



“DEVELOPING A GREEN BUSINESS SUPPORT STRATEGY FOR UBCCE”

PROJECT MEETING

*A UBCCE- GIZ (former GTZ) project
supported by the Federal Ministry for the Environment of Germany (BMU)
in the framework of its International Climate Initiative (ICI)*

Summary Report

Sismanoglu Megaro, Istanbul, Turkey

15 March 2011



1. Background and Objectives

The Union of Black Sea and Caspian Confederation of Enterprises (UBCCE) is carrying out a project aimed to develop a “Green Business Support Strategy” for its members. This project is supported by the German Agency for International Cooperation (GIZ – Former GTZ) on behalf of the Federal Ministry for the Environment of Germany (BMU) in the framework of its International Climate Initiative (ICI).

The overall goal of the project is the elaboration of a business strategy that helps private sector associations and enterprises to respond to the multiple challenges and opportunities of climate change in an efficient and proactive manner.

Azerbaijan, Ukraine and subsequently Georgia was chosen as the pilot countries of the Project. Two workshops have been organized within this framework since the Kick-off and Training Workshop held on June 24-25, 2010, in Eschborn, Germany, first one in Donetsk, Ukraine, on October 7-8, 2010, to work out “green business” opportunities and challenges in Ukraine with a special focus on metal and mining industries, and the second one in Baku, Azerbaijan, on December 13-14, 2010, in order to discuss the perspectives of “green economy” and “green business” applications in Azerbaijan.

A further meeting was held in Istanbul, Turkey, on March 15, 2011, as the fourth gathering of the project, where the representatives of UBCCE and its member organizations together with representatives of GIZ, BAUM (German Association of Green Enterprises) discussed the ongoing Project, exchanged ideas on the possible next steps and brainstormed on the next project to be proposed to BMU.

2. Workshop Notes

The meeting held following the Fourth General Assembly of UBCCE, brought together the task force members, representatives from different member organizations of UBCCE along with that of GIZ, BAUM and the Regional Environment Center (REC) plus the Union’s Secretariat. (See Annex 1 & 2: Participant list and Meeting agenda)

It should be noted that the geographical distribution of the participants – Albania (1), Azerbaijan (1), Georgia (1), Iran (3), Serbia (1), Ukraine (1) and Turkey (2) – reflects the increasing interest of UBCCE members in the project.



In the opening, participants were welcomed by Mr. Murat Zöngür, the Secretary General of UBCCE, followed by Dr. Sibel Sezer, Regional Director for Black Sea and Turkey in REC, who presented her views on climate change and green business practices with a special focus on the Black Sea and Caspian Region.

After the interpretation of Dr. Sezer, Mr. Herbert Kopnick, Senior Advisor in BAUM and Project Task Force member, made an evaluation of the ongoing activities and exchanged his ideas on the possible next steps of the Project, with a special focus on a possible training workshop, to be held in Munich, in May, where the Bavarian Business Association (VBW) and BAUM along with the Bavarian Chamber of Commerce and Trade would share their experiences on green business with the participating UBCCE representatives. The workshop would also include some site visits to see “green company” experience on ground.

Finally, Dr. Matthias Bartels, GIZ Deputy Director for Europe, Caucasus and Central Asia, made a presentation to evaluate the cooperation process between UBCCE and GIZ under three different time perspectives. As for the short time perspective, he analyzed the ongoing project, taking into account the modifications on the original timetable of activities, due to the prolongation of project duration until the end of November 2011. For the mid-term perspective, he suggested UBCCE to develop another small scale project, preferably focusing again on capacity development in green business by building on the present one, whereas for the long-term, he expressed that a large-scale project including public-private sector partnership might be considered. (See Annex 3: Presentations)

Following the presentations, the business organizations’ representatives from the pilot countries of the project, Mr. Rodion Kolyshko (Ukraine), Mr. Rashad Rasullu (Azerbaijan) and Mr. Dimitri Japaridze (Georgia) also took the floor to inform the participants on the implementation of the project in their respective countries. Mr. Kolyshko announced that following the successfully held workshop in Donetsk on October 2010, the national strategy for Ukraine is ready to be released in both English and Ukrainian languages and the Confederation of Employers of Ukraine (CONFEU) is planning to present the document in Ukraine during the Second All-Ukrainian Climate Change Forum to be held on March 21 – 22, in Kiev.

In his turn, Mr. Rasullu informed the audience that Azerbaijan Turkey Business Association (ATIB) is envisaging to finalize the national strategy, already drafted by the Azeri expert, until mid-april in order to make it available for discussion during the training workshop to be held in Munich.



