building towards a global deal for nature and people in 2020 with commitments from institutions and the private sector.

This was followed by a look-ahead, by **Anne Theo Seinen** and **Matthias Leonhard Maier, DG ENV**, to the next CITES Conference (2018) and the 2020 Beijing Biodiversity conference. Given the importance of biodiversity in development, the achievement of the 2030 Agenda will be impacted by decisions at the 2020 Convention on Biological Diversity COP in Beijing. EUDs can contribute in many ways to the achievement of this conference: foster political support by partner countries, encourage voluntary commitments, promote relevant tools and initiatives, recommend listing proposals, provide alerts on wildlife trade sanctions or help countries comply.

Philippe Mayaux, DEVCO C2, highlighted the role played by biodiversity in EU cooperation and the main initiatives, including the EU Biodiversity for Life (B4Life) Facility, which helps poorest countries to protect ecosystems, combat wildlife crime and develop green economies. The EC increasingly invests in conservation (EUR 155.1 million in 2017), law enforcement and protected areas management. The EU's embeds its conservation in this area in a Nexus linking planet, peace and prosperity.

This was followed by two presentations. First, **Paul Elkan, Wildlife Conservation Society**, presented a study on the wildlife-security nexus in sub-Saharan Africa. This emphasized the destabilizing influence of poaching at national and regional levels, and recalled how the illegal exploitation of natural resources can finance armed groups. Protected areas in remote regions have low state presence and armed groups can therefore consider them as "safe havens". This is often compounded by high corruption levels. In consequence, wildlife trafficking influences also socio-economic security and migrations. The study recommends developing priority EU policies and strategies on conservation, anti-trafficking, development and migration; expanding conservation-security investments and set an action plan on priority programmes and policy actions.

Then, **Sutthiya Chantawarangul, EUD Thailand**, put wildlife trafficking in South-East Asia under the spotlight. Poverty, conflicts (land use), beliefs, traditions and weak governance drive illegal wildlife trade in Southeast Asia. The EU is involved in many law enforcement/wildlife management projects in the region. CITES MIKE Programme aims to reduce demand within Asia for trafficking/illegal killing of key African and Asian wildlife species. A new EU-backed four-year initiative aims to disrupt illicit supply chains in the Greater Mekong region, Malaysia and China.

The discussion with the participants emphasised that the EC should draw up regional recommendations, and push for more transparency to help tackle corruption. It can take years to change culture, beliefs about animals.

The discussion continued in three groups, divided by regions, focusing on three guiding questions:

- 1) What incentive work for locals to fight wildlife trafficking?
- 2) Which role can protected areas play to increase security and local development?
- 3) Which actions should be planned in the MFF in your country/region?

Session 4: Landscape and seascape management for achievement of multiple SDGs

Bernard Crabbé, Team Leader DEVCO C2 (Environment and green economy), introduced the session, framing the importance of land for sustainable development and highlighting

how the EU tackles it in its international cooperation and development policy, including action on land governance, sustainable agriculture, forests, desertification and land degradation. Land is central to the 2030 Agenda and land-based activities are the backbone of most economies in developing countries, with as many as 150 countries selecting land management as a means to achieve their NDCs.

Philippe Mayaux, Team Leader DEVCO C2 (Biodiversity) moderated the session and held a presentation prepared by **Robert Nasi, CIFOR**. The importance of an integrated approach to sustainable landscapes and seascapes management, ideally at sub-national level, through strong networks with multiple stakeholders and financing mechanisms was highlighted. Land degradation costs around USD 6.3 trillion per year and growing pressures and competing demands put this finite resource at risk for over 3.2 billion people worldwide, whereas sustainable land use would create USD 7 to 30 in economic benefits per dollar invested.

Agroforestry expert **Patrick Worms, World Agroforestry Centre**, highlighted the benefits of land restoration, in particular for food security and biodiversity. EUDs can help by promoting agroforestry in their countries. There are already various projects ongoing: Great Green Wall, Global Partnership on Forest and Landscape Restoration. Agroforestry offers numerous benefits thanks to the coexistence of crops and trees plus livestock, including nutrient cycling, water and carbon cycle regulation, better rooting depth and nutrient recycling, which results in fewer tractors, less fertiliser, and fertile land.

