

Planning Directions for the Preparation of the Work Program and Budget 2019-2020

A. Introduction

1. GGGI has achieved important success in demonstrating the value it adds in the current biennium. GGGI has contributed to an adoption of 17 green growth polices and supported 21 outputs expected to lead to additional green growth policies; and in just 2017, generated additional green financing in a total amount of \$524 million, tenfold over GGGI's own budget. This experience has enabled GGGI to accumulate unique expertise in its thematic areas of operation. This experiences also provides a solid basis for GGGI to pursue even stronger impact of green planning, policy reform, and innovative, bold green investments.

2. The Planning Directions for the Work Program and Budget 2019-2020 (WPB) guide the preparation of the WPB in the context of the Refreshed Strategic Plan 2015–2020. They allocate resources to GGGI's operations, provide operational directions for projects and programs within GGGI's four thematic areas of sustainable energy, green cities, water and sanitation, and sustainable landscapes based on GGGI's experience and achievements. The Planning Directions also guide the shift in GGGI's business model toward a greater reliance on earmarked resources and GGGI's internal talent in project implementation. These reforms aim at making GGGI a nimble organization, a go-to agency for our stakeholders, and a great place to work.¹

3. These Planning Directions will be used as the basis for the WPB 2019-2020 narrative. In developing the WPB narrative, thematic groups will carry out further analysis to GGGI's experience, achievements and lessons, based on which its forward program will be designed. These analyses will review the country specific policy impediments and bottlenecks that inhibit putting in place incentives for unleashing the benefits from green growth solutions and enabling greater investment for green technology applications. An outline for the WPB 2019-2020 is in Annex 1.

4. The present draft includes two scenarios for resource allocation based on the assumed levels of core and earmarked contributions for the biennium for the consideration of the Management and Program Subcommittee (MPSC) (see para 36) – a Base and a Plus Scenario.

B. Global Green Growth Agenda and GGGI's Operational Role

3. While economic growth in the last two decades has dramatically reduced poverty, the conventional focus on growth alone is threatening the earth's life support systems, natural resource sustainability, and exacerbating inequity and vulnerability. The green growth model, at the heart of GGGI's mandate, on the other hand, promises economic prosperity, making concurrently poverty eradication, socially inclusive development, and environmental sustainability possible.

4. Since the United Nations Conference on Sustainable Development in 2012, where GGGI was formally established, many developing and emerging economies have embraced green growth as a vehicle for sustainable development. The momentum behind the adoption of green growth planning, green policies, and green investments – central to GGGI's mandate – has been reinforced with the global landmark agreements in the United Nations Sustainable Development Goals (SDGs) and country commitments in the Nationally Determined Contributions (NDCs) under the Paris Climate Agreement.

¹ A/2017/3 – C/2017/3 REV.

The Addis Ababa Action Agenda in 2015 estimated that \$90 trillion is required to finance infrastructure-related SDGs alone.²

5. GGGI's Refreshed Strategic Plan 2015-2020 and its Corporate Results Framework (CRF) remain a guiding compass for operationalizing GGGI's strategy in the context of the 2030 Development Agenda. Green growth is now a core strategy for the 27 countries where GGGI operates. The WPB 2019-2020 steers GGGI to pursue its six Strategic Outcomes (SOs) adopted under the Refreshed Strategic Plan 2019-2020: (i) GHG emission reduction, (ii) creation of green jobs, (iii) increased access to sustainable services, such as clean affordable energy, sustainable public transport, improved sanitation, and sustainable waste management, (iv) improved air quality, (v) adequate supply of ecosystem services, and (vi) enhanced adaptation to climate change.

C. Strengthening Strategic Focus and Operational Priorities for the 2019-2020

6. **Knowledge-based Operations.** GGGI's country operations benefit from applied green growth research, analytical tools and methodologies, knowledge sharing, and multi-country and multi-thematic capacity building. These Thought Leadership and knowledge sharing outputs aim to effectively propel countries to proactively advance policies and investments that result in broader global adoption of green growth. From the next biennium, GGGI's knowledge leadership will promote recognition and adoption of the green growth model for development to a global audience through an annual State of Green Growth flagship report, part of GGGI's Global Green Growth 2030 Campaign. The report will serve as a primary vehicle for publishing data-driven results of GGGI's Green Growth Index and demonstrate successful country experiences and approaches in green growth across the entire GGGI value chain in its thematic areas.

7. **Diagnostic Assessments to Underpin Country Planning Frameworks.** GGGI's country planning frameworks (CPFs) will be grounded in diagnostic analysis of the partner countries green growth potential. The Green Growth Potential Assessment (GGPA) ensures that the assessments are systematic, objective, and participatory. In the current biennium, 7 country assessments have been conducted for Cambodia, Colombia, the Lao PDR, Mozambique, Myanmar, Nepal and Peru. These have helped the national governments develop national green growth strategies and GGGI define its Country Planning Frameworks in these countries. In the 2019-2020 biennium, GGGI will conduct up to four GGPAs per year.

8. **Operationalizing CPFs through Country Business Plans.** The 5-year CPFs identify thematic areas and programs for GGGI's interventions. GGGI has so far completed CPFs in 13 countries with a pipeline of a further 9 CPFs expected to be completed by the end of 2018 and 5 in 2019.³ CPFs are developed jointly with partner governments. GGGI's country business plans (CBPs) operationalize CPFs through projects built on shared objectives for the WPB period 2019-2020. Through its CBPs, GGGI provides technical assistance, involving GGGI country teams, its thematic leadership and investment services, and mobilizes finance for investment projects that promote clean energy, green cities, sustainable landscapes, and sustainable water use. The biannual CPBs provide an indicative resource allocation and a planning platform for discussing and monitoring specific projects with the governments, resource and delivery partners. Sample CPBs are in **Annex 2**.