Mr. Japaridze announced that the Georgian Entrepreneurs Confederation (GEC) is starting the preparations for the organization of the Green Business Workshop together with UBCCE Fourth Business Forum planned to be held in June, in Georgia (most probably in Batumi). He added that they are trying to identify a national expert to prepare the strategy paper for Georgia however since the green business is still an undiscovered sphere of analysis in the country, this is a challenging task. Nevertheless, he expressed that they will be able to decide on the person by the end of March.

Following these comments, the proposition of UBCCE Secretary General to release the general strategy document in the framework of a Final Regional Conference on Green Business Development in late October or November, in Istanbul with the support of Turkish Industry and Business Organization (TÜSİAD) and Turkish Confederation of Employer Associations (TİSK) was welcomed by the participants. TÜSİAD Deputy Secretary General, Ms. Hale Altan expressed once more for the occasion the willingness of her organization to share its experience and contribute to the implementation of the ongoing and the future project. She also added that as an accredited organization to the United Nations COP meetings, TÜSİAD could also support UBCCE to organize a side event in the framework of the 17th Conference of the Parties of the UN Framework Convention on Climate Change (COP 17) in Durban, which could be a very useful opportunity for the Union to present its final regional report in the international area as well. After some exchange of ideas, the proposition of the Deputy Secretary General to organize such a side event was welcomed depending on the availability of the budget.

3. Plan of activities

According to the needs discussed above, the participants agreed on the following time-table regarding the continuation of the project:

- **Organization of a training workshop in Munich** – in May 2011 (date and programme to be communicated at the earliest convenience)

- **Preparation of the national strategy document for Azerbaijan:**
 - Finalization of the strategy draft until mid-April;
 - Communication of the strategy for the occasion of the workshop in Munich;
 - Organization of a press conference in Baku to present the document.



- Preparation of the national strategy document for Georgia and organization of a Workshop together with UBCCE Fourth Business Forum:

- Identification of a national expert to draft the Georgian strategy document by the end of March;
- Setting the exact date and place of the workshop and the Business Forum asap;
- Presentation of the draft national strategy during the workshop;
- Finalization of the document before September, taking into consideration the comments and recommendations elaborated during the workshop in Georgia.

- Preparation of the regional (general) strategy document for UBCCE:

- Identification of an expert by the end of April;
- Release of the document in the framework of a Final Regional Conference on Green Business Development in late October or November, in Istanbul with the support of TÜSIAD and TISK;
- Presentation of the document during a side-event to be organized in the framework of COP 17, in Durban, depending on budget availability.

It was also decided to make a second project proposal to BMU to start in late 2011 or early 2012 and start to work on the new proposal by summer.

ANNEX I: PARTICIPANT LIST

Albanian Confederation of Industrialists (KISH)	Mr. Agim BUFI, International Relations Director
Azerbaijan Turkey Business Association (ATIB)	Mr. Rashad RASULLU, Secretary General
Georgia Entrepreneurs Confederation (GEC)	Dr. Dimitri JAPARIDZE, Senior Advisor
Iranian Confederation of Employers' Associations (ICEA)	Mr. Mohammad OTAREDIAN, President Ms. Shohreh TASDIGHI, Intl. Affairs Adviser
Serbian Association of Employers (SAE)	Ms. Dejena KUZMIC, Intl. Economic Rel. Director
Turkish Industry and Business Association (TÜSIAD)	Ms. Hale ALTAN, Deputy Secretary General Mr. Ahmet Can CELTIKCI, Specialist
Confederation of Employers of Ukraine (CONFEU)	Mr. Rodion KOLYSHKO, Advisor
International Consultants and Contractors Association of Iran (ICCA)	Mr. Siamak DOULATSHAHI, Board member
Regional Environment Center Turkey	Ms. Sibel SEZER, Regional Director for Turkey and the Black Sea
GIZ – German Agency for International Cooperation	Mr. Matthias BARTELS, Deputy Director for Europe, Caucasus and Central Asia
German Association of Green Enterprises	Mr. Herbert KOPNICK, Senior Adviser
UBCCE Secretariat	Mr. Murat ZONGUR, Secretary General Ms. Seda KOKNEL, Senior Advisor

ANNEX II: AGENDA

14:15 – 14:45 Briefings

“Climate Change and Business Practices for Black Sea Region”

Dr. Sibel Sezer, *Regional Director for Black Sea and Turkey*, Regional Environment Center (REC)

“Green Business and the German Perspective”

Mr. Herbert Kopnick, *Senior Advisor*, German Association of Green Enterprises (BAUM)

14:45 – 15:30 Evaluation of the Ongoing Project

Brief presentation of the National Strategy Documents prepared for Ukraine and Azerbaijan

Exchange of ideas on the possible next steps of the Project;

