

## **Rules for Processing and Approval of Institutional Arrangements and Agreements**

<b>Approval Authority:</b>	Director-General	<b>Date Approved:</b>	28 December 2016
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<b>Queries:</b>	For questions regarding this document, contact: Head of Legal Services		

## Cover Note

The *Rules for Processing and Approval of Institutional Arrangements and Agreements* are designed to replace and supersede the current *Guidance Note on Concept Clearance for New MoUs and Agreements*. The current *Guidance Note* is outdated and does not reflect current GGGI Work Program and Budget (WPB) practice, and results in most proposed institutional arrangements and agreements requiring Management Team (MT) concept clearance which adds an unnecessary administrative burden to the MT and increases processing times for institutional arrangements and agreements.

The major change from the current *Guidance Note* is the standard for requiring MT concept clearance. Under the current *Guidance Note*, “[a]ll MOUs or agreements that could arise during the year should be included in form of projects/programs by the relevant department or division in the annual Work Program and Budget Framework (WPBF)” and provides that “where an MOU or agreement is conceptualised during the implementation of an approved annual WPBF, the relevant department or division must obtain a concept clearance by the [Management Team (MT)] prior to initiating negotiations of an MOU or agreement with a counterparty”. Given that the WPB process does not in most cases refer directly to specific agreements contemplated to be entered into in connection with approved projects and programs, the above-referenced language has in practice meant that almost all programmatic-related agreements are expected to go through the concept clearance process, even standard agreements using established templates that directly relate to approved projects/programs that do not present any exceptional circumstances requiring Management attention.

Under these *Rules for Processing and Approval of Institutional Arrangements and Agreements*, the standard for MT review has been changed to require MT concept clearance only for (i) proposed institutional agreements that do not directly relate to a program or project included in the approved WPB for the respective biennium, (ii) where issues arise during the negotiations which should be brought to management’s attention (for example, any material deviation from the proposal presented in the concept clearance memorandum or the inclusion of terms or conditions that could reasonably be expected to have material adverse implications for GGGI or that vary materially from GGGI’s standard approach) and (iii) donor agreements in relation to earmarked funds into GGGI. Otherwise, institutional agreements that directly relate to a program or project included in the approved WPB for the respective biennium will not require MT clearance. All institutional agreements will require the clearance of Legal Services and the relevant internal GGGI organizational units based on the subject matter of the agreement, including the clearance of the Finance Department in relation to agreements that commit organizational or financial resources or relate to funds coming into GGGI (whether core or earmarked).

These *Rules for Processing and Approval of Institutional Arrangements and Agreements* also reiterate some general contracting principles.

The adequacy of these *Rules for Processing and Approval of Institutional Arrangements and Agreements* will be reviewed periodically to ensure they remain fit for purpose and appropriate to GGGI evolving activities and operations.

The *template Concept Clearance Memorandum for Institutional Agreements* and a *Process Flowchart* are provided as attachments to these Rules.

## **Rules for Processing and Approval of Institutional Arrangements and Agreements**

### **Purpose**

1. The purpose of these Rules is to set out the process and procedures to be followed in connection with GGGI entering into institutional agreements, other than procurement contracts for goods, works or services and employment-related agreements.

### **General Provisions**

2. Institutional agreements subject to these Rules include memoranda of understanding, letters of intent, frameworks of cooperation, non-disclosure and confidentiality agreements, funding agreements (in relation to funds from GGGI to a third party), donor agreements (in relation to funds into GGGI, whether core or earmarked), other institutional arrangements that commit organizational resources of GGGI or associate GGGI with a third-party, and amendments and modifications of the foregoing; provided, that procurement contracts for goods, works or services and employment-related agreements are not covered by these Rules.
3. Oral agreements are not authorized. All institutional agreements must be evidenced by written agreements approved and signed by the appropriate authority in accordance with the Delegation of Authority (DoA) as then in effect or under a written delegation of signing authority from the DoA authorized signatory.
4. All institutional agreements entered into by GGGI will be in the English language; provided, that agreements can be simultaneously executed in another language in addition to English when the agreement explicitly provides that the English language version prevails for purposes of interpretation. In the exceptional case where legally binding constraints applicable to the counterparty require that an agreement be signed only in a language other than English, a complete and accurate translation of the agreement must be provided prior to approval and execution.