9. **Flexible resource allocation.** The WPB 2019-2020 will enable flexible programming at country level. It will allocate core resources to country envelopes to programs identified in the CBPs. These

² SDG Financing Needs. <http://unsdsn.org/wp-content/uploads/2015/09/151112-SDG-Financing-Needs.pdf>

³ In 2018: Peru, Mexico, China, Senegal, Morocco, Fiji, Jordan, Lao PDR, and Myanmar. 2019: India, Mozambique, Kiribati, Burkina Faso, and Papua New Guinea.

programs seek complementary support from the partner country governments and from donor partners engaged in green growth and sustainable development. With the objective to support modest growth – or to at least maintain GGGI’s operations at their current volume, GGGI has implemented reforms to enhance its capacity to increase earmarked resources. The WPB 2019-2020 will include a compendium of CBPs and thematic origination plans that identify projects that target contributions to the SOs, leaving room for flexibility for country offices to respond to arising opportunities for green growth interventions. This allocation process constitutes a change from the past WPBs that provided detailed concepts of projects. GGGI has reviewed its Financial Regulations and assessed that these do not require adjustments as a result of these changes.

10. **Project Cycle Management.** The CPBs outline projects pursued by GGGI to contribute to the NDCs and SDGs at country level. In ensuring a conducive process for the preparation and implementation of high quality project proposals, GGGI has revised its project cycle management (PCM) under comprehensive reforms.⁴ The revised processes have reduced internal processing steps, made project preparation more innovative and enhanced their quality and have thus helped GGGI enhance its efficiency and effectiveness. Taking note of evaluation recommendations,⁵ GGGI’s projects will encompass (i) clearer impact pathways and definition of exit point; (ii) thorough institutional analysis and political economy assessment, safeguards, poverty reduction and social inclusion; (iii) clearly defined contributions to the strategic outcomes, while remaining flexible on the means, enabling mid-course adjustments; and (iv) integration of knowledge, policy, and investment activities. To further enhance quality of GGGI’s interventions, GGGI’s Impact Evaluation Unit provides for a feedback loop to support stronger project concepts and learning. In addition, in 2018 GGGI is providing training in the development of results-oriented project proposals for the biennium with a focus on measurable outputs and outcomes, and compelling theories of change and impact pathways. Finally, GGGI is reviewing and automating its results measurement and monitoring process to ensure robust results reporting.

11. **Moving from contracting to in-house capacity.** In connection with its business process reforms, GGGI will optimize the engagement of its staff in the implementation of its projects. Under this business model, GGGI will develop projects with carefully defined outputs and inputs, which comprise primarily its own staff and internal talent in place of engaging consulting services. This will enable integration of learning from GGGI’s operations across the world. To facilitate this shift, GGGI has designed its charge-out rates and staff-time management system, which will enable an efficient management of staff inputs against agreed outputs under the projects. These reforms will provide opportunities for staff to support countries programs across the world on the basis of demand for their expertise, for GGGI’s units to operate as One GGGI with various divisions supporting specific projects, and for GGGI to reduce the need for external services.

12. **Resource and Delivery Partners:** GGGI also built a strong relationship with various donor and delivery partners across the world. Strategic partnerships include one with the Green Climate Fund (GCF), the Norwegian Agency for Development Cooperation, and the Korean International Development Agency among others. Under CPF and CPB processes, country offices are developing functional and strong relations with all relevant donors and delivery agencies represented in the countries and the donor coordination mechanisms of the partner governments to ensure a

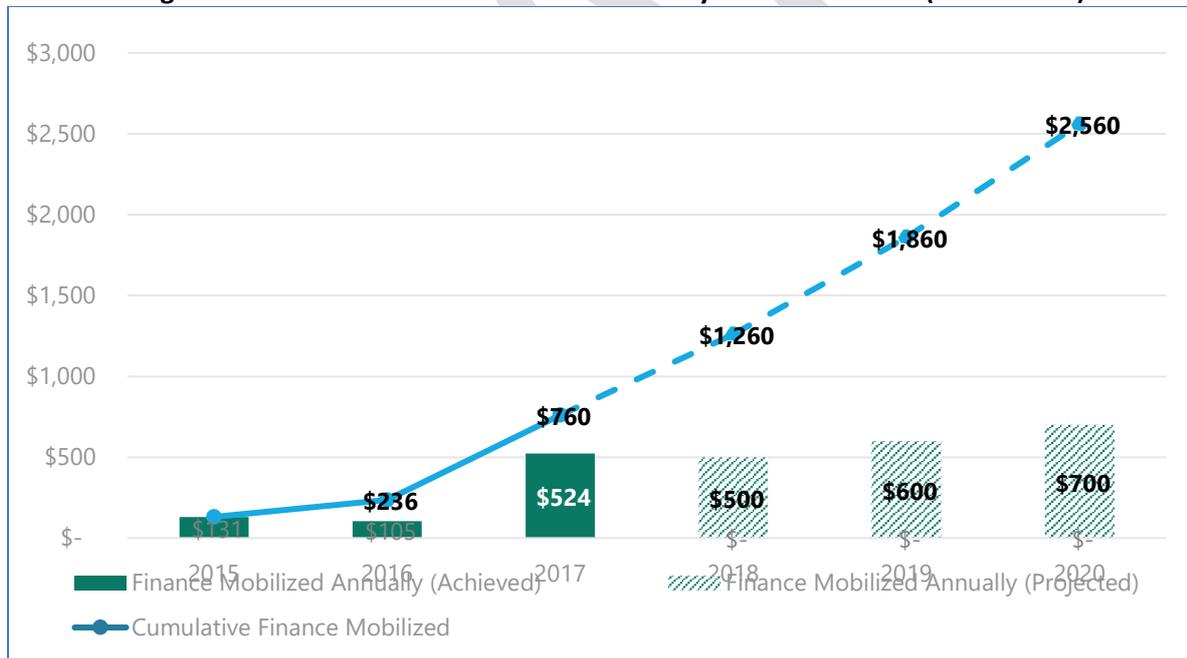
⁴ <https://gggi365.sharepoint.com/sites/PartnershipsGroup>