- Training Workshop in Munich in parallel to the Seminar on “Business Opportunities in the Black Sea and Caspian Region with focus on Green Business” with the support of BAUM (German Association of Green Enterprises) and VBW (Bavarian Business Association) (May 2011 – tbc)
- Business Forum and Workshop in Georgia (June 2011)
- Final Regional Conference to launch the general UBCCE Strategy Document on Green Business Support (October – November 2011)
- Other additional possible actions within the limits of project budget

15:30 – 16:00 Brainstorming on the next “Green Business Support” project to be proposed to BMU with the support of GIZ

The Business Sector's Role Towards a Low Carbon Economy

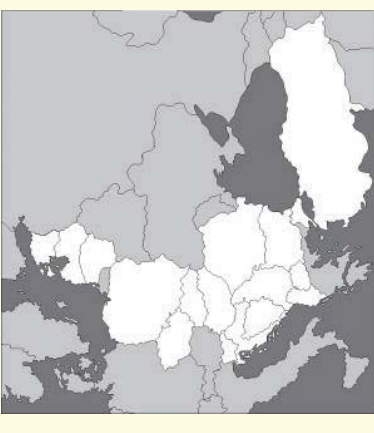
*Sibel Sezer Eralp
Regional Director
REC Turkey and Black Sea*



BÖLGESEL ÇEVRE MERKEZİ
REC Türkiye

Regional Environmental Center (REC)

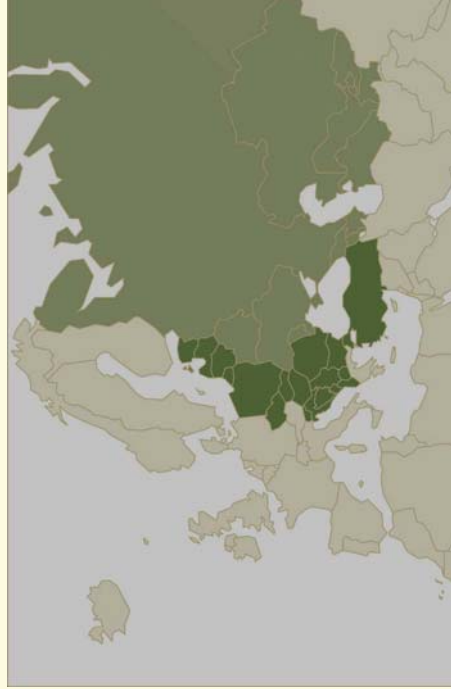
- Established in 1990, by the United States, the European Commission and Hungary.
- Legally based on a charter signed by 31 countries and the EC.
- Headoffice in Szentendre, Budapest, Hungary.
- Country offices and field offices in 17 countries.



BÖLGESEL ÇEVRE MERKEZİ
REC Türkiye

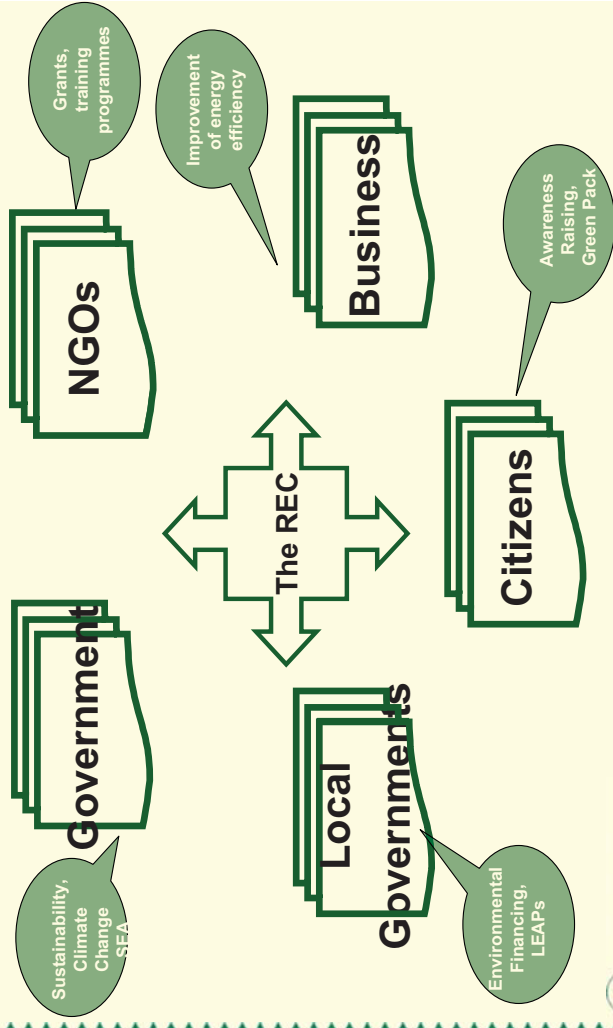
Beneficiaries

- **South Eastern Europe**
 - EU candidates countries – Croatia and former Yugoslav Republic of Macedonia
 - potential EU candidates- Albania, Bosnia and Herzegovina, Montenegro, Serbia
- **EU member states –** Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia
- **Turkey (EU Accession Country)**
- **Operation beyond the REC Country Office Network – EECCA, Asia, Africa, Latin-America**



