

Draft Summary Record of the 2021 GREEN Action Task Force Annual Meeting

12-13 October 2021, virtual conference

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Background, meeting objectives and participants

1. The present document summarises the discussion and decisions taken during the 2021 Annual Meeting of the GREEN Action Task Force. The event took place virtually on 12-13 October 2021 and gathered over 120 participants from the Ministries of the Environment and of Economy from the region of Eastern Europe, the Caucasus and Central Asia (EECCA) and from OECD countries. Representatives of development finance institutions, international and non-governmental organisations also took part.

The main objectives of the meeting were to: exchange experiences on the environmental aspects of response policies and measures to the ongoing COVID-19 pandemic; report back on progress in the implementation of the GREEN Action Task Force's 2021-2022 Programme of Work; prepare for the 2022 Environment for Europe Ministerial; and fill the vacant Co-Chair position on the GREEN Action Task Force's Bureau.

2. All meeting documents and presentations are available on the meeting's website: <https://www.oecd.org/environment/outreach/gatf-2021-annual-meeting.htm>

Summary record

Item 1: Welcome and adoption of the agenda

3. **Mr. Jürgen Keinhorst (Co-Chair of the GREEN Action Task Force)** welcomed the participants and presented the objectives of the meeting. He expressed regret that the Annual Meeting could not take place as originally planned in Tashkent both in 2020 and in 2021. He thanked Uzbekistan, particularly the State Committee for Ecology and Environmental Protection, for offering to host the Annual Meeting of the GREEN Action Task Force on both occasions.

4. **Mr. Jusipbek Kazbekov (Deputy Chairman of the State Committee for Ecology and Environmental Protection of Uzbekistan)** thanked for the opportunity to address the Task Force. He highlighted the importance of the global fight against climate change and the need to scale up ambitions to reduce emissions and protect the environment. Uzbekistan has intensified its engagement with the international community on environmental issues and raised domestic objectives to this end (e.g. the Strategy for the Transition to a Green Economy by 2030; special UN General Assembly resolution of the

Aral Sea as a designated area of environmental innovation; membership in the IUCN since 2021; signature of a host country agreement with the Global Green Growth Institute).

5. **Mr. Rodolfo Lacy (OECD Environment Director)** welcomed the participations on behalf of the OECD. He drew attention to the results of the 2021 OECD Ministerial Council Meeting at which ministers agreed that a multilateral approach to carbon pricing is key to help markets align with the net-zero goal. The OECD continues its cooperation with EECCA countries through the GREEN Action Task Force, including through the EU4Environment programme and building on the work of the EU Water Initiative Plus.

Item 2: Update on the Implementation of the 2021-2022 Programme of Work

6. **Ms. Kitamori (Head of Green Growth & Global Relations Division of the OECD Environment Directorate)** presented key achievements in the implementation of the Task Force work programme since the last meeting. She highlighted, in particular, the deployment of economic advisers on greening the post-COVID-19 recovery in Kyrgyzstan, Moldova and Uzbekistan. She also stressed good progress under EU-funded EU4Environment Programme, implemented jointly with the UNECE, UNEP, UNIDO and the World Bank in Eastern Partnership countries, which included the support for the development of national green growth indicators in Ukraine and Moldova, greening of SMEs in Azerbaijan and Moldova with a web-based tool on green performance SMEs, and the development of regulations for managing environmental impacts of the poultry sector in Georgia. She also highlighted the development of Water Policy Outlooks for Georgia, Moldova and Ukraine. In Central Asia, a new project on sustainable infrastructure was launched, and the preparations started for a new regional project on the benefits of regional cooperation on the Energy-Water-Land Nexus.

Item 3: Environmental Aspects of the Economic Recovery from the COVID-19 Pandemic

7. **Ms. Isabella Neuweg and Douglas Herrick (Policy Analysts, OECD)** presented the main findings from the report “Aligning short-term recovery measures with longer-term climate and environmental objectives in Eastern Europe, the Caucasus and Central Asia”, which analysed emergency rescue and recovery measures throughout the region. USD 0.5 billion (or 10% of recovery spending) could be classified as green; Georgia (30%), Uzbekistan (22%), Armenia (16%) and Azerbaijan (7%) accounted for the majority of ‘green’ spending throughout the region.