### **Process**

5. All institutional agreements that arise during the biennium, with the exception of donor agreements in relation to funds into GGGI (whether core or earmarked), should directly relate to a program or project included in the approved Work Program and Budget (WPB) for the respective biennium.
6. Institutional agreements that directly relate to a program or project included in the approved WPB for the respective biennium, will follow the process outlined in paragraphs 8 – 16 below.

7. In cases where a proposed institutional agreement does not directly relate to a program or project included in the approved WPB for the respective biennium and in relation to donor agreements for earmarked funds into GGGI, the relevant organizational unit must obtain concept clearance from the Management Team prior to commencing negotiations on the institutional agreement with a counterparty. In all such cases, the following procedures must be followed, in addition to the process outlined in paragraphs 8 – 16 below:
  - a. The organizational unit must prepare a concept clearance memorandum using the attached template.
  - b. The concerned Division Head must submit the concept clearance memorandum to the Management Team.
  - c. The Management Team will make recommendations to the Director-General (D-G) for approval.
  - d. Upon the D-G's approval of the concept clearance memorandum, the organizational unit can proceed to the negotiation stage.
  - e. A copy of the approved concept clearance memorandum should be circulated by the concerned organizational unit to all relevant staff.
8. In relation to all institutional arrangements, the relevant organizational unit must consult with GGGI Legal Services as early in the process as possible in order to ensure consistency with precedent, approaches, terms and conditions. No institutional agreement can be submitted for approval and/or signing prior to review and clearance by Legal Services.
9. GGGI Finance Department must be consulted as early as possible in the process in relation to any institutional agreement that commits organizational or financial resources or relates to funds coming into GGGI (whether core or earmarked). No institutional agreement committing GGGI organizational or financial resources can be submitted for approval and/or signing prior to clearance by the Finance Department.
10. The relevant internal GGGI organizational units (DDG, M&A, GGP&I, IPSD, Strategy & Donor Relations, Communications, Governance, Impact & Evaluation, Procurement, Human Resources, Corporate Services, etc.), as determined based on the subject matter of the institutional arrangement, must be consulted as early in the process as possible and their respective clearance on the institutional agreement obtained prior to submission of an institutional agreement for approval and/or signing.
11. Where any issues arise during the negotiations which should be brought to management's attention (including, without limitation, any material deviation from the

proposal presented in the concept clearance memorandum or the inclusion of terms or conditions that could reasonably be expected to have material adverse implications for GGGI or that vary materially from GGGI's standard approach), these issues must be raised to the Management Team in a timely manner to allow the Management Team sufficient time to make an informed decision on the issues requiring attention.

12. If the outcome of the negotiation is successful, the concerned organizational unit will prepare an approval memo addressed to the appropriate approval authority in accordance with the DoA, as then in effect, requesting approval of the institutional agreement and authority for the agreement to be executed on behalf of GGGI by the relevant authority in line with the DoA. The approval memorandum presented to the approving authority must indicate: (i) the recommendation of the relevant Division Head; (ii) the receipt of all clearances required under paragraphs 8 – 10 of these Rules; and (iii) where no MT concept clearance was received for a specific agreement, that the agreement directly relates to a program or project included in the approved WPB for the respective biennium. It being understood that, notwithstanding approval authority granted by the D-G under the DoA, the Director-General retains ultimate authority to accept or reject any institutional agreement.
13. Following receipt of approval of the institutional agreement by the relevant approver, the institutional agreement can be signed on behalf of GGGI by the appropriate signing authority in accordance with the DoA, as then in effect, or under a written delegation of signing authority from the DoA authorized signatory. It being understood that, notwithstanding signing authority granted by the D-G under the DoA, the Director-General retains ultimate authority to sign any institutional agreement.
14. The concerned organizational unit should arrange for at least two (2) originals of the institutional agreement to be signed by both parties, so that GGGI can retain an original fully executed agreement and the counterparty(ies) can also retain an original. Where agreements are signed in multiple languages, at least two (2) originals of the agreement in each language version should be signed by both parties.
15. Once the institutional agreement has been signed by all parties to the agreement, it is the responsibility of the concerned organizational unit to ensure that an original of the fully executed agreement is submitted to Legal Services for record keeping purposes.
16. Copies of each signed institutional agreement should be circulated to all relevant staff for information.