BÖLGESEL ÇEVRE MERKEZİ
REC Türkiye

Bridging Across Border



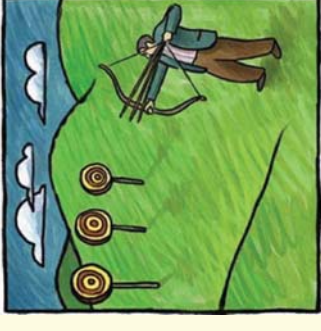
BÖLGESEL ÇEVRE MERKEZİ
REC Türkiye

REC ACTIVITIES IN THE BLACK SEA

- Black Sea Course for Sustainable Development
- Green Pack in Several BS Countries
- Environmental Impact Assessments
- Strategic Environmental Assessments
- **In the process of establishing offices in other BS countries**

17 Different Countries:

- Different problems? Common challenges!
 - Climate change topic quickly raising on the international and European political agenda
 - Carbon-intense economies
 - Low awareness about the economic opportunities provided by the low-carbon growth
 - Low awareness on the necessity and ways to adapt to a number of adaptation challenges (heat waves, sea level rise, increasing incidents of storms, floods, droughts, etc)
 - Educated and capable but insufficient human capacities on all governance levels



Key examples – Climate Change



- Promotion of Low Carbon Society
 - Regions for Sustainable Change
 - REC is the lead partner in a 12-member partnership. Explore ways to incorporate climate change in the economic and regional development plans of 12 EU regions
 - LG-Action
 - Networking action to involve and mobilize local governments (LGs) in EU to take active part in international climate and energy debate.
 - Financing Low Carbon refurbishment
 - Demonstration project in the CEE region for removing barriers from financing low carbon refurbishment projects including research on existing policy framework for green banking and guarantee fund
- Promotion of Sustainable Energies
 - EU-China Clean Energy Center project
 - to facilitate cooperation between China and the EU in the field of clean, sustainable energy through the Center set in Beijing to mitigate GHG emission
 - INTENSE
 - the transfer of intelligent energy-saving measures from municipal housing in old EU MS (Germany) to NMSs and candidate countries.

Key examples – Climate Change



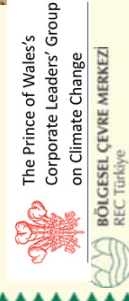
- Promotion of Adaptation Policies
 - Climate Change Framework Action Plan for SEE Region (SEE/CCFAP)
 - lots of priority actions/tasks including observation, modeling, sectoral policies, CB and awareness raising
 - MEDIATION – Methodology for Effective Decision making on Impacts and ADAPTATION
 - developing an integrated methodology to support policy making.
 - Impacts of CC on Water Scarcity and Drought
 - to synthesize knowledge on the problem, identify driving forces, identify and assess the adequacy of existing measures and new measures
- Promotion of Article 6 of UNFCCC
 - Train ministerial staff including others than MoE
 - to strengthen negotiation skill and increase interministerial cooperation
 - Train media to increase professional knowledge
 - Youth Forum on Climate Change
 - Responding to necessity to involve students in discussions on the future of the World and sustainable development
 - “Kyoto in Home”
 - Responding to necessity to involve children and school teachers in the process

Thematic Work Areas of REC Turkey

- Supporting activities for EU Accession
- Civil Society Development Activities
- Capacity Building for Sustainable Development
- **Sustainable Business**
- **Climate Change**
- Education for Sustainable Development
- Biodiversity and Nature Protection
- Access to Information
- Regional Activities



- Business alliance for a progressive climate regime
- Policy development
- Capacity building
- Facilitate active participation of the business world in international negotiations.