8. **Mr. Almazbek Azimov (Economic Advisor for Kyrgyzstan); Mr. Mihai Roscovan (Economic Advisor for Moldova); and Ms. Etenesh Asfaw (Economic Advisor for Uzbekistan)** updated the Task Force on providing targeted advice to key ministries on how to ensure the economic recovery from the COVID-19 pandemic is not only robust and conducive to employment but also environmentally sustainable and aligned with the goals of the Paris Agreement. Highlights include: Kyrgyzstan’s anti-crisis plan including support to infrastructure improvements (e.g.in irrigation), as well as the promotion of organic agriculture and climate change mitigation and adaptation measures; the Moldova’s new Government Programme prioritising sustainable development, safeguarding environmental quality and reducing economic inequality; and Uzbekistan’s establishment of a commission to respond to the COVID-19 pandemic equipped with a USD 1.3 billion anti-crisis fund, which focuses primarily on support to the agricultural sector.

9. **Ms. Anna Mazmanyany (Deputy Minister of Environment of Armenia)** highlighted several challenges the COVID-19 pandemic has applied on the Armenia economy, especially those related to employment and household income. To counter this and simultaneously contribute to reforestation objectives, large-scale tree planting programmes for temporary employment were launched throughout the country.

10. **Ms. Isabel Blanco, Lead Economist, Green Economy Transition, European Bank for Reconstruction and Development (EBRD)**, identified a number of opportunities to make recovery plans in EECCA countries greener, but noted that reforms are necessary. The enabling environment for cost-competitive green technologies, especially in the energy sector, needs to be strengthened as these technologies have great economic multipliers along the value chain. Governments should even the playing field by removing fossil fuel subsidies and implementing carbon pricing while protecting vulnerable populations through, e.g. social tariffs for minimum consumption levels. Green elements should also be embedded into recovery programmes (e.g. minimum efficiency standards in the building sector to boost resilience). EBRD aims to support green development in the region by earmarking half of its annual budget for green investment.

11. During the open discussion, **Ms. Marianne Gjørv (Environmental Agency, Norway)** reiterated Norway's support for the GREEN Action Task Force's work and stressed the multi-dimensional nature of a strong recovery, including biodiversity, climate action as well as economic, social and ecosystem resilience. **Mr. Akzan Shiranov (Ministry of Ecology, Geology and Natural Resources, Kazakhstan)** drew participants' attention to the Green Kazakhstan Programme and tree planting programme (2 billion trees, improved water quality and 60 000 jobs at a cost of USD 3 billion, mostly from private investment). **Mr. Assylkhan Aitzhanov (Development Bank of Kazakhstan)** noted that most measures focus on mitigation and argued that long-term recovery will require greater efforts on adaptation as well. **Ms. Martine Rohn-Brossard (Federal Office for the Environment, Switzerland)** asked Ms. Isabel Blanco what measures EBRD takes and which principles it adopts to ensure that infrastructure investments are sustainable. **Ms. Isabel Blanco (EBRD)** replied that EBRD is aligning its investment with the Paris Agreement's climate change mitigation and adaptation goals, and that EBRD prioritises certain clean technologies with less environmental impact.

Item 4: Water management challenges and solutions: Lessons learned from work in the Eastern Partnership Region

12. The session was opened by **Mr. Jürgen Keinhorst (Co-Chair of the GREEN Action Task Force)** who noted the growing importance of water management work and its links to other environmental policy areas, including through the new OECD-led programme on the climate- energy-water-land use nexus.

13. **Mr. Matthew Griffiths (Senior Programme Manager, OECD Environment Directorate)** highlighted the challenges around strategic planning and underlined the need for technical and financial realism of addressing water sector challenges including infrastructure gaps. These issues featured prominently in the EU Water Initiative Plus project for EU's Eastern Partnership countries, which ended in July 2021. Concerning Georgia, Moldova and Ukraine, the driver of the water sector reform journey has been their EU Association Agreements and requirement for alignment with EU legislation and good practice including the Water Framework Directive. Key challenges in the water sector include: increasing pressure on public budgets and a decline of public budget allocation to the water sector in EaP countries in recent years; and meeting deadlines in agreements that are rapidly approaching while institutional instability remains. He introduced the OECD's [Water Policy Outlooks on Georgia, Moldova and Ukraine](#), released in July 2021.