Following, **Mersha Argaw, EUD Ethiopia**, presented the Bale-Eco-Region Project, which aims to conserve biodiversity and ecosystems functions and improve well-being of highland and lowland communities within Bale Eco-Region. The project promotes a landscape approach, and territorial integration upstream-downstream, covering multiple thematic areas, including forest management, agricultural, livestock management and family planning to tackle the environmental challenges of the region.

The management of the Pantanal wetlands, spanning across Brazil, Bolivia and Paraguay, was presented jointly by **Cristina Carvalho, EUD Brazil**, and **Cassio Bernardino, WWF Brazil**. The world's largest wetland is under threat, due to issues related to deforestation and erosion from farming. An integrated landscape approach within the three countries was put in place for the management of the Pantanal wetlands.

The presentation of **Takihiro Nakamura, UNEP**, brought the seascape management dimension in. He explained that seascape management is as important as land management and that area-based management can contribute to the achievement of the SDGs. Over 3 billion people depend on marine and coastal resources for their livelihoods and jobs. Better ocean governance, accounting systems and tools addressing the blue economy and marine spatial planning as well as ecosystem-based approaches are essential for the sustainable management of marine and coastal areas.

Stephen Peedell, JRC, gave an update on the JRC's tools for landscape/seascape management. There is for example a Digital Observatory of Protected Areas, and BIOPAMA (Management Effectiveness Assessments) for the Caribbean and West Africa, with EU involvement linking biodiversity and socio-economic outcomes, dashboard/global indicators.

The session continued in an interactive part, splitting the participants into four groups, three for landscape management and one for seascape management. The group discussion focused on the following two questions:

- 1) What are the opportunities to work on integrated sustainable landscapes/seascapes management in your countries?
- 2) How can we operationalise integrated approaches under EU programmes?

Session 5: Forests, deforestation and the 2030 Agenda

The session was moderated by **Antti Pekka KARHUNEN, Head of Unit DEVCO C4** and kicked off with a brief introduction to forests in EU external action, followed by a series of presentations on the value of forest goods and services.

In his presentation **Mario Boccucci, UN-REDD**, emphasised how forests contribute to the SDGs. He underlined that forests are a crucial part of the biosphere, which is the natural foundation of the SDGs on society and economy, and that ecosystems services play an important role in achieving all 17 SDGs. Consequently, deforestation threatens the achievement of the SDGs related to health, poverty, hunger, energy, infrastructure and life below water. Forests are also key to climate change, with tropical deforestation as third largest GHG emitter. There is an unprecedented momentum to tackle deforestation, in terms of political commitments (Paris Agreement, SDGs), awareness, and private sector investments.

Thais **Linhares Juvenal's** presentation, **FAO**, focused on the huge socio-economic benefits that forests offer. National strategies must consider forests and sustainable forest value chains and employment need clear and consistent policies, laws, institutional frameworks and capacity. Forest value chains have a high socioeconomic impact (SDG 8), generating employment and income and deliver benefits to urban and rural areas. A great part of these benefits is invisible due to the high informality in the forest sector. Up to 75 % of employment in the forest sector is informal and 80–90% of enterprises in the forest sector are SMEs. The total economic effect from the forest sector to the economy (direct+induced effect) globally exceeds two, i.e. that every dollar spent in the forest sector generates more than twice the same amount of transactions in other sectors of the economy. For employment, for each 100 jobs generated in the forest sector, another 153 are generated in other sectors.

A video on finance for tropical forests introduced a series of presentations focusing on investments in the forest sector. Far more finance is required to ensure more sustainable forestry and to remove deforestation from agriculture. In his presentation **Timm Tennigkeit, Unique-landuse**, presented case studies on public and private forest investment mechanisms and forest investment opportunities to help countries move to a sustainable bio-economy with timber. The forest sector needs an enabling environmental and legal framework, economic foundation, structuring finance and technical assistance and sources of funding for innovative approaches.

Frank Nagel, Rabobank, highlighted the challenge of the global food systems (the need to better balance economic development, poverty alleviation, conservation and climate goals), the role of the financial sector and Rabobank's commitments to ZERO deforestation finance. He presented the fund 'Partnership for Forest Protection' and a new fund (AGRI3) for forest protection/sustainable agriculture, and improved rural livelihoods. The objective is to shift to commodities production without deforestation, and to contribute to achievement of the SDGs, in particular those related to food security, and other international policies.