⁵ These include the 2nd and 3rd Joint Donor Reviews in 2013 and 2015; Denmark’s appraisals of GGGI in 2014 and 2017; Norway Agency for Development Cooperation’s (NORAD) mid-term and final evaluation of GGGI’s Ethiopia country program in 2015 and 2017; IEU’s evaluation of GGGI’s progress against the Strategic Plan in 2017; and NORAD’s Evaluation of GGGI’s Programme in Indonesia (2012-2017), Final Report, 28 February 2018.

comprehensive mapping of green growth funding possibilities and to mobilize additional resources for green growth. All country offices are similarly urged to liaise with the National Designated Authorities to assess their capacity to access resources from GCF and other climate funding sources and to broaden their relationships with all relevant government agencies to GGGI’s mandate.

13. **Progressing from Plans and Policies to Bankable Investments.** GGGI partners with governments, non-governmental organizations (NGOs), bilateral and multilateral banks, and the private sector. GGGI’s fundamental value addition is in the creation of the conditions for scaling up and replication of green growth solutions through identification of replicable investment opportunities and bundling of these into well-designed programs that attract financing at scale. GGGI also provides value addition through de-risking projects and by reducing fiduciary risks by setting up financing vehicles, funds or guarantee mechanisms. Being embedded in relevant ministries allows GGGI to develop innovative and informed projects that are aligned with government priorities and to support reforms of policies that may impede the viability of the green projects. GGGI develops sustainable and commercially viable projects that reflect a sound regulatory environment, with fair pricing mechanisms to instigate sustainable and commercially viable projects that generate revenue and create green jobs. GGGI also ensures that all projects provide mitigation or adaptation benefits, meet internationally accepted social and environment safeguard standards, and operate under broader thematic frameworks. In the current biennium, GGGI’s green investment work has mobilized considerable additional green financial commitments. In the next biennium, GGGI aims to mobilize financial commitments for its bankable projects at greater volumes to leverage its role as an originator and arranger of green and climate finance (see Figure 1).

Figure 1. Financial Commitments Mobilized by GGGI 2015-2020 (USD million)



Source: GGGI.

14. **Selectivity and Technology Choices.** GGGI is unequivocally committed to green growth and its strategic outcomes in the context of its four thematic priorities. Within each its thematic area of operation, a multitude of policy and technology choices drive at the outcomes through a variety of pathways. GGGI’s experience since its establishment has endowed it with a portfolio of policy and technology solutions that work and that enable replication and scaling up. In each thematic area, the operations of GGGI will be guided by the following focus and approaches:

1. Sustainable Energy

15. The energy sector plays a critical role in meeting countries' SDGs and NDC commitments under the Paris Agreement. The majority of GGGI country programs identify specific energy outcomes in the context of GGGI's strategic outcomes, comprising (i) reduction in GHG emissions, (ii) improved air quality, and (iii) access to sustainable energy services through energy efficiency, renewable energy generation, and enabling sustainable and affordable energy access. The Green Jobs SO and the commitment to incorporate measures for safeguard, poverty reduction, and social inclusion are cross-cutting to GGGI's sustainable energy work.

16. GGGI's policy work in the energy sector has focused on energy efficiency and emerging needs to pave way for the adoption of renewable energy. In the next biennium, this work focus on policies to incentivize and translate renewable energy and energy efficiency action plans into scalable and catalytic projects. In particular, GGGI will increase its attention on decentralized renewable energy supply options and on ensuring synergies between policy and investments, to pave the way for adoption of energy efficiency and scale up of renewable energy technologies. GGGI will support its partner countries capture benefits from the global price reductions in renewable technologies through transparent institutional arrangements and procurement processes as well as support network integration of decentralized renewable energy and mini-grids. In 2019-2020, GGGI's sustainable energy work prioritizes comprehensive and strategic energy engagements that utilize the policy work to leverage scale in investments to achieve sustainable and affordable access, renewable energy generation, and energy efficiency. GGGI will increasingly support the development of institutional, commercial and technical arrangements for sustainable access to energy services with integration of renewable energy.

17. GGGI's technology choices for renewable energy are based on a least cost analysis of supply, lowest technology, risk assessment, including safeguards risks, and rapid scale up potential, with wind, off- and on-grid solar photovoltaic (PV) capacity prioritized. Alternative technology options are considered, where other objectives, such as access to waste management, are deemed critical for green growth. GGGI will pursue mini-hydropower in exceptional cases, where it contributes to a sustainable and least cost source of supply. The higher technology, construction and safeguard risks, waste-to-energy and hydropower projects will be considered when such projects are deemed critical for green growth and to catalyzing and scaling up access to energy. Transparent procurement process and detailed safeguard and participatory assessments are an integral part of project preparation to ensure the sustainability and inclusivity of projects.

Box 1: Examples of projects in Sustainable Energy

Mongolia – Paving the way for energy efficiency: GGGI provided technical input to develop the Energy Regulatory Commission's (ERC) first National Energy Efficiency Action Plan (NEEAP) adopted by cabinet in 2017. The NEEAP defines regulatory activities up to 2022 to create an enabling policy environment for energy efficiency. This is strategically important for strengthening the pipeline of projects for the National Financing Vehicle that GGGI is also developing in country. The success of the initial stage engagement led ERC to request continued support into the implementation phase of the NEEAP. GGGI is now positioned to expand this partnership to support implementation and scale up of energy efficiency in Mongolia.