14. **Ms. Nino Tandilashvili (Deputy Minister, Ministry of Environmental Protection and Agriculture, Georgia)** underlined the planned adoption of the new law on water resource management in Georgia that includes the river basin management plans, and moves towards the introduction of abstraction fees and permits for surface water bodies and is fully aligned with the Association Agreement of Georgia with the EU and based on relevant EU legislation. To achieve the common understanding on policy initiatives, all relevant stakeholders (e.g. municipalities and civil society actors) have been involved in the consultation process, with the support of the EU Water Initiative Plus Project. A proper assessment and

analysis of the potential risks and benefits of new legislation is crucial, with impact assessments feeding into the evidence-based decision-making process that should become a standard.

15. **Ms. Svetlana Zhekova (Lead International Consultant, National Climate Change Adaptation Planning for the Republic of Moldova, UNDP)** and **Mr Volodymyr Bilokon (Project Manager on Sustainable Water Resources Management of the Reform Support Team, Ministry of Environmental Protection and Natural Resources, Ukraine)** presented several findings of the Moldova and Ukraine Water Policy Outlooks. In Moldova, the main challenges are substantial disparities in service access and provision and the differences between urban and rural areas (e.g. 97% access for urban population and 72% access for rural population) and between water supply and sanitation, driven by disparities in investments and policy making. Untreated wastewater is the main source of surface water pollution, with 85% of water bodies not meeting relevant standards. By 2030, a total funding of EUR 1.2 billion is required to meet commitments in the water sector in Moldova. In Ukraine, the SDGs, which are reflected in the Ukrainian Water Strategy, the EU Association Agreement, UN conventions and multilateral environmental agreements have been the main drivers of current environmental and water-related legislation. Ukraine has faced challenges with implementation of some Directives, in particular the Urban Wastewater Treatment Directive. Ukraine is close to adopting its new Water Strategy, and on 11 October 2021 Ukraine's parliament approved the Marine Environmental Strategy.

16. The other implementing partners of the EU Water Initiative Plus (EUWI+) highlighted progress achieved through its implementation

17. **Mr. Alexander Belokurov (Environmental Affairs Officer, UNECE)** highlighted the need to accelerate progress towards achievement of SDG 6 by 2030. Capacity development, financing, innovation, governance and data improvements are key to achieve this. He also highlighted the importance of international tools and mechanisms such as the Protocol on Water and Health (under this Protocol countries are required to establish national and local targets for drinking water) and Strategic Environmental Assessment. **Mr. Alexander Zinke (Senior Project Coordinator Water and Environment, Austrian Environment Agency)** noted progress made on monitoring and the links to good water governance, informed decision making and prioritisation of investment programmes by understanding water bodies at risk. Given the cost of monitoring and limited resources available, monitoring needs to be targeted and reviewed regularly to focus on priority areas. **Mr. Philippe Seguin (Senior Project Manager, International Office of Water, France)** noted EUWI+'s contribution of more than 100 experts in six countries during the river basin planning process aligned with the EU Water Framework Directive. Adoption of the plans and strong political will for the implementation of the river basin management plan are critical. EUWI+ elaborated programmes of measures required to improve the status of water bodies with an estimated cost of EUR 1.5 billion for of the next six years, with 80% of this amount dedicated to water supply and sanitation. The decision of Ukraine to introduce polluter-pays and user-pays principles as a feature of its upcoming strategy was welcomed.

18. During the open discussion, **Mr. Zinke** informed about the upcoming project of the European Commission, the EU for Environment, Water Resources and Environmental Data. This new project will build upon EUWI+ with a focus on operationalising plans and strategies developed under EUWI+ and moving towards implementation. **Ms. Marianne Gjørv (Environmental Agency, Norway)** welcomed the Water Policy Outlook reports and remarked that the approach has potential for replication in other EECCA countries.