Adeline Dontenville, EU REDD Facility, discussed ways to engage smallholder farmers in zero-deforestation agriculture. Smallholders account for 80% of food production in the developing world and are central to implementing zero-deforestation agriculture. The solutions to convince smallholders to do more sustainable farming are linked to finding a balance between environmental and socio-economic benefits. There is an emerging market for zero-deforestation commodities (Alter Eco certification).

Paulus Geraedts, Team Leader DEVCO C7, talked about the EIP/innovative financing in the forest sector. The EIP wants to improve the understanding of banks of risks faced by farmers, e.g. credit history/land title rights, and to support solution to such issues. The EIP provides guarantees to remove some risks and provides technical support. The discussion with the audience highlighted that more communication is required for the private sector to better understanding forest value chains. Forestry sector financing should come with certified protection mechanisms for investors.

Patrice Moussy, Team Leader DEVCO C2 (forests), gave an update on the EU FLEGT Action Plan. There are five major achievements so far:

- 1) Support to programmes for capacity-building in producing countries;
- 2) Around 30% world's tropical forests/80% EU-imported wood comes from countries with Voluntary Partnership Agreements (VPAs);
- 3) EU legislation prohibiting illegal timber on EU market;
- 4) Enhanced dialogue with timber consumer countries;
- 5) Private sector initiatives aligned to EU Timber Regulation requirements.

The FLEGT work plan 2018-2022 focuses not only on VPAs, but also includes work on forest value chains, EU Timber Regulation, deforestation, investments, partnerships and conflicts. The Commission is considering for 2019 a new Communication on stepping up EU action on deforestation and forest degradation, that would include a strong international cooperation and development dimension.

Solomon Ioannou, EUD Honduras, shared lessons from managing a FLEGT dialogue/process and forest budget support programme in Honduras. He explained how EU budget support for a partner country's forest sector has the potential to support the work of an EU Delegation on a FLEGT VPA. The EU budget support for forest governance in Honduras focused on environmental conservation, climate change and climate vulnerability, human rights, gender equality, and contributed to the successful conclusion of the first Latin American FLEGT VPA in 2019.

Many stories from the field were shared in the course of the discussion with the participants. For example, from Indonesia, where just 10 years ago, around 80% of logging in the country was illegal, and today Indonesia is fully FLEGT licensed. Colombia emphasised that FLEGT VPAs are not just about trade, but FLEGT also helps with peace and conflict resolution. The FLEGT process can support several objectives like, but not limited to, improving legality, fighting corruption and enhancing business environment.

Training on policy dialogue focusing on environment and climate change

The DEVCO Environment Week 2018 also included an optional expert-led half-day training on structured policy dialogue for participants from EU Delegations. The training has put a particular emphasis on policy dialogue focusing on environment and climate change. The training combined theoretical elements on policy dialogue as an open and inclusive dialogue on development policies that takes place in the form of a continuous, dynamic, non-linear, purposeful exchange at multiple levels. Policy dialogue is part of the development assistance 'toolkit' that aims to support partner's domestic reform. There are particular challenges related to policy dialogue on environment and climate change, including the challenge to identify common interests, constant changes in government, a weak policy environment, lack of political will/financial resources, limited institutional capacity of partner country or challenges related to the internal organisation of the Ministry of Environment. Furthermore, environment may not be a priority because of vested interests or a too strong focus on issues directly linked to climate change. Policy dialogue can be used to negotiate the implementation of conventions and their legal obligations.

Throughout the interactive training, practical experiences from EUDs on environment-focused policy dialogues were shared. For example, the participants from EUD Tajikistan explained how policy dialogue supported the establishment of a rural development programme on water management. The experience of the EUD Kenya shows that tools for

mapping and for sequencing a policy dialogue are very useful. The importance of a clear mandate for policy dialogue is particularly relevant for setting objectives. The experience in Colombia on policy dialogue showcases the importance of record-keeping and to build storytelling skills.

DG CLIMA emphasised that EUDs are doing great work on climate policy dialogue. In doing so, it is essential to explain that climate policies are not just a green issue but also link to policies such as security, defence and finance. DG ENV shared some insights on the bilateral, regional and multilateral policy dialogues that it is engaged in. Lessons learned include the need for a proactive follow-up, environmental profiles are a useful reference for dialogue, DG ENV often relies on EUDs, which it tries to support. EEAS presented the green diplomacy network, an informal network of EU MS backed by the European Commission for broadening EU diplomacy on climate, environment and energy.