Guyana – Catalyzing decentralized renewable energy: In late 2017 GGGI undertook a comprehensive sector assessment to identify opportunities to pave the way for scale-up of renewable energy. GGGI commenced a policy dialogue with Government of Guyana to address technical and policy barriers to facilitate investments in decentralized renewable energy. GGGI also initiated demand activation and introduced new business models to scale up decentralized renewable energy projects. Key policy barriers are expected to be removed in 2018 and technical barriers are being addressed through a partnership between GGGI and the National Renewable Energy Laboratory. This partnership will help transform the energy sector from a centralized model dependent on imported fossil fuels to a de-centralized model able to effectively absorb decentralized renewable energy generation.

2. Sustainable Landscapes

18. GGGI supports partner countries' economic growth, while protecting, restoring and using productive landscapes in an inclusive and sustainable way to foster adequate supply of ecological services, one of GGGI's six SOs. Focused on sustaining healthy and functioning forests, agrarian landscapes, waterways, coastal and marine ecosystems, GGGI takes on a *landscapes approach*, pursuing holistic, cross-sectoral, multi-disciplinary and transformational and scalable solutions. This presents a holistic approach to simultaneously optimize financial, environmental and social outcomes with an aim to deliver three returns on investments: financial returns, social returns and natural capital returns.

19. Resilient forests, peatlands, coastal and water-related ecosystems are important for food security. The associated ecosystem services underpin rural economies and are crucial to rural livelihoods, particularly for vulnerable communities living in the forested and marine ecosystems. Sustainable management of these productive ecosystems reduces environmental and social risks to businesses and investments operating in these landscapes. GGGI's projects aim at enhanced resilience and strong inclusive economies across landscapes and foster revenue generating commodities and services, and often include greening of supply chains. Sustainable Landscapes overall goal is to transform and scale up investments in three areas: (i) forest-based economies (timber, agro forestry and non-timber forest products), (ii) inclusive bio-economies (deforestation free agricultural commodities, agricultural supply chains, bio-based industries, fisheries and other water/marine based products), and (iii) resilient natural infrastructure. Examples include financing vehicles, market incentives, tradeable permits, carbon credit and other payment mechanisms, results based and other regulatory instruments which boost the value of natural capital and help de-risk and scale private and community investments to mainstream the above sustainable sectors.

20. During the 2019-2020 biennium, GGGI will continue to support Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) in the relevant sectors in Indonesia and Colombia; and identify and develop additional investment and policy solutions in other forested countries. GGGI will scale up engagements in climate resilient agriculture for food security especially in the African region and scope opportunities in blue carbon relevant sectors such as fisheries and aquaculture in the Asia-Pacific and Caribbean region.

Box 2: Examples of projects underway in Sustainable Landscapes

In **Indonesia**, a portfolio of projects is in progress in conjunction with support to related policy and planning efforts of the Government of Indonesia (GoI). Within the framework of jurisdictional REDD+ in Central and East Kalimantan provinces, GGGI supports GoI in mobilizing finance from the Forest Carbon Partnership Facility, which pilots results-based payments in East Kalimantan Province. This is the first jurisdictional REDD+ program in Indonesia and aims to result in a net reduction of 21Mt CO₂, leveraging \$100 million. Other investment and policy development include a design of an integrated landscape-wide peatlands restoration project, involving business models for alternative – sustainable commodities suitable for cultivation under wet conditions (paludiculture); providing revenue flows and environmental and social returns; sustainable natural resource management in Forest Management Units for certified sustainable timber production and harvesting of non-timber forest products; and designing a business model for private sector investment in smallholder palm oil cooperatives. All services have an impact at districts or provincial jurisdictional level in terms of commitment to sustainable responsible sourcing.

In **Colombia**, GGGI provides support in the context of implementing payment-for-performance REDD+ programs at regional and national levels, which contribute to achieving Colombia's commitment to reduce emission by 67Mt. GGGI currently supports implementation of the Joint Declaration of Intent, which includes projects relevant to sustainable cattle ranching and livestock policy formulation, zero deforestation supply-chain development in palm oil, beef, dairy and timber sectors through Tropical Forest Alliance 2020. In collaboration with partners, GGGI supports the Agriculture Financing Fund (FINAGRO) – a second-tier bank of Colombia – to design an innovative financial instrument blending finance from FINAGRO and Amazon Vision Fund in order to enable Banco Agrario de Colombia provide credits to small producers with lowered interest rate and waiver of principal if their land is released for forests to support gradual reconversion of pastures for low livestock productivity in areas of high ecosystem value.

3. Water & Sanitation

21. As a critical commodity for economic growth and a public good that supports all life systems, water is a priority, particularly for energy, agriculture, ecosystems, and health. Productive use of water is a driver of green growth, climate proofing of agriculture and food systems, and critical for sustaining ecosystem services.

22. In the next biennium, GGGI's water theme will emphasize synergies on developing policies, strategies and bankable projects with a view to combine economic growth with sustainable use of water resources. Activities will be linked and integrated with the other thematic areas. The focus within the water theme will be on (i) integration of sustainable or green water resources management and wastewater and sanitation policies in the national and sectoral planning frameworks, (ii) development of bankable projects to decentralize wastewater and sanitation services, (iii) to enable green growth and jobs related to the role of water in the bio-economy, including climate smart agriculture and food systems to promote food security and green economic growth, and (iv)

development of Payment-for-Ecosystem-Services systems and national financing vehicles that promote and maintain water-related ecosystem services for sustainable landscapes, lakes, and coastal and marine ecosystems.