### **Implementation**

17. Each Division Head shall be responsible for the proper implementation of these Rules in their respective division.

**Entry into Force: Effectiveness**

18. These Rules for Processing and Approval of Institutional Arrangements and Agreements shall supersede all existing contrary provisions, including, without limitation, the *Guidance Note on Concept Clearance for New MOUs and Agreements*, and shall enter into force with effect from the date of approval.

**TEMPLATE**

**CONCEPT CLEARANCE MEMORANDUM FOR INSTITUTIONAL AGREEMENTS<sup>1</sup>**

**Date**

**To:** Management Team

**From:**  Division Head: [Name and division]

**Prepared by:** [Name and division of proposing person]

**Subject:**

**Attachments:** [If applicable]

**I. RECOMMENDATION**

“I recommend that the Director-General approves the \_\_\_\_\_.”

**II. RECOMMENDATIONS BY MANAGEMENT TEAM**

**A. Head of Operations Enabling Division:**

Agreed     Did not agree     Agreed with conditions below

Remarks:

Signature \_\_\_\_\_

Date \_\_\_\_\_

**B. Head of Green Growth Planning and Implementation Division**

Agreed     Did not agree     Agreed with conditions below

Remarks:

Signature \_\_\_\_\_

Date \_\_\_\_\_

<sup>1</sup> This memo should be used for obtaining concept clearance of an institutional agreement (as defined in paragraph 2 of the *Guidelines for Processing and Approval of Institutional Arrangements and Agreements* (the “Guidelines”)) in accordance with paragraph 7 of the Guidelines.

**C. Head of Investment and Policy Solutions Division:**

Agreed       Did not agree       Agreed with conditions below

Remarks:

Signature

Date

**III. DECISION**

In considering this matter, the **Director-General:**

Agreed       Did not agree       Agreed with conditions below

Remarks:

Signature

Date

**IV. THRESHOLD QUESTIONS**

1. Does the proposed agreement involve provision of earmarked funds into GGGI?

Yes    *Proceed to Section V.*                       No    *Proceed to Question 2 below.*

2. Does the proposed agreement directly relate to a program or project included in the approved Work Program and Budget (WPB) for the respective biennium?

Yes     No    *Proceed to Section V.*

*No separate concept clearance is required.  
[Follow the process outlined in paragraphs 8 – 16 the Guidelines for Processing and Approval of Institutional Arrangements and Agreements.]*

3. Does the proposed agreement involve a country that is not a member of GGGI?

Yes     No

*Include in Section VI explanation of how the proposed agreement will advance prospects for membership.*



## **V. SUMMARY OF REQUEST**

[Include relevant information with regard to the key objectives of the proposed agreement, description of the counter party(ies), nature of activities to be conducted and expected outcomes. If applicable, include proposed draft agreement and/or project plan as an attachment.]

## **VI. RATIONALE FOR REQUEST**

[Provide a reasoning for recommendation, including how the proposed agreement will help GGGI achieving its mission and how the objectives of the proposed agreement fit with the strategic priorities of GGGI and of the requesting Division in particular by referring to the GGGI Strategy Plan, Work Program and Budget and/or any related decisions made by the Assembly, Council or Director-General.]

## **VII. BUDGET AND FINANCIAL IMPLICATIONS**

[If applicable, include proposed budget as an attachment. Indicate any potential financial implications and risks of entering into the proposed agreement, including the dedication or assignment of organizational resources (financial resources, human resources and other resources). Indicate if there will there be an exchange of funds (from or to GGGI). Indicate if there will be procurement-related matters (e.g. assignment of consultants to do work or purchase of goods)]