Regional Meetings:

A full afternoon was dedicated to regional meetings among participants from EU Delegations. The focus of the meeting was left open to the needs of the group and the participants used the opportunity to exchange information and about regional initiatives and to discuss current pressing issues, challenges and opportunities in the regions. The regional group on Central Africa, for example, focused on better coordination among programmes and initiatives related to biodiversity and land. Issues related to the transition to a green and circular economy were discussed in the East and Southern Africa regional meeting.

Session 6: Greening development: High-level panel discussion

In his keynote presentation, **Janesz Potocnik, co-chair of the International Resource Panel (IRP)**, said we must live within our planetary boundaries and not ignore the costs of destroying our planet. The level of wellbeing in wealthy countries cannot be generalised globally based on the same system of production and consumption, therefore our resource and energy use has to be decoupled from economic growth. The transition is an opportunity for innovation, development and jobs, and major economic actors are moving. The 2017 IRP report on global resources use has formulated various recommendations, including taking advantage of leapfrogging opportunities for developing countries, implementing a policy mix that builds incentives and corrects market failures, promoting innovations toward a circular economy, and enabling people to develop resource efficient solutions.

“The circular economy began as an environmental initiative and is now an economic one. It should become a societal and cultural change too.”

Janesz Potocnik

Astrid Schomaker, Director Global Sustainable Development, DG ENV, said the EU takes the IRP findings presented by J. Potocnik very seriously and has responded through the EU Action Plan on Circular Economy. She encouraged more efforts to promote the circular economy globally through actions such as the EU circular economy missions to third countries and better analysis of circular economy issues, e.g. in the context of the Growth and Job Compacts. She invited participants to engage with partner countries and businesses, noting that the circular economy contributes coherently to the SDGs.

This message was echoed by **Carla Montesi, Director Planet and Prosperity, DG DEVCO**, who emphasised that the EU has clear commitments to green its international cooperation and to promote a green and circular economy under the EIP and 2021-2027 programmes. Implementing these commitments is a challenge that requires more proactivity. There are many opportunities to improve EU performance on environment integration, including using the 20% target on climate expenditure in the EU budget to leverage our efforts, mainstreaming, Switch to green programmes, and promoting green investments in third countries.

Lawrence Meredith, Director Neighbourhood East, DG NEAR, noted how this DEVCO Environment Week is useful for sharing best practices with EUDs. He emphasised that setting environmental targets and measuring change is essential to display that the EU does make a positive difference for citizens and to show how it is done. The engagement of young people and to act locally are priorities for the future.

Sub-session: mainstreaming environment and climate change in EU cooperation

Egger Topper, Team Leader DEVCO Environment and Climate Change Mainstreaming Facility, underlined how mainstreaming in international cooperation has progressed between 2014 and 2017. The DEVCO Mainstreaming Facility provides support to EUDs and HQ in various ways:

- Reviewing and commenting project/programme docs (e.g. Action Documents);
- Providing on-demand support services (e.g. in-country support missions);
- Awareness raising (e.g. newsletters, online platforms, outreach to EUDs);
- Capacity building (e.g. EU staff training, thematic seminars);
- Developing tools (e.g. mainstreaming guidelines, case studies);
- Tracking and reporting on financial flows (e.g. Rio-markers, statistical data).

Among all new commitments managed by DEVCO 2014-2017 around 22.5% are marked as contributing to environment, and 19% as contributing to climate action. Climate change saw strongest growth in contributions, which are likely to meet the EU objective to allocate 20% of its spending 2014-2020 to climate action.

Bernard Crabbé, Team Leader DEVCO C2, explained that the EC has a mandate for and a growing focus on mainstreaming. Mainstreaming support is provided to partner countries through global initiatives (e.g. TEEB, UN Poverty and Environment Initiative plus EU Flagship Initiatives like GCCA, Switch to Green) and mainstreaming also takes place at the level of EU cooperation. Despite significant achievements challenges remain, ranging from mainstreaming fatigue to a lack of partner countries' capacities. In moving forward, the environment and climate focal points of EUDs have a key role to play and a sustained high-level commitment for mainstreaming is needed, both in headquarters and in EUDs.