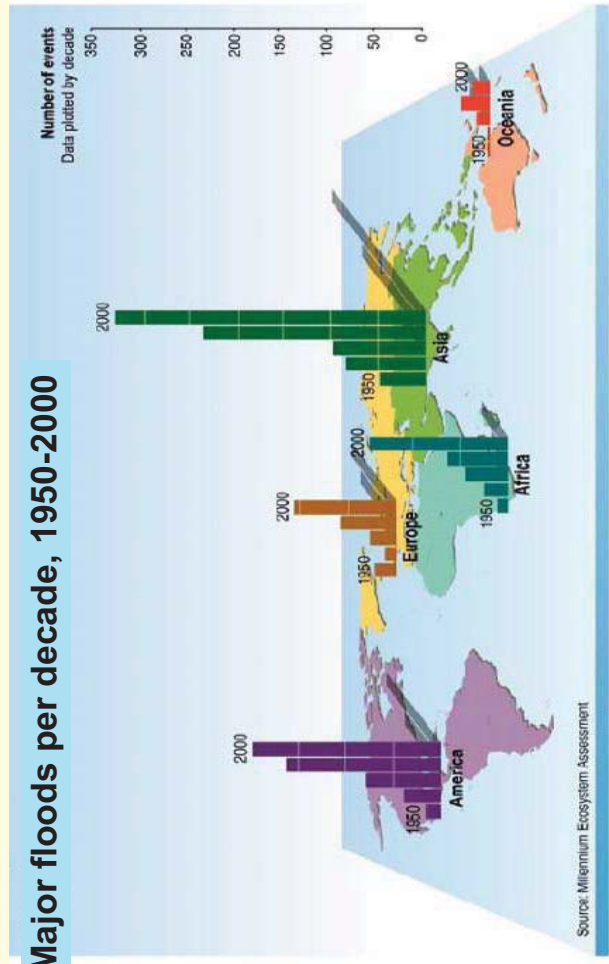
Selected Activities of Climate Platform

- Seminars/Workshops/Trainings
- Reports, research/policy papers, etc to assess challenges and opportunities for businesses in Turkey
- Online courses in cooperation with GHMI:
 - 1. Organizational GHG Accounting
 - 2. Project-Level GHG Accounting
 - 3. GHG Information Management Systems

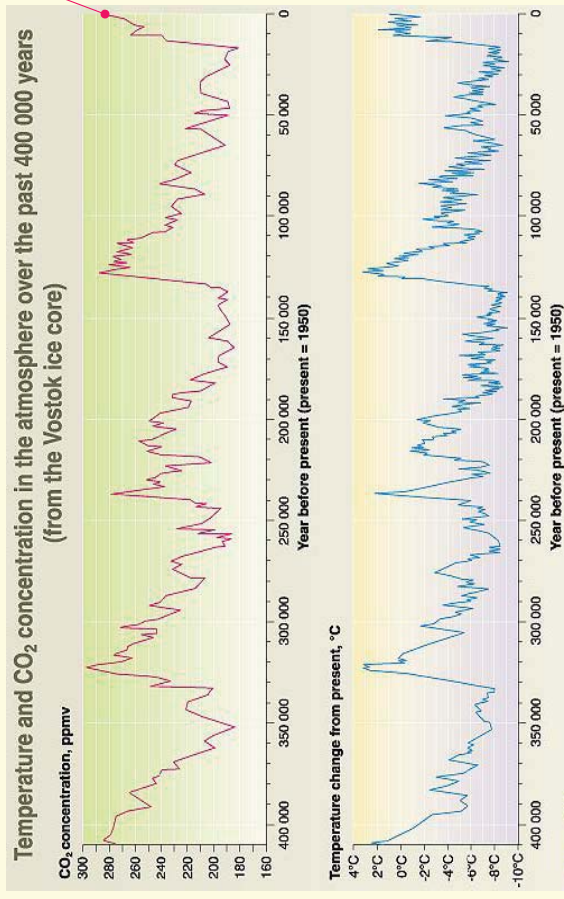
WHY IS CLIMATE CHANGE AN ISSUE FOR BUSINESSES?