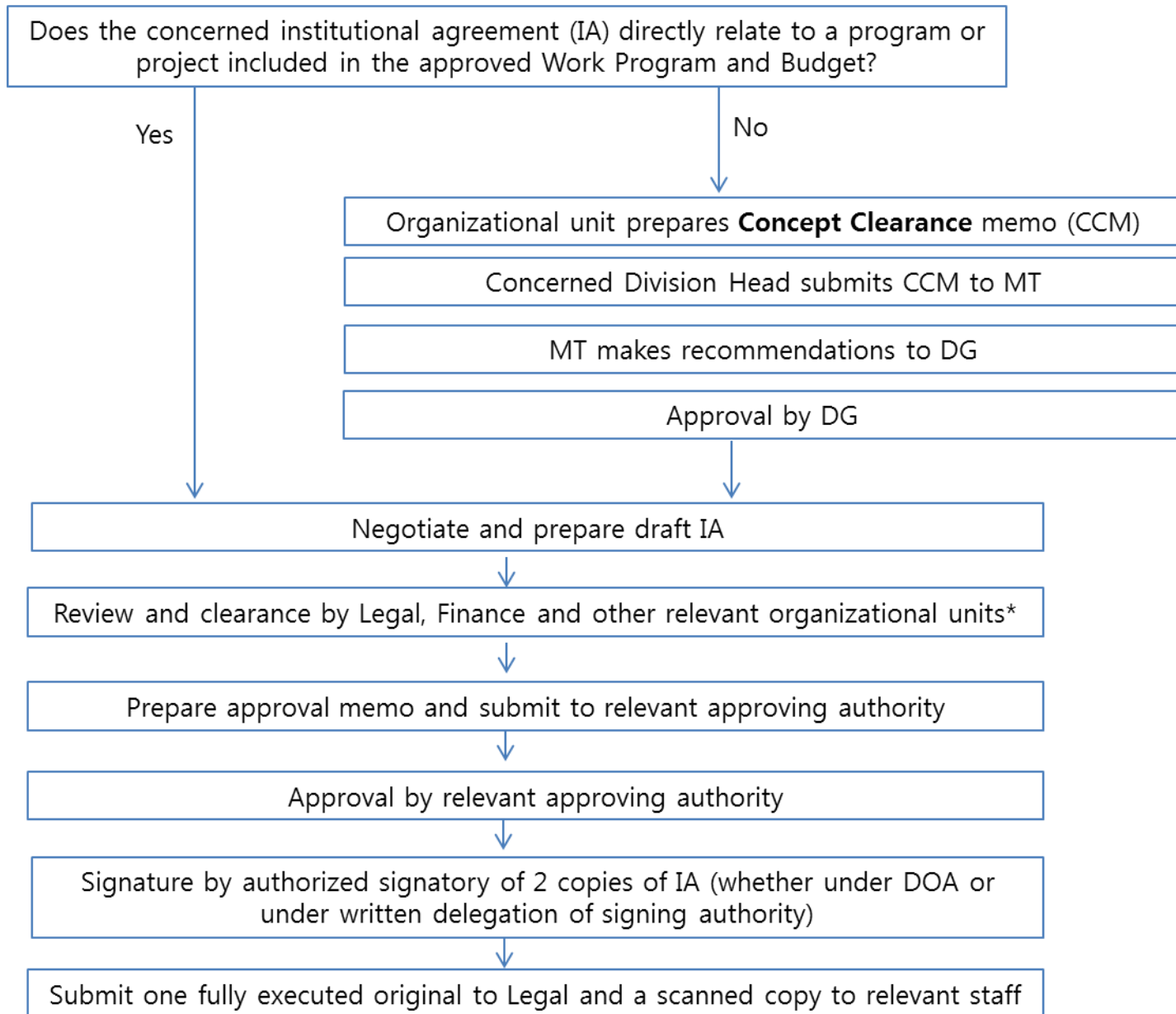
## **VIII. POTENTIAL RISKS**

[Explain the risks associated with the request, including political, reputational, execution, interaction (portfolio), or other risks]

## **IX. ATTACHMENTS (if applicable)**

- A. Proposed draft Agreement and/or project plan
- B. Proposed budget
- C. Others [*include names of relevant documents here*]

# Institutional Agreement Processing Flow Chart



\* Where any issues arise during negotiations that need MT's attention, they should be raised to MT in a timely manner.