The discussion continued in small groups, focusing on a selection of the following guiding questions:

- 1) What opportunities do you see to promote environment/climate change action and integrate environment/climate change in the next programme?
- 2) What is required to seize opportunities and make them happen? How can we overcome the obstacles?
- 3) What support is needed from HQ?
- 4) How to strengthen the evidence-base to support environment and climate change action and integration?
- 5) How to strengthen the role of environment/climate change focal points?

Many ideas came up the group discussions, which were then presented to the plenary. Opportunities discussed include those that are created by growing scientific evidence on environmental issues or by linking the circular economy to the jobs and growth pact. Strong leadership, better coordination, and more awareness among staff are among the necessary elements that were mentioned in order to harness these opportunities.

Session 7: Green economy and investments

Thibaut Portevin, DEVCO C2, introduced this session by giving an overview of current EU green economy initiatives and presenting the DEVCO reference document on green economy. He highlighted the role of EU actions on green economy for the achievement of SDG 12 (responsible consumption and production) and SDG 8 (decent work and economic growth) and mentioned the SWITCH to Green Flagship as a successful initiative to promote enabling frameworks and green business development, through a combination of EU geographic and thematic funding under a coherent and coordinated common framework.

Michelle Labeeu, Deputy Head of Unit DEVCO D2, explained the challenges of Uganda's transition to an inclusive green economy. A mind-set shift was essential to develop an economic model for Uganda's transition to inclusive green economy. Alliances with national actors and Member State Embassies as well as of HQ support played a key role in the decision to target the green economy as focal sector in the Uganda MIP.

Thanh Hoang, EUD Vietnam, provided an update on green growth policies and green business development in Vietnam. EU support in these areas is delivered coherently through different actions, including SWITCH Asia, programmes on private sector development, on economic governance, on energy, and in the context of the EU-Vietnam Free Trade Agreement.

Johny Ariza Milanes, EUD Colombia, pointed out that the EU supports the green economy in Colombia through budget support, which has also helped with the peace-building process. However, since the peace agreements were signed, deforestation has increased and continues. Green economy support in Colombia focuses on municipalities, due to rural difficulties. For every Euro invested in green development in Colombia, the return is 13 Euro.

These interventions were followed by panel discussion with the EIP Secretariat, the European Bank for Reconstruction and Development (EBRD) and DG ENV on greening investments and sustainable finance. Since foreign direct investments are around ten times larger than the ODA that goes to partner countries, the EU has to strengthen its efforts on greening investments. The discussion focused on the following three questions:

- 1) How to encourage financing of projects in sectors of interest?
- 2) How to green a broader portfolio of investments under EIP?
- 3) How to encourage development of sustainable finance policies?

Panellists explained that the technical assistance under the EIP can be used for capacity development in partner countries to support the development of bankable projects. EUDs can help by brokering, being a watchdog and by supporting companies in keeping their partners accountable.

EBRD has extensive experience in green economy and works in this area through two main financing channels: directly to borrowers and indirect via partner financial institutions. EBRD has established innovative green economy instruments, such as the Green Energy Special Fund.

The EU is currently implementing its Action Plan on Sustainable Finance to, among others, reorient capital flows to sustainable economy, mainstream sustainability in risk management and foster transparency. It provides a benchmark for dialogue on and the promotion of sustainable finance globally.

Session 8: The key role of water for environmental sustainability

This session began with a presentation of the objectives and key elements of the new DEVCO Reference Document on water by **Claudio Bacigalupi, Team Leader DEVCO C2**

(Water). He emphasised that the objective is to place water and sanitation more prominently on the next DEVCO political agenda. Water is frequently used inefficiently and inadequate water management is an issue for social and political stability, which is especially true in the case of transboundary waters. The World Economic Forum identified water crisis among the highest global risks. Nexus Water Energy Food Security Ecosystems aims to support EUDs to have common approach on water resource management.

Ivan Borisavlijvic, EUD Tajikistan presented the EU support for water management in Tajikistan. There is a focus on irrigation and reforming water sector improving water management techniques, and an emphasis of water management at basin level.

Cristina Carvalho, EUD Brazil, mentioned that it was discovered in the course of projects that water taxes are too low when working with national actors responsible for rivers. Brazil is also working on transboundary water management with Ecuador, Peru & Colombia.