Item 5: Transition to a net-zero economy (a) Translating long-term vision into investment decisions (b) Financing the transition

19. The session was opened by **Mr. Jürgen Keinhorst (Co-Chair of the GREEN Action Task Force)**. He noted the dire warnings in the most recent IPCC report and the urgent need for countries to reach net-zero emissions. He also noted the growing trend in EECCA countries to make net-zero pledges (Ukraine, Kazakhstan, Uzbekistan) and develop Long-term low emission development strategies (LT-

LEDS) (Ukraine adopted its strategy in 2018; strategies are under development across the region, including Kazakhstan). While pledges and targets are important, financing and implementation are essential to move from theory into practice. Governments, including regulators, have a crucial role to play in crafting the necessary regulatory and institutional frameworks to incentivise green investments. He also indicated an importance of establishing green securities (green equity, green bonds). While green bond issuance has been more common in advanced markets, it has begun more recently in a number of EaP and Central Asian countries, including Armenia, Georgia, Kazakhstan and Ukraine.

20. **Mr. Alibek Kuantyrov (Vice Minister of National Economy, Kazakhstan)** stressed a number of measures Kazakhstan has taken to transition towards a net-zero economy, including the national project Green Kazakhstan with the focus on effective waste management, enhancing environmental education and environmental culture. Together with GIZ and UNDP, the work has developed a draft Doctrine on Achieving Carbon-neutrality until 2060, which signals Kazakhstan's ambition to replace coal with natural gas and renewable energy. Given Kazakhstan's reliance on coal as a producer (approximately 110 million tons of coal are produced annually with 30% exported), consumer (59 million tons used for domestic power generation covering 80% of electricity needs) as well as the coal industry's employment of 30 000 people, the transition will be difficult. A sharp decline in consumption and export of coal would lead to reduction and reallocation of jobs; by 2050 the number of jobs can decrease by 85% in the coal sector. The EU's Carbon Border Adjustment Mechanism (CBAM) would represent a challenge for Kazakhstan due to the increased tax burden and reduction in profits for domestic exporters, primarily oil and gas companies.

21. **Mr. Henri Waisman (Coordinator, Deep Decarbonization Pathways Project, International Institute for Sustainable Development and International Relations)** shared some lessons learned from the development and use of LT-LEDS, which must be a country-driven exercise. He stressed that the transition towards a low-carbon economy must integrate support for economic and social development and identify technical and institutional capacity (including technical capacity in modelling and effective coordination between state bodies) needs for effective implementation. Kazakhstan's LT-LEDS also serves to inform international partners about required international support. The Key Principles for the Elaboration of a Useful LT-LEDS is a key guidance document that shall undergo regular revisions in order to reflect all the global developments.

22. **Ms. Dana Yermolyonok (Advisor on the GIZ Project "Supporting the Green Economy in Kazakhstan and Central Asia")** provided details of developing the LT-LEDS of Kazakhstan. The modelling of the least-cost emission reduction pathways to reach carbon neutrality by 2060 shows that it is technically possible and economically feasible. Additionally, significant stakeholder consultations were conducted, as the carbon neutrality by 2060 will require mobilisations of large investments and consensus building in the country. Total investment required is estimated at USD 665 billion with the investments in carbon neutrality that will largely replace those in fossil fuels. Indicative major milestone towards decarbonisation are the investments in afforestation programmes, no approvals of new coal plants and start of coal phase out from 2025. Renewables in power generation should be doubled by 2030, and thermal retrofits for buildings for improved energy efficiency should contribute to 33% emission reduction by 2030.

23. **Mr. Rodolfo Lacy (OECD Environment Director)** shared his experience with Mexico's development and implementation of its LT-LEDS. As part of the exercise, the potential of carbon removal technologies was explored. Although they are not yet sufficiently developed or commercially viable at present, they will have to play a part in future mitigation strategies. Given many EECCA countries' fossil fuel dependencies, Mexico's experience could be relevant for peer learning for the mitigation of socio-economic impacts.