23. The water and sanitation priorities in the 2019-2020 target development of bankable project and include (i) developing decentralized wastewater treatment (DEWAT) activities, policy reform and sector strategies for these DEWAT activities, and national or regional financing vehicles for DEWATS (South-East Asian, Africa, and Latin America); (ii) solar PV for irrigation based on sustainable water management, wastewater treatment and valorization, reuse of wastewater and related policy reform (India and China); (iii) sustainable water resource use for climate-resilient agriculture, including through sustainable water management principles; and (iv) policies for payment for Ecosystem Services that promote or maintain water-related ecosystem services for sustainable landscapes, lakes, and coastal and marine ecosystems (Africa, Latin America).

Box 3: Examples of projects in Water & Sanitation

In **Cambodia**, GGGI's supported the Ministry of Public Works and Transport in the sanitation and wastewater sector. In 2017, we have completed a pre-feasibility study for DEWATS in Phnom Penh, as well as conducted scoping missions to secondary cities. The Government acknowledges the importance of wastewater & sanitation and recognized GGGI's contribution by setting up a Sub-Technical Working Group on Wastewater and Sanitation, which will be co-chaired by GGGI. This Working Group will develop implementation guidelines for the sub-decree on wastewater and sanitation. In addition, we intend to take the Investment Action Plan for DEWATS to design phase, alongside mobilizing financing and finally develop a project pipeline to be implemented in 2019-2020.

In **Rwanda**, we work closely with the National Water & Sanitation Corporation (WASAC) on strengthening the capacities of WASAC in wastewater and sanitation and on supporting the sustainable implementation of the investment program of the African Development Bank-funded Rwanda Sustainable Water Supply and Sanitation Program (RSWSSP). A 3 years strengthening program has been designed jointly with WASAC senior management and various departments and sent to the AfDB. The African Development Bank has a strong interest in GGGI's support on WASAC's capacity enhancement and sustainable implementation of the RSWSSP.

In **Laos**, we jointly work with the Green Cities thematic unit on green cities development. The green cities team concentrates on solid waste management and the water team on wastewater collection and treatment systems in Pakse, one of the secondary cities. Implementation of the feasibility study will take place in 2019 and financial close in 2020. As part of this program, we will also work on a wastewater management strategy for Pakse, which will include an options assessment for managing wastewater and sanitation as well as a strong evidence base that underpins our proposed strategy.

4. Green Cities

24. GGGI's thematic focus on green cities supports an integrated, cross-sectoral and scalable approach and responds to local, national, and global needs and commitments, including the 2030 Agenda for Sustainable Development and localizing both the NDCs and SDGs through a Green Growth approach. GGGI plays a catalytic role in technical advisory in sustainable urban planning and linking green investment to green cities implementation. This includes an emphasis on helping cities transform so that they become competitive, prosperous, inclusive, sustainable, resilient and bankable. GGGI's global focus on supporting green cities development is underpinned by approaches supporting co-benefits across green city target goals.⁶

Box 4: Supporting emerging secondary cities – from planning to project identification

Air Quality in Fiji, Mexico, Nepal and Rwanda: GGGI is supporting cities and their regions in creating more connected, accessible cities in dealing with the challenges of transportation and mobility which results in healthier cities with improved air quality. In Mexico GGGI's approach is on integrated and green transport systems, with a focus on air quality. GGGI's transport work in Fiji, Nepal and Rwanda will also look for the co-benefits of healthier, connected and more accessible cities.

Sanitation in Cambodia, Nepal, Rwanda, and Uganda: GGGI is demonstrating viable business models in decentralized sanitation systems that are more accessible and affordable to the urban poor in Senegal. GGGI is working with Cambodia, Rwanda, Uganda, and Nepal on mainstreaming green growth concepts, and developing financeable projects, with a specific focus on secondary cities. Green Cities work acts to strengthen sub-national and local green growth planning, financing and institutional frameworks in support of improving green urban infrastructure and services for all.

Waste Management in Senegal: GGGI is working to valorize waste management systems which turn waste into a resource and provide social benefits through its solutions. Innovative solutions are sought which are financially sustainable, generate green jobs in support of waste-to-resource economies, and create healthier cities. In addressing unmet needs in sanitation in Senegal Green Cities is supporting the development of viable business practices with a focus on appropriate technology, valorization of sanitation services and job creation.

Resilience in The Pacific and the Eastern Caribbean: GGGI is looking at how urban areas can protect and enhance ecosystem services to provide for climate change resilience and adaptation with a focus on disaster resilient decentralized green infrastructure and Ecosystem based Adaptation (EbA) with a focus on vulnerable urban communities. This work will likely be extended to the Eastern Caribbean, through the MOU with OECS in the second half of 2018, and beyond.

⁶ For GGGI, Green Cities theme involves integrated solutions that strive toward innovative and smart, resource-efficient and low carbon, climate smart and resilient; inclusive and pro-poor; healthy & liveable, and prosperous cities through policy reforms and bankable investments.

25. In 2019-2020, GGGI's Green Cities Projects include (i) mainstreaming and localizing green growth into urban planning and management; (ii) supporting low-carbon, smart and resilient cities; (iii) solid waste management particularly focusing on waste-to-resource approaches; and iv) green mobility and non-motorized transport, linked to clean urban transportation, with a direct link to improving air quality. These projects aim to ensure proven investment through joint development of project proposals with international donors and designing innovative financing structure to address financing gaps. Country teams are also encouraged to originate projects in emerging areas of thematic priorities such as green building materials and green industry. In preparation and implementation of projects, GGGI will identify opportunities to optimize potential impact of local small and medium enterprises (SMEs) and informal sector actors in the value chain of provision of urban services as these efforts contribute to creating green jobs and improving social inclusion. This is an especially important approach in countries and regions (e.g. Africa, South Asia) where supporting employment creation and engagement with the informal sector and SMEs is essential to successful and sustainable green growth approaches.