Sarah Beerhalter, GIZ, explained the value of transitioning to a NEXUS approach for water, energy, food security and ecosystems. The Nexus approach is being mainstreamed on three continents, thanks to Nexus Regional Dialogue Programme (NRDP).

In his keynote speech, **Professor Danilo Türk, Chairman of the Global High Level Panel on Water**, underlined the importance of sustainable water resources management for peace and stability. Cooperation on water is key and the political climate for water cooperation is improving. Aspects that are useful in making water an instrument of peace include cooperation for better data on water resources, water quality and strengthen transboundary projects.

Peace today is not just an absence of war... but political and economic stability can also be based on international cooperation on water.

Prof. Danilo Türk

Lastly, there were presentations by **Francesca Bernardini, Head of the Secretariat of the UNECE Water Convention** on the benefits of the UNECE Water Convention, as a tool for peace, development and stability. It can help EUDs to highlight the advantages of transboundary water cooperation. 21 new countries are currently working on accession to the Convention and EUDs can accelerate that process by for example advocating for higher political attention on water issues when next programming will start.

Dominic Porter, Head of Division, Economic and Global Issues, EEAS, emphasised that 40% of world's conflicts are based on environmental issues. Therefore, water-related challenges and governance are key. Water diplomacy tools include: Water Conventions, the upcoming EU Council Conclusions on Water Diplomacy and the Nexus-based approach.

The discussion in the course of the session focused on the next phase for the NEXUS Programme. The Nexus Regional Dialogue (NRD) is inexpensive, but has tangible and high-

level objectives and already delivers some results. The transboundary dimension for efficient water resource management has been highlighted and HQ can help EUDs to engage in better water dialogue with governments.

Session 9: Emerging issues: Sustainable development: the urban dimension

Lars Gronvald, Team Leader DEVCO C5 (Urban Development, Cities), opened this session by explaining the role of sustainable urban development policy in EU development cooperation. There is a growing momentum for new policy context and urban focus and there are many ways in which the urban agenda can be supported, including the EIP or national/regional envelopes.

Vicky Pollard, EUD China, has a fast-growing urban population and ten megacities and environment is a major issue, seeking to maximise the circular economy. China striving to address i) urban air pollution; ii) waste management; iii) water efficiency

Olivier Chanoine, ENABEL Guinea, presented the SANITA project for urban development and urban waste in the city of Conakry. He emphasised that the project shows that the circular economy is good for the climate and local jobs.

Yunus Arikan, ICLEI, presented the global network of cities, towns and regions committed to a sustainable future. It was emphasised that global goals help local/regional leaders to collectively drive sustainable urban development.

Key conclusions and way forward

Following a participatory evaluation of the **DEVCO Environment Week 2018**, the team of DEVCO C2 presented key conclusions of the week and proposed some steps for the way forward.

Major challenge

- Global environment, including climate, is alarming: on course for sixth mass extinction of species and 1.5°C global temperature increase by 2030.
- Environment – including climate change – matters from social, economic and political viewpoints! A healthy planet means lasting Prosperity, People well-being and Peace. Environment and climate change are two sides of same development coin.
- Urgent, collective action is required, now! Business-as-usual and incremental steps are not enough. Europe has a leading role to play.

- In EU (future MMF) or partner countries, we must strengthen the link between finances and environment, using new financing and guarantee instruments.

Strengthening the environment dimension of future programmes

- Conducive environment (international/EU policy framework) gives a strong mandate for enhanced environment/climate action, plus mainstreaming (e.g. SDGs, NDCs).
- Benefits of integrated approaches, combining environmental sustainability with growth and jobs creation; no more silo approaches
- All approaches are important: natural resource management, pollution control, sustainable agriculture, integrated water resources management and sanitation, waste management, energy, green economy, forestry and agroforestry, environment and climate change, biodiversity and tourism.
- Must anchor EU Growth and Jobs agenda into UN SDGs, our starting point and final goal.
- Policy and programmes based on evidence and science: role of Country Environment and climate change analysis in programming.
- Challenges and opportunities of next EU programming exercise: i) enhanced policy engagement, ii) specific thematic programmes on environment and climate change, and iii) effective integration or mainstreaming of environment and climate change.

