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ENVIRONMENT DIRECTORATE ENVIRONMENT POLICY COMMITTEE

GREEN Action Task Force

Draft Summary Record of the 2022 GREEN Action Task Force Annual Meeting

The GREEN Action Task Force Annual Meeting, 11-12 May 2023, Istanbul, Türkiye

This summary record of the last year's GREEN Action Task Force Annual Meeting was prepared for Item 1: Item 1: Opening remarks, adoption of an agenda and a draft summary record

The 2022 Annual Meeting, held on 30 June and 1 July 2022 in Tbilisi, Georgia, aimed to provide an opportunity for the Task Force members and partners to:

- Exchange views on the recent developments and plans related to "greening" the economic recovery policies from COVID-19 pandemic;
- Discuss the environmental and economic consequences of the Russian invasion of Ukraine on climate policies in the EECCA region;
- Evaluate progress in implementing the GREEN Action Task Force work programme since the last meeting in October 2021 and highlight selected results;
- Review the preparations of the GREEN Action Task Force inputs to 9th "Environment for Europe" Ministerial Conference (5-7 October 2022).
- Discuss the future direction of the GREEN Task Force after the "Environment for Europe" Conference, including the main elements of the 2023-24 Programme of Work of the GREEN Action Task Force.

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Draft Summary Record of the 2022 GREEN Action Task Force Annual Meeting

Item 1: Opening remarks, adoption of an agenda [ENV/EPOC/EAP/A(2022)2] and a draft summary record of the 2021 Annual Meeting [ENV/EPOC/EAP/M(2021)2]

1. Mr. Jürgen Keinhorst (Germany / Co-Chair of the GREEN Action Task Force) welcomed participants and thanked the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Environment Protection and Agriculture for hosting the Annual Meeting of the GREEN Action Task Force. He highlighted the COVID-19 pandemic and the war in Ukraine as having significant human, economic and environmental implications for the region and reinforcing the need for accelerating transition towards green economy and net-zero greenhouse gas (GHG) emissions. The need to support Ukraine in the post war reconstruction and to accelerate the country's transition to green economy was also identified as a key priority.

2. Ms Nino Tandilashvili (Deputy Minister of Environment Protection and Agriculture of Georgia) welcomed participants. Noting that the Russia's war in Ukraine and the COVID-19 pandemic have impacted countries' ability to progress green and climate policies, she called for a green, resilient and sustainable recovery and gave examples of Georgia's recent achievements. Mr David Advadze (deputising for Mr Guram Guramishvili, Deputy Minister of Economy and Sustainable Development of Georgia) provided welcoming remarks, emphasising the importance of green economy opportunities. He noted Georgia's signing of the OECD Green Growth Declaration and importance of the cooperation with the EU4Environment Green Economy programme towards future progress. Ms Kumi Kitamori welcomed the participants on behalf of the OECD. She presented a number of recently completed initiatives with tangible impacts in the region.

3. The draft Meeting Agenda and the Draft Summary Record of the 2021 GREEN Action Task Force Annual Meeting were adopted without comments.

Item 2: Implementation of 2021-2022 Programme of Work and Budget of GREEN Action Task Force [Room document]

4. Mr Krzysztof Michalak, Mr Matthew Griffiths, and Mr Jean-Francois Lengelle (OECD) presented key achievements in the implementation of the Task Force work programme since the last meeting. Highlights of their presentations included: the deployment of economic advisers on greening the post COVID-19 recovery in Kyrgyzstan, Moldova and Uzbekistan; support to the reform of the National Environmental Fund in Moldova, the development of green growth indicators reports in Moldova and Ukraine, analysis of the use of green bonds and the potential for their promotion in the EECCA region and the launch of a new project "EU4Environment - Water Resources and Environmental Data". They also highlighted the new project on sustainable infrastructure in Central Asia, launched with activities including

workshops on clean transport in Uzbekistan and Mongolia. The preparation of another new regional project on the Energy-Water-Land Use Nexus Transformation in Central Asia has also continued with two highlevel dialogues and the publication of a Green Growth Paper. Most recently, the Task Force provided support to Ukraine's Working Group on Environmental Safety as part of the development of the Post-war Recovery and Development Plan support to an international conference on Ukraine in Lugano.