Major floods are up on every continent

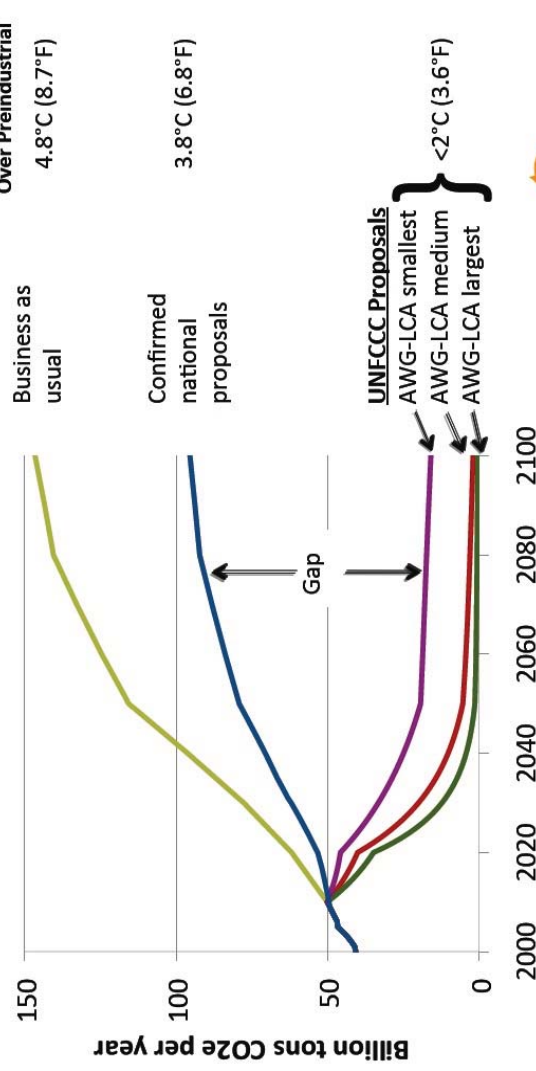
Major floods per decade, 1950-2000



Climate, CO₂ and Temperature



Global CO₂e Emissions



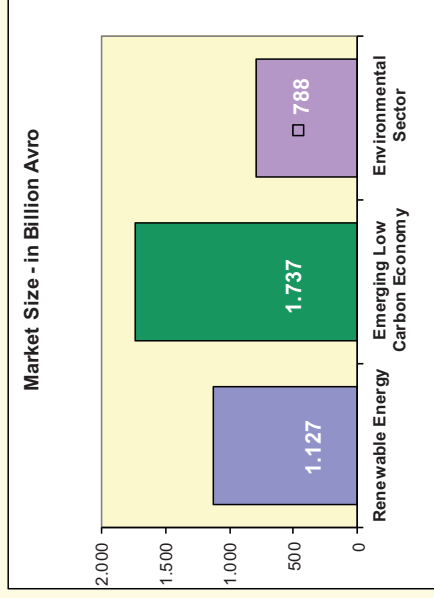
UNEP: 9 Gigaton GAP for 2020!
Science; reduction no later than 2015
Science: 350 is the safe upper limit for carbon dioxide

Cost of Climate Change

..if a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more.
 In contrast, the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year.

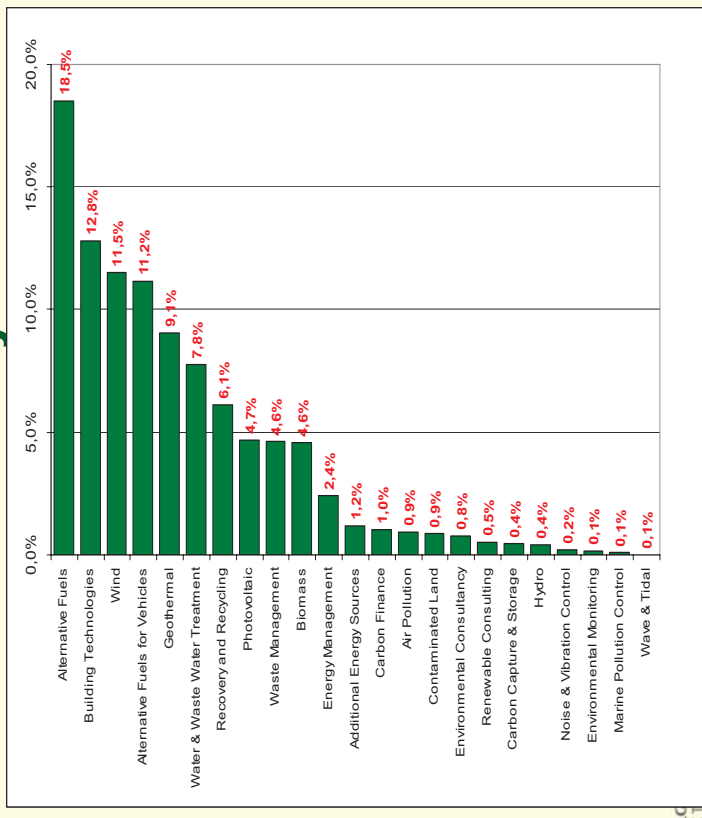
Sir Nikolas STERN, 2006

Market Size of Low Carbon Economy in 2008



3,65 Trillion Euro!