Financial targets and a possible Environment and Climate Change Action Plan

- Setting clear financial targets for climate and environment action is very useful and necessary.
- Developing an Environmental and Climate Change Action Plan for EU development cooperation would help.
- Roles and responsibilities: i) we are all concerned, this is a collective responsibility, ii) EUDs' role is essential and can be strengthened, iii) HQ (DEVCO, CLIMA, ENV, EEAS) is here to support you, including through high-level commitment, iv) we know we must coordinate better.

Biodiversity

- The 2020 CBD COP in Beijing opens a window of opportunity to address the biodiversity crisis and help achieve the SDGs in 2030. The EU must play a leading role on the road to Beijing, including tackling the drivers of wildlife/forest crime and regulating wildlife trade.
- Well-managed protected areas can be hubs for peace and security, including provision of socioeconomic services and green jobs.
- Must better integrate the value of natural capital and resources.

- Need for an integrated ‘landscape’ approaches to ensure sustainable land management, while preserving ecosystems and securing the rights of smallholders and prevent land-use conflicts.
- Oceans have mainly been ignored. We must now improve ocean governance, promote the blue economy, marine spatial planning and ecosystem-based approaches.

Forests

- Forests play a fundamental role in achieving many SDGs and address climate change.
- Deforestation, whose main driver is agriculture expansion, strongly undermines their economic growth/jobs benefits.
- The EU should promote: i) investment, ii) private sector and smallholders’ involvement, iii) enhanced governance, policy dialogue and law enforcement through FLEGT, plus a new ambition through a new EU Communication on deforestation.

Green Economy and investments

- A linear economy is incompatible with a finite planet.
- The EU has a strong policy framework in place to promote the green economy and sustainable finance. Initiatives like SWITCH and the Green Flagship show the relevance of green economy cooperation to the growth and jobs agenda. The EIP and investment facilities provide a unique opportunity to scale up investments.
- We can support the green economy transition in different ways: as a focal area (e.g. Uganda), through budget support (Colombia), private sector development (Vietnam), or policy dialogue (e.g. circular economy missions).
- There is a demand for more specific information on the PIPS (investment programmes) to facilitate EUDs’ work as brokers and promoters of (green) projects financing.
- There is a need to build synergies with EU actions in Europe (e.g. EU Action Plans on Circular Economy and on Sustainable Finance).

Water

- Water contributes to all different aspects of sustainable development. Hence the crucial importance of supporting every aspect of SDG 6, so as to achieve the whole 2030 Agenda.
- Water is synonymous with political stability, key factor to ensure peace/security at national and regional levels. So also essential we support global legal instruments, e.g. the UNECE Water Convention, and strengthen our work with the EEAS on environment and water diplomacy.

- Also important to ensure more efficient use of water resources through integrated and holistic approaches – chiefly the water, energy, food security nexus – to allow countries to better approach water scarcity and to directly contribute to achieving the UN SDGs.

Follow-up ideas

- Debriefing to EUDs' hierarchy and sharing the main lessons learned.
- Explore possibilities to put environment, climate change and green economy on the agenda of the upcoming EUD meetings or regional meetings.
- Formalise the network of environment and climate focal points and better define its role.
- Integrate environmental sustainability and green economy considerations in the jobs and growth compacts.
- More information and training on the EIP and investment opportunities.
- Explore how to give more prominence to environment/climate change challenges and opportunities in policy dialogue and in Budget Support operations.
- Include an environment/climate change section in monthly reports by EUDs.
- Improve our narrative and raise awareness (communication, champions, good practices).
- Provide training and support.
- Work on integrated approaches – GPGC AAP 2019-2020: integrated approaches to land management linking environment and climate change, food and nutrition security.

Closing remarks by Marjeta Jager, Deputy Director-General, DG DEVCO

The EU has already mainstreamed environment and climate change in many areas, including sustainable investment and growth and jobs. Since environment and climate change are urgent development issues, mainstreaming efforts have to be strengthened. This includes the new EIP and EUDs have to ensure that mainstreaming is also done in national/regional indicative programmes, cross-cutting across sectors like biodiversity, forestry, oceans, etc.

Next to mainstreaming, EUDs should also work hard to make green bankable projects in their countries. DEVCO will provide strong leadership as well as a coherent and integrated response to help EUDs and partners worldwide to build a green economy.