24. **Ms. Nelly Petkova (Policy Analyst, OECD)** moderated a panel discussion on financing the low-carbon transition. The OECD work on green bonds shows that green bonds markets have become an important source of finance globally, with many issuers of bonds (companies, national governments and

sub-national entities) starting to use them to finance their green projects. In comparison, the EECCA region started later with green bond issuance beginning first in Ukraine, then in Kazakhstan, the Armenia Bank and in Georgia state-owned railway company.

25. **Vincent Duijnhouwer (EBRD)** agreed that EECCA joined the green bond trend rather late but it is catching up and capital markets instruments have a key role to play in the region. Since 2013, EBRD issues its own green bonds, while in 2019 the EBRD issued its first green resilience bond. EBRD is also investing directly in the green bonds in the region including Georgia's railway bond. Investment standards and a strong regulatory will be key for the uptake and further issuance of green bonds. EBRD's technical programme, launched in 2018, helps the issuance of bonds. Given the nascent nature of EECCA green bond markets, international finance institutions (IFIs) and other international partners, including the OECD, have an important role to play in supporting the further development of the market.

26. On the subject of green bonds compared to other arrangements (e.g. loan agreements), **Mr. Ara Sargsyan (Ameriabank, Armenia)** noted the capital market's advantage in fostering wider engagement and broader impact compared to loan agreements. Ameriabank raised sizeable money for their renewable energy efficiency portfolio (200 million USD on renewable energy projects) and issued the bond together with the Dutch entrepreneurial development bank (FMO). The bond took nearly a year to prepare, although the pandemic may have played a role in this long development period. Ameriabank has a dedicated team on green finance in the bank, with the necessary trained for its bankers on environmental issues and metrics. Four preconditions for success in green bonds are: 1) sound experience in green lending, 2) management buy-in and commitment to successful issuance; and 3) in-house expertise, and 4) engagement of as many stakeholders as possible during preparations for green bond issuance.

27. **Ms. Aigul Kussaliyeva (Green Finance Centre, Astana International Financial Centre, Kazakhstan)** shared Kazakhstan's experience of green bond development, which started in 2017 with the support of an EBRD-developed roadmap for green finance. The Green Finance Centre was created to develop a green capital market in Kazakhstan and the concept of the green financial system of Kazakhstan adopted in 2018 was developed with EBRD support. It identified green bonds as one of the main instruments to be developed. To date, the Green Finance Centre has issued six sustainable bonds at two stock exchanges, including both social and green bond. The overall size of the green bond market in Kazakhstan is around USD 100 billion. Transparency, particularly through disclosure, has been the key to the bonds' success with investors. The Green Finance Centre is working with the UNEP Finance Initiative on ESG reporting guidelines and has been involved in the development of a nationwide green taxonomy. To better navigate the transition, governments need to define environmental financial instruments, as the government of Kazakhstan did in its updated Environmental Code.

28. **Ms. Salome Tvalodze (Head of the Macrofinancial Modelling and Analysis Division, National Bank of Georgia)** stressed the role of good governance and high-quality information in the National Bank's efforts to institute reporting and disclosure principles across the commercial banking sector in Georgia. The Bank developed a sustainable finance framework and, in collaboration with the OECD, developed mandatory ESG disclosure principles and corresponding reporting templates for commercial banks. Banks filled out these forms for the first time in 2021, after which the banks' disclosures were published online. A summary of the information will be presented in the National Bank's first sustainable finance status report.

Item 6: Mineral resource governance in EECCA countries

29. **Mr. Krzysztof Michalak (Senior Programme Manager, OECD Environment Directorate)** introduced the session by bringing the related work by the GREEN Action Task Force on mining and environment. He noted the mining sector's important role in EECCA economies. According to the Mining Contribution Index, Kazakhstan, Kyrgyzstan and Uzbekistan are among the top 20 countries where the mining sector accounts for the largest share of the economy; Armenia and Georgia are in the top 30. The environmental impacts of mining are not limited to the extraction of minerals, but also to their processing.

As demand for building materials increases, mining and processing of mineral resources, including those for construction as sand, could exert increasing environmental pressures if adequate safeguards are not introduced.