Low Carbon Economy Sub-sectors



LCEGS Market and Türkiye

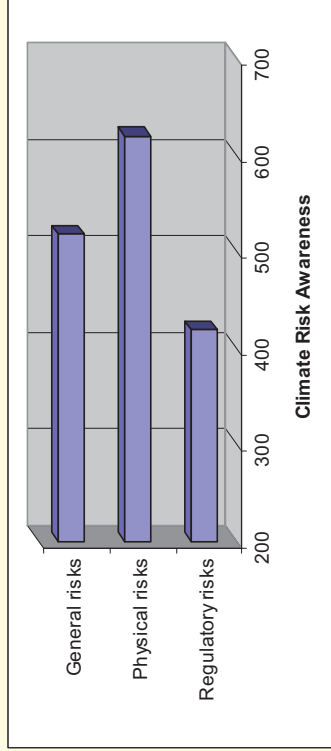
	in Million Dollars	LC Market Size
1	United States	754.135
2	China	492.947
3	Japan	229.266
4	India	228.727
5	Germany	152.932
6	United Kingdom	127.927
12	Mexico	66.145
13	Canada	64.970
14	South Korea	59.648
15	Indonesia	52.576
18	Argentina	33.468
20	İran	32.437
21	South Africa	32.281
22	Türkiye	31.790
	Total	3.65 Trillion Euro

Green Stimulus Package

Green Fund share of Economic Stimulus

S.Korea	%79
China	%34
Avustralia	%21
France	%18
UK	%17
Germany	%13
USA	%12
S.Africa	%11
Mexico	%10
Canada	%8
Spain	%6
Japan	%6
Italy	%1

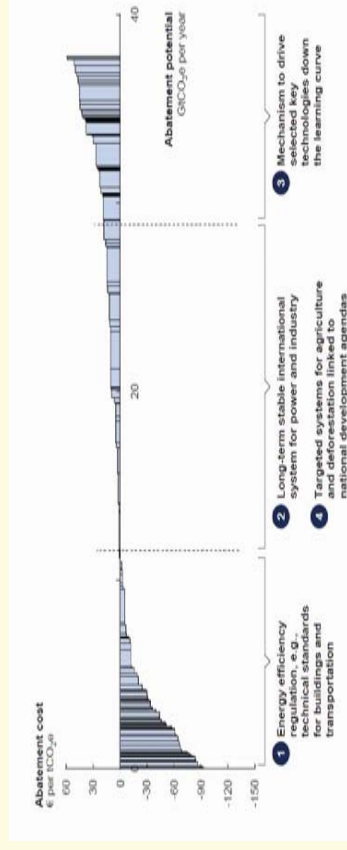
Climate Risk Awareness



In 2318 companies

Regulatory risks	Physical risks	General risks
Cap-and-trade Schemes	Flooding and Sea Level Rise	Resource/Utility Cost Increases
Energy Carbon Taxes	Changing Temperatures and Rainfall Patterns	Resource Scarcity
General Regulations	Extreme Weather Events	Consumer Demand
Mandatory Technology Requirements	Security of Supply	Reputational
Others	Disease	Weather Related
	Others	Others

Cost Matrix



COST	Negative	Low	High
Technology	Available	Available	Not available
Goods and Services	Available	Not available	Not available
Market	Insufficient	Not available	Not available
Requirement	Pushing market	innovation	-R&D, -Innovation -International Cooperation

OPPORTUNITIES FOR GREEN GROWTH BLACK SEA

- Relatively high energy intensity
 - Limited –although increasing–use of Renewable Energy Sources
 - Lower rates of waste recycling
 - Obsolete public transport infrastructure
 - Good potential for the utilisation of domestic renewables
- The countries have very good potential to create a large number of ‘green/low carbon jobs’ in their relevant sectors in the use of
- new innovative technologies (RES) and
 - green/low carbon services

Climate Change and Low Carbon Economy;

Its the Future!

Gain competitive Advantage
Lower risks (of loosing)

Take advantage of opportunities to save

GIZ (former GTZ)
“Developing a Green Business Support Strategy for UBCCE”
Project Meeting
in parallel with UBCCE IV. General Assembly

1. Workshop in Eschborn, 24-25 June 2010 – Results

- **Definition Green Business:** Green Companies & Green Markets
- **Green Companies:** efficient in terms of energy, materials, water, waste, pollution, land use
- **Green Markets:** Environmentally friendly power generation, Energy efficiency, Material efficiency, Waste management and recycling, Sustainable water management, Sustainable mobility
- **Green Business Support Strategy:** Information, Support, Cooperation

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**Green companies
are eco-efficient**

that means
they are environmentally friendly
and reduce their costs

Savings through efficiency measures that pay off: 20 - 40 %

GIZ (former GTZ)
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Green Markets volume*
 in EUR billion

	2007	2010	2020
• Global market volume:	1.400	1.650	3.100
• Energy efficiency:	538		
• Sustainable water management:	361		
• Sustainable mobility:	200		
• Environmentally friendly power:	155		
• Material efficiency:	94		
• Waste management and recycling:	35		

* According to Roland Berger Strategy Consultants “GreenTech-Study”, 2009

GIZ (former GTZ)
 “Developing a Green Business Support Strategy for UBCCE”
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2. Workshop in Donetsk, 7- 8 October 2010 – Results

