

## Editorial

UN Secretary-General Ban Ki-moon has recently warned that heedless consumption of the world's resources would amount to a "global suicide pact". Ministers from 34 OECD countries signed a Green Growth Declaration in 2009 in response to the world economic crisis. Subsequently, OECD developed a Green Growth Strategy. In 2010, the German Ministry of Economic Cooperation and Development (BMZ) presented a strategy paper on Green Growth.

GFA took on the challenge as we have a proud track record regarding „green“ issues. We have been trend setters in sustainable energy finance (SEF). GFA, through its Certification Department, was the first German company to be accredited by the Forest Stewardship Council, and just welcomed its 800th client. We were a pioneer regarding Reducing Emissions from Deforestation and Forest Degradation (REDD). GFA has assisted the Ministry of Economics and Technology in export promotion efforts related to energy efficiency and renewable energies.

Therefore, we felt the need to contribute ideas and concepts to the Green Growth debate, and established a working group in this respect. This newsletter presents examples of how GFA is putting Green Growth into practice. I have always been convinced that climate change and the protection of eco-systems do not only present challenges, but also opportunities for economic growth and job creation. The whole development community is just beginning to realize the complexity and diversity of the topic. We at GFA hope to have contributed to stimulating an animated discussion.



Klaus Altemeier  
Managing Director  
GFA Consulting Group

## Green Growth – What Do We Mean?

Strategic thinking on Green Growth has been pioneered by the UN in the Asia-Pacific region since 2005. In the aftermath of the OECD Green Growth Declaration, many donors started developing Green Growth strategies, some published position papers, while others are still in the process of discussion. So far, no donor consensus on Green Growth strategies has arisen.

When GFA established a Green Growth working group in late 2010, the team first had to develop a common understanding on Green Growth and on the strategic elements it may comprise. According to OECD, "green growth means fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies." By addressing environmental and natural resource protection in general this definition goes beyond climate change mitigation and adaptation. Another key feature is the emphasis on economic development. Green Growth means job and income creation. Therefore, the working group decided to focus on conventional areas within private sector development. There are additional fields such as natural resource management or green urban development that contribute to preserving natural assets but may not have a direct

impact on growth. So far, GFA has preliminarily defined five key Green Growth intervention areas which are interlinked and cross-sectoral in nature:

**Green strategies & sector policies** on establishing green growth in general, and in specific economic sectors.

**Green production** by promoting enterprise-level interventions such as business development services, cluster and value chain development, and by improving access to finance for green investments.

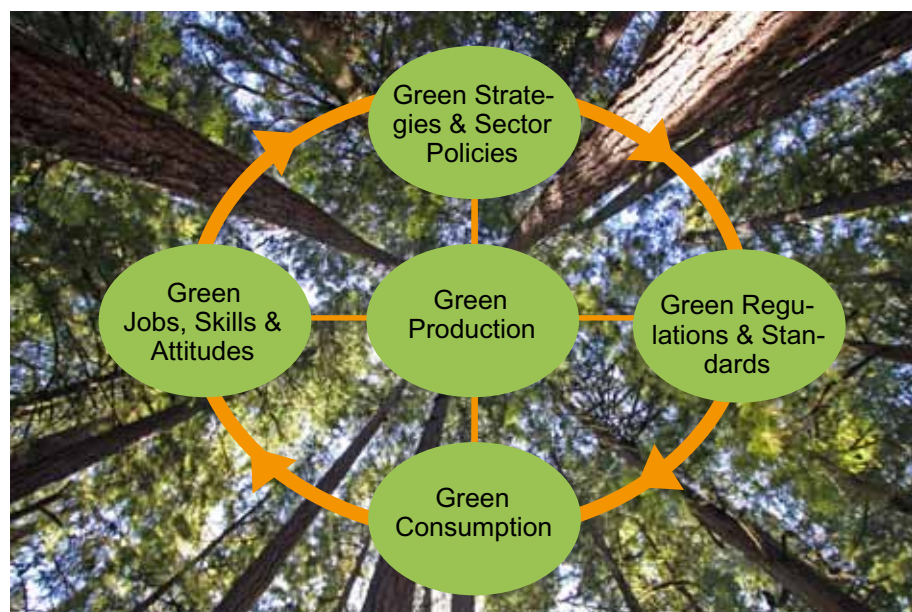
**Green consumption**, e.g. by enhancing consumer information and by promoting trade in green products.