5. Safeguards, Poverty Reduction, and Social Inclusion

27. GGGI's operations are committed to mainstreaming safeguards, poverty reduction and social inclusion (SPRSI) objectives as an integral component of green growth. The Sustainability and Safeguards Rules, the Gender Equality Strategy, and Rules for Engaging the Private Sector provide GGGI's guidance and tools and its Accountability Framework provides a due diligence process and an internal governance context for ensuring SPRSI content of its operations, including in CPFs, CBPs, and PCM. SPRSI focal points in country offices, thematic programs and in key units at headquarters increase internal capacity for ensuring effective SPRSI in programs, projects and operations.

Box 5: Examples of Safeguards, Poverty Reduction and Social Inclusion Components:

Responding to the Increasing Risk of Drought: Building Gender-responsive Resilience of the Most Vulnerable Communities in Ethiopia. GGGI supported the Ministry of Finance and Economic Cooperation, a direct access entity in Ethiopia, to secure USD 45 million of grant funding from the Green Climate Fund. The proposal focused on positive gender outcomes and improved social inclusion as a key strategy for increasing climate resilience with over 50% of beneficiaries being women, and 30% of households being female-headed.

Gender equality and social inclusion at the center of National Green Energy Fund (NGEF) in Vanuatu. GGGI is working on the establishment of a NGEF to channel climate finance to achieve the country's goal of 100% renewable energy by 2030. Gender equality considerations have been mainstreamed into the fund design by aligning the fund strategy with the National Gender Policy and Sustainable Development Plan. This includes ensuring that gender equality, poverty reduction and inclusion are incorporated into funding criteria, and that financial instruments that target women and marginalized communities are prioritized, while simultaneously ensuring the financial sustainability of the fund.

Ensuring benefits reach the Indigenous Peoples through Colombia's Amazon Vision Program. GGGI supported the Government of Colombia to approve the first batch of projects under the Amazon Vision Program that will directly benefit the Indigenous Peoples in this territory on multiple spheres such as governance, local economy, environmental protection. A letter of acknowledgement of GGGI's support to the Indigenous Pillar of Amazon Vision Program was received as a result, with the disbursement of \$2 million to indigenous groups for implementing their proposals.

24. In 2019-2020, all new CPFs and projects will include positive gender and social outcomes, including bankable projects and NFVs. SPRSI will also be a consideration in resource mobilization efforts, and in proposals prepared for earmarked funding.

D. Operational Targets and Drive for Value for Money

25. GGGI is identifying the country targets for its strategic outcomes and the causal linkages among project outputs and the SOs adopted under the Refreshed Strategic Plan 2015-2020. All projects will identify their outputs in terms of the SOs. In addition, GGGI will automate in 2018 monitoring of project outputs against its CRF and donor specific targets and will review its progress against the targets on semi-annual basis through mid-year and year-end reviews.

26. The GGGI is committed to optimal use of resources to achieve its strategic outcomes. The Refreshed Strategic Plan 2015-2020 highlights a priority of delivering more for less and Value for Money (VfM) approach is espoused in the CRF with indicators to demonstrate how GGGI is maximizing VfM. Concrete measures have been already implemented to enhance VfM at GGGI, including e-Green Procurement Portal launched in 2018 to improve the efficiency of tender processes. Building on this momentum, GGGI will institutionalize VfM in the design of its projects through setting targets with baseline measures for its theories of change, improve results-based planning and budgeting, proactive management of risks, dedicated resources for monitoring progress, and demonstrating how projects make good use of resources relative to alternatives.

27. In 2018, the staff rules were revised, ICT investment program was reviewed and reprioritized, and performance management is being strengthened with talent management program established, including to increase staff mobility. These reforms will enable more efficient, agile and effective operations of GGGI and enable steering GGGI's scarce resources to focus on implementation of programs to strive at its strategic outcomes.

E. Operational Resources and Allocation Scenarios

28. The WPB 2019-2020 core resources reflect a significant reduction from their level in WPB 2017-2018. A full consumption is planned of the "retained surplus" core resources approved for GGGI's operations in biennium 2017-2018.⁷ These surplus core resources accumulated during GGGI's first operational years enabled a gradual scaling up of operations to their current level, which is higher than the normal level of annual core resources. As the operations have increased in volume under the WPB 2017-2018, these surplus resources are targeted to be fully utilized by the end of 2018 and thus not available in 2019-2020. In the biennium 2019-2020, core resources are envisaged to stabilize at \$52.4 million compared to \$86.6 million in the 2017-2018 biennium.⁸ However, a plus-case scenario has been prepared to demonstrate how additional resources would be allocated and utilized.

29. The core allocations to country and global projects will be made in the form of funding envelopes available for drawdown for the programs and are committed only with the Management approval of pertinent projects. The approval of projects will therefore be decoupled from the WPB 2019-2020, preparation of the programs and projects becomes a continuous process, with projects continuing from the 2017-18 biennium, as well as coming onstream as project and funding opportunities materialize. GGGI has developed and initiated a continuous project origination process for project ideation and review, and addition to the GGGI project pipeline.

⁷ Council Decisions C/2016/DC/8; and C/2017/DC/3.