**GREEN BUSINESS SUPPORT STRATEGY
 FOR UKRANIAN PRIVATE BUSINESS ORGANIZATIONS
 FOCUSING ON METAL AND MINING INDUSTRY**

GIZ (former GTZ)
“Developing a Green Business Support Strategy for UBCCE”
Project Meeting
in parallel with UBCCE IV. General Assembly

3. Workshop in Baku, 13 – 14 December 2010 - Results

GREEN BUSINESS SUPPORT STRATEGY FOR AZERBAIJAN PRIVATE SECTOR ORGANIZATIONS

GIZ (former GTZ)
“Developing a Green Business Support Strategy for UBCCE”
Project Meeting
in parallel with UBCCE IV. General Assembly

4. Workshop in Munich, Summer 2011 – being considered

GREEN BUSINESS IN BAVARIA - STRATEGY AND PRACTICE

- Green Business Strategy of Business Associations: vbw, IHK, HWK, B.A.U.M.
- Green Companies: BMW & SIEMENS
- Environmental Cluster: Network of 2.000 companies
- Environmental Pact of Bavaria: Voluntary Agreement between Business and Government

GIZ (former GTZ)
“Developing a Green Business Support Strategy for UBCCE”
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Possible Follow-up Projects

Mid-term: **CAPACITY DEVELOPMENT FOR GREEN
BUSINESS AND GREEN TECHNOLOGY –
“GREEN INFORMATION CENTERS AND
GREEN CLUSTERS”**

Long-term: **COOPERATION BETWEEN BUSINESS
ORGANIZATIONS AND GOVERNMENTS –
„GREEN ALLIANCES“**

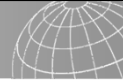


Perspectives of Regional Cooperation

on Green Business and Green Economy in the Black Sea and Caspian Sea Region”

in the framework of the
International Climate Initiative (ICI)
of the Federal Ministry for the Environment (BMU)

Ideas for Discussion in the UBCCE General
Assembly; Istanbul, 15 March 2011



Options for Cooperation

1. Short-term: In the framework of the ongoing project on
Green Business

2. Short- to mid-term: Propose and prepare another ICI-small-
scale project in the framework of the Fund “Capacity
development for climate policies” (CPCD) – that should have
a specific different focus though building on the present one

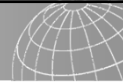
3. Mid- to long-term: Bigger ICI (2-3 Mio. EUR) on Green
Economy with a focus on public-private cooperation (BSEC +
UBCCE?)



1. Short-term option: Ongoing project on Green Business

Use remaining funds for securing, deepening and broadening results:

- Finish and publish studies
- Realize study + workshop in 1 additional country (Georgia)
- Discuss conclusions, e.g. role and options of business organisations
- Elaborate supra-regional strategy document for UBCCE
- Discuss conclusions in a workshop (use results for follow-up)



2. Short- to mid-term option: Another small-scale ICI project

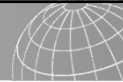
- Should not be a simple continuation but have its own and specific focus (start in 2011; duration: up to 18 months)
- May partly build partly on experiences and results of the present project Possible Option: focus on capacity development for green business and green technology
 - Capacity building within UBCCE (national long-term expert? Expand online, training, and information services of UBCCE for Green business / Green Technology etc.)
 - Matching events for business to business partnerships
 - Training courses for Green Technology Cooperation
 - Support to selected member associations of UBCCE



3. Mid- to long-term option: A new bigger regional ICI project

Bigger ICI project on Green Economy with a focus on public-private cooperation (BSEC + UBCCE), with the objective to

- Promote enabling framework conditions for Green Business as well as climate-friendly and resource-efficient technologies
- Create alliances of public and private sector institutions for Green Economy and Green Business
- Enhance climate change mitigation in industry and business / Increase resource and energy efficiency
- Identify Green Business opportunities / Foster climate-friendly and efficient technologies
- Organize exchange of experiences and common learning



Possible areas of work of a bigger regional project

- (1) Regional policy dialogue on enabling conditions for Green Economy aiming.
- (2) Promotion of public-private alliances for Green Economy in selected / interested countries
- (3) Exchange of experiences and information / common learning
- (4) Capacity building and training
- (5) Promotion of climate-friendly and efficient technologies / facilitation of technology cooperation and business-to-business contacts and partnerships



Conclusions and Recommendations

Make use of the on-going project and capitalize experiences in order to prepare future activities and possible new projects

Prepare a new ICI small-scale project proposal in order to build on present experiences and tackle new challenges in the context of climate and resource-related challenges (to be presented in mid 2011?)

Explore possibilities of a bigger ICI projects (thinking about public-private cooperation, together with BSEC?), for next ICI call (end 2011) or the one following.