**Green regulations & standards** to develop a conducive business environment, e.g. the establishment of quality standards such as eco-certification.

**Green jobs, skills & attitudes** that further support green production and consumption as well as public approval of Green Growth policies.

GFA recognizes that this approach is but a starting point. The project case studies overleaf will shed some light on the complexity of field implementation.

Contact Magnus Schmid, Frank Niemann  
magnus.schmid@gfa-group.de  
frank.niemann@gfa-group.de



Intervention areas for GFA's Green Growth working group

## Green Growth in Action



*Poster promoting coffee export in Vietnam*



*Shrimp processing in Tumaco*



*River view from the Doli Lodge*

### Green standards in Vietnam

In mid 2011, GFA on behalf of GIZ completed the Environmental Protection and Management of Natural Resources project in Vietnam's Dak Nong province. The production of cash crops is the most important economic sector in the central highlands. Therefore, coffee and sweet potato as green agricultural value chains were selected for promotion. The coffee value chain proved particularly successful due to a public-private partnership (PPP) with a Dutch coffee trader and the German 4C Association. The PPP aimed at improving coffee quality by means of certification standards and sustainable production modes. The project initiated a series of farmer field schools to introduce good agricultural practices that mainly reduced water, pesticide and fertilizer inputs. This not only contributed to more environmentally friendly production but to lower production costs.

The 4C certificate was an additional economic incentive for farmers who expect higher prices from international companies because of the verified quality of their coffee. Early innovators among the farmers have already been awarded certificates while hundreds more are about to be certified after the upcoming harvesting season. Balancing extensive agricultural land use and sustainable forest management will remain a challenge in Vietnam. But first steps towards green certification standards have shown positive results regarding environmental protection and the use of natural resources.

### Green consumption in Colombia

"If even German importers can be convinced to invest in eco shrimps, the mission could well turn into a landmark", states Manuel Vallejo, GFA's team leader in Bogotá. The Colombian Ministry of Industry and Trade intends using corporate social responsibility in order to remove trade obstacles encountered. GFA, in a consortium with Equinoccio S.L. and the German Metrology Institute, manages the Trade Related Technical Assistance for Colombia project financed by the EU. Short-term consultants share their international knowhow in trade and export promotion, develop green value chains and enhance corporate social responsibility.

Market research has shown that a niche market for eco shrimps exists in Germany. Potential importers for a certified and packed product have already been identified. A recent short-term mission has assessed small eco shrimps farmers in Tumaco at the Colombian Pacific Coast. The prospect of an organic certification within a relatively short time is very promising for local shrimp farmers and their value chain leader, a company that buys, processes, packs and exports the shrimps. Manuel Vallejo adds that "a fair trade certification may well be another selling proposition to distinguish us from competitors in neighboring Ecuador". While GFA will continue assisting the Tumaco community in developing adequate certification and trade linkages, the project extends to the shrimp sector as a whole, and to other sectors such as chocolate processing as well as the palm oil and biofuel industry.

### Green sector policies in Africa

The Dzanga-Sangha Reserve is part of a larger protected area across the borders of the Central African Republic, Cameroon and Congo which constitutes the second largest rainforest on earth. Created in 1990, the reserve is to protect elephant and gorilla populations and other big mammals.

GIZ's Nature Conservation Bayanga Project contributed to the sustainable protection of the forest ecosystem at the Dzanga-Sangha Reserve. The project's philosophy was that the reserve was best protected if the local population benefited from its natural resources in an economic and sustainable way. It was therefore indispensable to strengthen communal control and to ensure the sustainable use and marketing of timber and non-timber products. Based on a related policy model, eco-tourism became one of the most important income-generating sources. A wooden hotel complex, the Doli Lodge, attracts visitors to the reserve.