⁸ Estimates. Core resources are subject to change during 2018

30. Subsequently, maintenance of the current volume of operations will be subject to extensive efforts by GGGI to complement core resources with a greater volume of co-financing from counterpart and partner's earmarked funding. In accordance with the Council paper on Partnership and Resource Mobilization Action Plan: Issues Paper,⁹ earmarked funding is expected to increase to \$20-30 million per annum in the 2019-2020 biennium. An objective of the institutional reforms implemented in 2018 is to engage the entire organization in supporting a successful effort to attain this volume of co-financing.

31. Through this change in GGGI's business model, GGGI seeks to leverage its core resources with complementary resources so that total resources available for the GGGI's strategic outcomes reach \$50-55 million per annum, the current overall level of operation. Importantly, this means that staff salaries will be funded, in part, by core resources and, in part, recovered through services delivered under earmark-funded projects. This change in GGGI's own funding strategy concurrently engages GGGI more deeply in its mandate to advocate and mobilize greater resources for green growth, greening of investments and infrastructure, and additional funding for partner countries' programs to achieve their NDCs and SDGs.

32. Allocation of the core resources will be made in alignment with the commitments and priorities in the Refreshed Strategic Plan 2015-2020, the findings of the annual portfolio and results review, and the forward programs discussed with the governments and donors at country level and identified in the CBPs. The following parameters have guided allocations in the scenarios presented to MPSC for comments and guidance:

- (i) The strategic commitments stipulate that non-programmatic resource allocations are not to exceed an overall volume of 30% of the core resources of GGGI; and an allocation for Management and Administration (M&A) will not exceed 17%. Note that Management is providing a discussion paper to MPSC proposing to establish a medium-term target of achieving a 15% overhead rate over its total expenditures
- (ii) Core resources are allocated to Member and non-Member Least Developed Countries (LDCs) and Middle-Income Countries (MICs) per the targets defined in the Refreshed Strategic Plan 2015-2020. GGGI's partner countries are grouped according to the UN Classification of LDCs, combined with the International Development Association (IDA) with the following allocation criteria:¹⁰
 - a) At least 50% of the programmatic resources are allocated to operations in LDCs.¹¹
 - b) A maximum of 8% and 5% of the programmatic resources are allocated to the non-Member LDCs and non-Member MICs, respectively.¹²
 - c) No core funding allocation is made to HICs, consistent with the 2017-2018 budget.

⁹ Partnership and Resource Mobilization Action Plan: Issues Paper. A/2017/2-C/2017/2. <http://gggi.org/about/the-council>.

¹⁰ As World Bank, IDA and UNESCOC criteria for determining country categories create overlapping groups of LDCs and MICs, some countries, where GGGI has programmatic interventions can fall into both groups (eg. Myanmar, Lao PDR, Kiribati, Cambodia etc.)

¹¹ GGGI Refreshed Strategic Plan 2015-2020.

¹² GGGI's Refreshed Strategic Plan 2015-2020 and Revised Corporate Results Framework (CRF) stipulates a 2020 target that "87% of GGGI's core resources directed to Member Least Developed Countries and Middle-Income Countries combined", leaving 13% of core resources for non-Member countries. Furthermore, GGGI's Revised CRF 2015-2020 stipulates a 2020 target of "42% amount of GGGI's core resource for country programs that will go directly to Member Least Developed Countries", meaning that of the minimum 50% of core resource allocated to LDCs, 8% can be allocated to non-Member LDCs. This allows a maximum of 5% core resource allocation for non-Member MICs.

- (iii) The allocation of core resources within the groups of Member LDC, Member MIC, non-Member LDC and non-Member MICs will then be made based on the programmatic priorities and associated resources mobilization plans defined in the CBPs, which in turn, have been discussed with donors and country authorities in the partner countries.
- (iv) A small corporate contingency (5% of core resources) is allocated to serve as an operational reserve available for funding of unforeseen opportunities and needs during the WPB period.
- (v) Global programmatic allocations are also made to each of the four thematic priority areas, Green Investment Services and the Office of Thought Leadership for the development of thematic country projects, bankable or investment projects and global Thought Leadership projects, respectively.

34. Based on these criteria, two scenarios are provided in **Annex 3** for the allocation of GGGI's core resources for the biennium 2019-2020. Both cases include committed earmarked resources for 2019-2020 and indicative earmarked resources based on the proposal pipeline as of March 2018.

- (i) **BASE case – reflecting committed core resources and expected earmarked resources for 2019 and 2020:** In this scenario the core funding is confirmed at \$52.4 million and the committed and planned earmarked funding at \$43.6 million, the total biennial funding amounting to \$96.05 million, or \$48 million per annum, lower than the current annual budget of \$58.05 million. At the allowed share of 30% the non-programmatic funding plus an average overcharge rate of 10% on all earmarked funding would result in a total non-programmatic budget of \$20.1 million, lower than the current \$28.1 million. The remainder of these resources (70%) or \$76.04 million would be allocated to the programs, including country and global programs, Thought Leadership, and Impact and Evaluation Unit.
- (ii) **PLUS case – reflecting committed plus targeted core resources and expected plus targeted earmarked resources for 2019 and 2020:** In this scenario, the core funding included is confirmed and planned core funding at \$59.9 million and earmarked funding. The country specific earmark-funding targets are aspirational and cannot be all expected to be realized. Therefore, the aggregation of these aspirational country targets is capped at an 25% in addition to the base case, this level representing an assumed absorption capacity of the Institution without further growth in staffing. The total funding for the biennium under the Plus scenario amounts to \$114.4 million, or \$57.20 million per annum. Again, with the allowed 30% non-programmatic funding from the core and the 10% assumed average overcharge rate on earmarked funding for the biennium would amount to \$23.42 million; and the rest would be available for the programmatic operations at \$91.03 million.