5. During the discussion, the National Bank of Georgia shared results of its cooperation with the Task Force including work on its roadmap towards sustainable finance and in particular, development of reporting principles for mandatory ESG disclosure for commercial banks. UNECE expressed appreciation for ongoing co-operation under the Task Force, for example, the review of Environmental Compliance Assurance Systems which informed the UNECE-led Environmental Performance Review of Armenia.

Item 3: The environmental effects of COVID-19 related recovery measures in the EECCA region [ENV/EPOC/EAP(2022)4]

6. Ms. Isabella Neuweg (OECD) presented an update on the trends related to greening the COVID-19 economic response measures and recovery packages throughout the EECCA region. The analysis showed that total funding for the recovery measures identified amounts to almost USD 3.9 billion, of which approximately USD 360 million went to measures with a positive environmental impact. The data also showed that more than USD 1.7 billion was allocated to measures that have a mixed or negative environmental impact, which is almost five times larger than those with an environmentally positive impact.

7. The presentation was followed by a number of interventions. Mr. Ermek Ashyrov (Kyrgyzstan) provided examples of progress, including the submission of an updated NDC with increased ambition in 2021. He also shared the future plans for greening the economy, including the opportunity for debt-forclimate swaps while looking into developing a Sustainable Finance Taxonomy. Mr Utkirjon Kholbadalov (Uzbekistan) underlined the latest developments in the country with the formulation of the Green Growth Strategic Framework until 2030 and the start of the formulation of a long-term decarbonisation strategy by 2050. Ms Martine Rohn (Switzerland) noted the importance of the forthcoming 9th "Environment for Europe" (EfE) Ministerial Conference in October 2022, as well as the resolution on Sustainable and Resilient Infrastructure enacted at UNEA 5.2.¹ Mr. Alexander Zinke (Environment Agency Austria) highlighted a new project on preventing outbreaks of COVID-19 through wastewater monitoring. Mr. Akzan Shiranov (Kazakhstan) updated on various programmes (e.g. the drafting of a Strategy to Transition to Carbon Neutrality by 2060) being undertaken in Kazakhstan to overcome the current crisis and stressed the importance of linking climate change and threats to biodiversity.

Item 4: Effects of the Russian invasion of Ukraine on climate and energy policies in the European Union's Eastern Partnership and Central Asian countries [ENV/EPOC/EAP(2022)6]

8. Mr Rouven Stubbe and Mr Manuel von Mettenheim (Berlin Economics) presented a room document "Effects of the Russian invasion of Ukraine on climate and energy policies in the European Union's Eastern Partnership and Central Asian countries". The study suggested the emergence of strong incentives for the EECCA countries to lower their domestic consumption of fossil fuels due to high and unpredictable prices and supply issues, such as increased demand for non-Russian fossil fuels. Mr Stubbe and Mr von Mettenheim also highlighted a new energy security paradigm emerging in the EECCA region

¹ https://wedocs.unep.org/bitstream/handle/20.500.11822/39754/K2200751%20-%20UNEP-EA.5-Res.9%20-%20ADVANCE.pdf?sequence=1&isAllowed=y

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and domestic renewable energy sources as a source to provide an attractive alternative to increasingly volatile fossil fuel imports.

9. During the discussion, Mr. Norbert Kurilla (Slovak Republic) commended the insights of the analysis shared by Berlin Economics and agreed that with the high energy prices and volatility, the issue of affordability is paramount, with an increased risk of reduced investment capacities. Yet, countries should tap into the potential of renewables and energy efficiency, notably in the public building sector, which offers significant potential. Ms Martine Rohn (Switzerland) referred to the UNEA Resolution No. UNEP/EA.4/Res. 19 on Mineral Resource Governance and stressed the importance that the work of the GATF feeds into the implementation processes of this resolution. Mr. Jürgen Keinhorst (Germany) invited EECCA countries to indicate if they would welcome more policy dialogues on the impact of the war on climate and energy policies, and on the overall investment climate in each country, which in turn affects the risk premium in the cost of capital of green investment projects.