GFA experts supported the project in a variety of technical fields. They created conducive legal and institutional conditions for sustainable protection, facilitated the participatory management of natural resources, organized user groups, promoted eco-tourism, and elaborated a management plan for concessionaires. A German brewery supports nature conservation at Dzanga-Sangha through public awareness campaigns since 2003. WWF Germany makes sure that these funds benefit conservation work at the local level.



## Green Jobs – A Transformation Challenge



*Conducting an energy efficiency assessment*

### Green production

Economies in emerging markets are highly energy intensive due to the use of outdated and energy-inefficient equipment. However, numerous challenges inhibit the adoption of energy efficiency and renewable energy (EE & RE) measures even though they are often revenue neutral or have limited influence on profitability. Many companies remain unaware of EE & RE options, yet face rising energy prices that threaten profit margins and competitiveness.

GFA is implementing sustainable energy financing facilities (SEFFs) in the Russian Federation, Kazakhstan and Turkey on behalf of EBRD, and in South Africa on behalf of KfW. The projects aim at supporting private enterprises by helping them improve EE and develop RE sources. These facilities comprise credit lines of between 75 and 300 million US Dollars for on-lending to industrial enterprises through banks, and a technical assistance package to support partner banks in their marketing and project development. In addition, companies are supported in project identification and preparation. A GFA team and its engineering partners provide assistance in marketing, conduct energy audits, support the identification of suitable technical solutions and suppliers, calculate project benefits, and help prepare bankable projects.

*Contact B. Hodick (Vietnam), H. Landauer (Colombia), F. Czesnik (Africa), K. Stellner (SEF), benjamin.hodick@gfa-group.de, frank.czesnik@gfa-group.de, harald.landauer@gfa-group.de, karsten.stellner@gfa-group.de*

**Green jobs, green economy, green growth, and numerous other themes and processes currently being labeled “green” reflect two trends – that society recognizes the ecological and social challenges ahead, and that “green” optimistically stands for clean, sustainable, and environmentally friendly solutions. But can green jobs and skills really keep this subtle promise?**

UNDP defines “green jobs as positions in agriculture, manufacturing, construction, installation, and maintenance, as well as scientific and technical, administrative, and service-related activities that contribute substantially to preserving or restoring environmental quality”. This is, inter alia, to protect and restore ecosystems and biodiversity, reduce energy, materials, and water consumption, de-carbonize the economy, and minimize waste and pollution. The International Labour Organisation (ILO) and other funding agencies stress that green jobs should also be decent jobs – recognizing rights at work and ensuring a minimum of social protection and security. ILO’s Green Jobs Programme offers a related learning forum, which provides participants with a range of development tools and best practices to enhance their skills in designing and implementing innovative green job strategies at the local level. GFA staff participated in this forum and put the newly gained knowledge to practical use.

Figures on the number of employees currently working in green jobs show the potential for both industrialized and developing countries, particularly in renewable energy, waste management and recycling, construction, agriculture and forestry, and environmental services. Already, a stunning 2.3 million people worldwide either work in the renewable energy sector directly or in supplier industries. The Worldwatch Institute projects global wind power employment at 2.8 million in 2050, assuming that all policy options in favor of renewable energy are adopted.

The ecological and social challenges will result in structural changes many of which can be observed already. Certain jobs – as in the extracting industries - will disappear. Other jobs will be substituted, for example driven by renewable instead of fossil/fuel energy, and additional jobs will be cre-

ated. The main impact of these changes, though, will be felt when existing jobs are transformed because of newly emerging requirements, e.g. in the construction sector. In the process, current skills need to be upgraded and the work force needs to be trained as to meet the green agenda. The challenge for officials and drivers of change in labor markets, education and training is to anticipate these newly required skills and react to the resulting training needs in the entire education sector. This is where the proven track record of GFA’s Labor Markets & HRD department in making education and training systems respond to transforming labor market needs plays a decisive role. GFA experts have vast experience in labor market policies and education and training systems reform. They consult local communities and training institutions on local and sectoral skills development strategies and support the development of public-private partnerships. The department’s core consultancy services comprise advice in implementing lifelong learning strategies, developing qualification frameworks, and matching curricula for whole qualifications as well as modular training programs. Hence, GFA is very well prepared to meet the challenges ahead related to green job transformation.