30. **Ms. Elisa Tonda (Head of the Consumption and Production Unit, Economy Division, UNEP)** updated participants on the Fourth Session of the United Nations Environmental Assembly (UNEA-4), during which Resolution 19 on Mineral Resource Governance was adopted. Building on reports from UNEP and other partners, the resolution recognises the important contribution of the mining sector to achieve the SDGs and stresses the dependence of low-carbon green technologies on metal and minerals. It also underlines the need to share knowledge and experience on regulatory approaches, implementation practices, technologies and strategies for sustainable management of metals and minerals for the mine's entire life cycle. UNEP undertook consultations with over 123 countries to develop the resolution, during which issues such as capacity development challenges, human rights violations in the mining sector and the role of the financial sector were raised.

31. **Ms. Laura Platchkov (Senior Policy Advisor, Federal Office for the Environment, Switzerland)** reported on an informal meeting organised by Switzerland in sustainable resource management in late September. Regional consultations facilitated by UNEP showed the need to develop policies to further strengthen the governance of mineral resources. A proposal for a follow-up resolution was developed together with Argentina, Ghana and Senegal. At the end of September an informal meeting with organisations (e.g. UNEP, UNECE, OECD, IGF) and countries (e.g. Argentina, Canada, Colombia, Ghana, Mexico, Senegal) was held to prepare for UNEA-5 in February 2022. Participants agreed that there would be added value in setting up an intergovernmental working group to develop policy options to address the urgency of increasing demand for minerals to produce low-carbon technologies.

32. During the open discussion, **Mr. Nicholas Bonvoisin (Chief of Operational Activities and Review Section, Environment Division, UNECE)** noted that since the previous Annual Meeting of the GREEN Action Task Force, the conference of the Parties to the UNECE Convention on the Transboundary Effects of Industrial Accidents met and adopted a decision to strengthen mine-tailing safety in the region and beyond. The decision highlighted the urgency to take action to mitigate disaster risks and potential for large scale transboundary effects through water pollution. **Ms. Marianne Gjørv (Environmental Agency, Norway)** highlighted the recent report on mineral governance from the International Resource Panel and expressed support for the OECD's work on the topic of sustainable mineral resource management. **Ms. Olga Ponizova (Executive Director, Centre for Environment and Sustainable Development "ECO-Accord")** remarked that there are a number of initiatives related to sustainable mineral resource management spearheaded by non-governmental organisations in the region.

33. **The Task Force** agreed to call upon the EECCA countries to contribute to the preparations of the UNEA-5 in February 2022 and to the discussions of an intergovernmental working group set up to prepare for UNEA-5 decisions.

Item 7: TF contributions to the Environment for Europe (EfE) ministerial

34. **Mr. Krzysztof Michalak (OECD)**, who moderated the session, invited the UNECE to update the Task Force on the preparations for the next EfE Ministerial Conference. **Mr. Zaal Lomtadze (Secretary to the Committee on Environmental Policy, UNECE)** noted that the UNECE is preparing Background Thematic Documents, to which the Task Force Secretariat would be welcome to contribute.

35. Several country delegates (**Norway, Portugal, Slovakia, Sweden, Switzerland**) supported using the EfE Conference as an opportunity to showcase the work and achievements of the GREEN Action Task Force as well as to confirm the extension of its mandate.

Item 8: Other business and closing remarks

36. The Secretariat (Mr. Krzysztof Michalak, OECD) thanked Ms. Ekaterine Mikabadze (Georgia) for her service as Co-Chair of the Task Force and, following the agreement of Task Force members, confirmed Mr. Alibek Kuantyrov (Vice Minister, Ministry of National Economy, Kazakhstan) as the new Co-Chair alongside Mr. Jürgen Keinhorst.

37. The Task Force took note of the proposal from the Secretariat that, in light of the EfE Ministerial in Nicosia, Cyprus planned for 5-7 October 2022, the next Annual Meeting of the GREEN Action Task Force could be moved to May/June to discuss the Task Force inputs to the EfE Ministerial. The Secretariat offered to explore the possible arrangements and inform the Task Force members about the details as soon as they are available.