Item 5: Draft flagship report of the GREEN Action Task Force on greening the economic development in EECCA as a contribution to the 9th "Environment for Europe" (EfE) Ministerial Conference [ENV/EPOC/EAP(2022)5] [Published report]

10. Mr Nicholas Bonvoisin (UNECE) updated participants on the preparation for the 9th EfE Ministerial Conference to be held in October 2022. Mr Takayoshi Kato (OECD) presented the preliminary messages on progress with greening the EECCA economies from a draft of Progress on Green Economy Transition in Eastern Europe, the Caucasus and Central Asia and ways forward.

11. During the discussion, several participants, including Ms Marianna Poghosyan (Armenia), Mr David Advadze (Georgia), Mr Mihai Rusu (Moldova) and Ms Sophiko Akhobadze (REC Caucasus) shared their countries' most important achievements on policy reforms towards a green economy transition over the past 5 years, as well as their greatest challenges to further advancing your green economy agenda. Ms Martine Rohn (Switzerland), Ms Elisabete Quintas Da Silva (Portugal), Ms Katrin Zimmer (Sweden) and Ms Tatiana Chernyavskaya (UNIDO) also made suggestions on the draft report, such as inclusion of good practice examples and development of a short summary that includes key messages from the full report. The Secretariat has invited participants to review an advanced version of the report to be circulated shortly.

Item 6: Future directions of the Task Force after the 9th "Environment for Europe" Ministerial Conference [ENV/EPOC/EAP(2022)2/REV1]

12. Against the background of Agenda Item 5, Mr Krzysztof Michalak (OECD) presented the proposed main features and modalities of the future directions of the Task Force for the period 2023 and beyond contained in a document "Future directions of the Task Force after the 9th "Environment for Europe" Ministerial Conference". The presentation outlined various discussion points such as the Task Force's mandate beyond the 9th EfE conference, focus of its future work, governance arrangement, involvement of broader development partners, among other issues.

13. Participants provided several suggestions on how to strengthen the impacts of the GATF work and broaden its participation. Several participants suggested to organise the next GATF meeting back to back with EPOC or that a session to present the GATF work is organised at one of the next EPOC meetings.

Item 7: Highlights from the draft 2023-24 Programme of Work of the GREEN Action Task Force [ENV/EPOC/EAP(2022)1/REV1]

14. Under Item 7, the Task Force members discussed the proposed work programme for 2023-24. In each of the sub-sessions devoted to the selected elements of the Work Programme, the OECD Secretariat made an introductory presentations. Presentation slides for the sessions are available on <u>the GATF</u> webpage:

- a. Several planned activities under the new project on Energy-Water-Land use Nexus in Central Asia were presented, which will offer practical advice and tools on the nexus, and recommendations for related strategy development and policy planning procedures at national levels. Uzbekistan emphasized the importance of proper management of the energy-water-land use nexus, citing the example of the Aral Sea, while GIZ presented a macro-economic development model that demonstrated how improved investment in irrigation in Kazakhstan could add to the country's GDP. Germany suggested using adaptation modelling in conjunction with mitigation modelling to provide a more comprehensive picture of the benefits of co-operation under the water-energy-land use nexus and proposed the establishment of a regional modelling hub to overcome fluctuations in national modelling capacity.
- b. The planned work on "smart" environmental regulations, compliance promotion and enforcement envisages carrying capacity building and networking activities on the implementation of the EU Industrial Emissions Directive in co-operation with the OECD Working Group on BAT, country-specific support for the implementation of BAT/Brefs and country-specific support to developing environmental regulations for SMEs (General Binding Rules). Under compliance assurance the work will focus on legislative support on noncompliance payments, environmental liability and environmental damage compensation as well as networking (including co-operation with the EU IMPEL network and the EU Forum of Environmental Judges) and capacity building of environmental inspectorates.
- c. The continuation of work on **sustainable water management** will include work on water resources and environmental data. The Secretariat, together with the Environment Agency Austria and the International Office for Water presented focus areas of the project, including on mobilisation of finance and use of economic instruments, river basin management, nature-based solution, among other. Desired outcomes include improved governance, political ownership, regional resource management, strengthened capacity and policy coherence.
- d. The Secretariat presented a new project "Promoting Green Deal Readiness In The Eastern Partnership Countries". Various activities are planned to support their transition to a climate-friendly economy, enhance EU market access for agricultural and industrial sectors, accelerate uptake of green technologies in these sectors, and facilitate green regulatory reforms. The Secretariat announced that GIZ (the consortium lead), OECD, REC Caucasus, European Business Association Moldova and IEF will be implementing partners, and that the project will run from 2023 to 2028. The project's key stakeholders include staff in line ministries, financing institutions, farmers and farmer's associations, business managers and employees, and business associations. GIZ provided highlights from recent stakeholder consultations, which identified crops of common interest and priority areas. No comments were made on this session.
- e. The Secretariat and implementing partners presented planned work under in Central Asia under the on-going **Sustainable Infrastructure Programme in Asia (SIPA).** The programme aims to support the countries in their transition towards energy, transport and industry systems aligned with the Paris Agreement and Sustainable Development Goals.