*Contact Daniela Heipel  
daniela.heipel@gfa-group.de*



*Engineer maintains a windmill*

### Green Interventions in Lebanon

After the war in July 2006, 28 local green interventions and green investments have been financed by the Environmental Fund for Lebanon (EFL). The Fund, provided by GIZ and advised by GFA, intends to support Lebanon's economic and environmental development by contributing to the country's reconstruction. Since 2007, EFL's areas of intervention in the call for proposals clearly focus on Green Growth, e.g. the reduction of environmental risks, climate change interventions, cleaner production measures etc., all with an income generating potential. To this end, all public or private Lebanese institutions may submit proposals which are financed out of the 8,5 million Euro Fund. The beneficiaries have been as diverse as municipalities, NGOs, private sector companies, government agencies, and academic institutions. Some of the most prominent examples include the rehabilitation of the solid waste management plant in Aytaroun and the implementation of cleaner production options by the chemical industries in Lebanon. Three small and medium enterprises adopted energy efficiency measures, and a private poultry production company started treating the wastewater generated at its farms.

*jan.prothmann@gfa-group.de*

### Quality Matters

The DIN EN ISO 9001:2008 certificate awarded to GFA in April 2010 has recently been renewed by IQM e.V. The auditors confirmed that GFA's quality management system meets the related standards. The quality of its services has always been of highest importance to GFA. Hence, the

company years ago introduced a quality management system based on the ISO 9001 norm. The system is understood as a basis for GFA's work as a project management company in international development consultancy. Efforts in safeguarding and maintaining high-level quality standards allow GFA to optimize its organization and project management procedures while emphasizing client satisfaction as a central quality criterion. The renewal of the ISO certificate indicates this consistent quality-related philosophy among all GFA members of staff.

*heiko.weissleder@gfa-group.de*

### Business Associations Convene in Mozambique

"One of the key factors to improve the business environment in Mozambique is a well organized private sector able to represent its interests effectively in a dialog with the public sector" concluded Carmen Langner, GFA team leader of the GIZ Pro-Econ program in Beira, Mozambique. GFA guest speakers supported the First Mozambican Conference on Development of Business Associations in May 2011. Since the program started in 2006, GFA in cooperation with the Mozambican Federation of Business Associations has developed a special approach to promote business associations. The key to success was strengthening the different sector groups of each association. In addition, the project has published a number of handbooks for small enterprises, among others on dealing with national environmental standards to mainstream Green Growth.

*magnus.schmid@gfa-group.de*

### Team Leaders Meet Headquarter Staff

On 24-26 August 2011, GFA's Latin America and Caribbean Department held a workshop in Hamburg. For the first time, all 16 team leaders from the region were brought together with headquarter personnel and GFA's different service units. The improvement of GFA backstopping, capacity development and understanding of junior consultants' interests, as well as GFA's corporate culture and market development were on the agenda. The workshop, organized by Heike Geuder and moderated by Dorothee Heidhues, had good discussions about backstopping, acquisition and products such as C<sup>3</sup> training modules for the private and the public sector. A sightseeing tour of Hamburg, guided by former Hamburg Senator for the Environment, Mr. Porschke, highlighted historical challenges and recent innovations in urban development as well as water and sanitation management.

*tomas.keilbach@gfa-group.de*

### Recycling Meets Social Commitment

As a cutting edge consulting company, GFA has an enhanced throughput of personal computers and information technology. Once this hardware has served its time, it used to be properly disposed of. But GFA has now identified an even better approach – recycling combined with social responsibility. Worn out computer parts are handed over to a public charity which refurbishes the devices and gives them away to the families of long-term unemployed. Thus, bad waste is put to good use.

*susanne.hardt@gfa-group.de*

**GFA Consulting Group GmbH**  
Eulenkruogstrasse 82  
22359 Hamburg, Germany

**phone** +49(40)60306-0  
**fax** +49(40)60306-199  
**e-mail** info@gfa-group.de  
**web** www.gfa-group.de

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**GFA mission** – to improve the livelihood of beneficiaries through our professional services.

**GFA core values** – to offer high performance in service delivery, technical excellence in our main sectors, innovative approaches and products, and credibility with our clients when putting projects into practice.