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Implementing partners of SIPA presented tools and activities conducted since 2021. They included the Sustainable Asset Valuation tool and developing urban mobility improvement plans. During open discussion, participants highlighted the importance of green transport for decarbonising the economy and using existing tools such as the ESPO convention, Strategic Environmental Assessment, and UN Guiding Principles for Sustainable Infrastructure. Kazakhstan highlighted its preparation for the EU carbon border adjustment mechanism and carbon-neutrality goal by 2060, while Uzbekistan emphasised the importance of the SIPA program for decarbonising the country's transport sector and increasing trade in Central Asia.

f. The Secretariat presented recent and upcoming activities on green finance and investment. The planned work focuses on strengthening environmental revenue and expenditure accounting, reforming environmental taxes and charge systems and reviewing tax expenditures as well as providing legal and operational support to strengthening national funding entities. Possible work also include to provide support to greening the banking systems and developing green investment taxonomy, analyse project preparation capacity, review approaches to blending public and private resources, and analyse ways to leverage private capital for green investment (e.g. green bonds). In this context, the secretariat provided an update on recent activities under ongoing work on green bonds in EaP countries and Kazakhstan, including a recent two-day virtual expert meeting on "Greening debt capital markets in the EU's Eastern Partner countries and Kazakhstan: The role for green bonds" and highlighted the increased uptake of green bonds as a financing tool.

Item 8: Elections of the GREEN Action Task Force Bureau for the 2023-24 term [Room document]

15. The Secretariat introduced agenda item 8 on the election of the GREEN Action Task Force Bureau members. The Task Force agreed that the election of the Bureau would be conducted before the end of 2022 once the Task Force mandate is renewed at the 9th EfE Ministerial Conference. Countries were invited to express interest or ask questions to the Secretariat on the role of the Bureau. It was proposed that the Secretariat consult with countries before and during the 9th EfE Conference.

16. The Secretariat also raised the matter of the next Task Force meeting, with the proposal to move the timing of the meeting from the traditional October period to April/May in the calendar year. The logic would be to meet as soon after the 9th EfE meeting as possible. It was noted that the next meeting might be in Paris at OECD Headquarters (back to back with EPOC to leverage participation of additional OECD member countries), or in an OECD member country. The Secretariat committed to exploring this and following up in working with Bureau members. Possible locations were discussed as Paris, the new OECD office in Istanbul and a request to review status and feasibility of the new OECD office in Kyiv.

Item 9: Other business and closing remarks

17. In the concluding remarks, the Secretariat requested participants to provide written comments by 15 July 2022 on the following documents:

- Draft Programme Work and Budget for 2023 and 2024.
- The environmental effects of COVID-19 related recovery measures in the EECCA region
- Draft synthesis chapter of the flagship report of the GREEN Action Task Force on greening the economic development in EECCA
- Future directions of the Task Force after the 9th "Environment for Europe" Ministerial Conference

• Effects of the Russian invasion of Ukraine on climate and energy policies in the European Union's Eastern Partnership and Central Asian countries.

18. Mr. Jürgen Keinhorst brought the meeting to a close, thanking participants and countries for their on-going support to the work, the Georgian government for hosting the meeting, dinner and a field trip to Krtsanisi Forest Park. He also thanked the Secretariat for the organisation of the meeting and the interpreter for her service.

19. A field trip to Krtsanisi Forest Park, a nature conservation area outside Tbilisi, was organised by the Ministry of Environmental Protection and Agriculture and the Agency of Wildlife of Georgia on 2 July 2022.