F. Next steps in WPB development

33. The WPB Preparation process provides opportunities for members to engage in GGGI's planning process along the way and will culminate in the submission of the WPB 2019-2020 to Council for approval in the fourth quarter of 2018. An indicative outline of the key steps and milestones in the WPB process is in **Annex 4**.

34. The Planning Directions for the WPB 2019-2020 will be issued by the Director-General in the second quarter of 2018 after a consultation with the MPSC to guide the preparation of the WPB 2019-2020 and design of projects for the next biennium. The MPSC is requested for consideration and guidance on the two resource allocation scenarios and overall direction of the planning directions.

Annex 1: Outline of the Proposed Work Program and Budget 2019-2020

- I. Foreword
- II. Executive Summary
- III. Introduction
- IV. Global Green Growth and GGGI's Operational Role
- V. Building on Highlights of 2017-2018
- VI. Charging for Homeruns 2019-2020
- VII. Indicative Operational Resources 2019-2020
- VIII. Strategic Priorities – Strengthening and Deepening Operational Focus and Priorities
 - A. The Strategic Outcomes – the Promise of Green Growth
 - B. Mainstreaming Green Growth – Value Chain and A Way Forward
 - C. GGGI's Operating Model – Investing in Green Growth
 - D. Thematic Directions
 1. Sustainable Energy
 2. Green Cities
 3. Water and Sanitation
 4. Sustainable Landscapes
 - E. Country Program Outcomes
 - F. Thought Leadership and Knowledge
 - G. Safeguards, Poverty Reduction and Social Inclusion
 - H. Results Monitoring
 - I. Impact and Evaluation
- IX. Stronger GGGI
 - A. Strategy and Planning – WPB Process and Innovating for Strategy 2030
 - B. Partnerships and Resource Mobilization – Action Plan
 - C. Green Growth Program and Implementation – Integration
 - D. Green Investment Services – Impact
 - E. Enabling Services
 - F. Management and Governance
 - G. Value for Money

Annexes

1. Country Business Plans
 - a. Africa and Europe
 - b. Asia and the Pacific
 - c. Latin America and Middle East
2. Thematic Origination Plans
3. 2019-2020 Budget
4. Result Framework

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Annex 2: Sample Country Business Plans: Lao PDR and Vanuatu

1. Lao PDR

Country Strategy: GGGI opened its Lao PDR Office in January 2017. As of October 2017, Lao PDR is a member of GGGI, and the Host Country Agreement is signed. The GGGI Office is hosted by the Ministry of Planning and Investment (MPI), and we primarily work with MPI, the Ministry of Public Works and Transport (MPWT) and the Ministry of Natural Resource and Environment (MONRE). The Green Growth Potential Assessment, along with gender analysis, was completed as part of GGGI's support for the development of Lao PDR's National Green Growth Strategy (NGGS) and the recommendations from the two studies are incorporated in the NGGS. GGGI supports MPI to engage a policy dialogue for strengthening gender responsible and inclusive green growth. GGGI has developed a strategic relationship with the Lao PDR's National Designated Authority (NDA) for GCF, Department of Climate Change under MONRE, by supporting the development of the national Measurement, Reporting, and Verification (MRV) framework, updating Nationally Determined Contributions (NDC), and providing GCF readiness support to develop investment plans for implementation of the Urban Development priority of the NDC. GGGI has also developed forthcoming investments in solid waste management and wastewater management and sanitation under the umbrella of green cities development in Lao PDR. GGGI plans to link its project on promotion of electric vehicles with carbon reduction credits of the Korean Emissions Trading Scheme. With the reduction credits making the project more bankable, it has a potential to scale-up becoming a regional initiative. Aside from these projects focused on green growth planning and green cities development, there also exist opportunities in sustainable landscapes, such as nature-based tourism, that GGGI may engage in in the future.

Country Program: GGGI supports Lao PDR with a focus on mainstreaming green growth, green cities development, climate resilience, and poverty reduction. Based on the 8th NSEDP, NDC, and NGGS, GGGI focuses on the following areas:

- (i) **National and Sub-national planning, financing and budgeting for inclusive Green Growth:** GGGI supports the Lao PDR Government to mainstream green growth and climate change into policies and plans in order to create an enabling policy environment for investments and bankable projects contributing to reduced GHG emissions; increased climate resilience and the creation of green jobs (especially for informal workers the majority of whom are women).
- (ii) **Green Cities Development in Lao PDR:** GGGI supports the Lao Government by developing investment-ready action plans and projects for inclusive and sustainable urban development contributing to increased access to sustainable urban services that are inclusive and gender-sensitive for 1 million people

Partnership and Resource Mobilization

GGGI and the World Bank have been the primary supporters of the development of Lao PDR's NGGS, and there is an interministerial committee responsible for green growth. The national development strategy (NSEDP), SDGs, NDC, and NGGS are all consistent with one another, so there is a range of platforms and potential partnerships. In particular, GGGI and KOICA have partnered to support sustainable solid waste management and wastewater management and

sanitation. Also, KOICA, along with Korea Environmental Industry and Technology Institute (KEITI), is in consideration of supporting GGGI's GCF readiness program by adding its funds to the program.

In 2017, the GGGI Lao Office had made tremendous efforts to mobilize resources targeting both bilateral and multilateral donors, and much of the efforts will come to fruition in 2018. For example, GCF readiness proposal in the amount of 0.46 million was approved in Feb 2018. The proposal in the amount of USD 6.5 million is pending approval from KOICA. The concept note in the amount of USD 1 million is being reviewed by the Luxembourg Ministry of Finance. In total, the Lao Office expects to mobilize USD 6 million in 2018.

Results area (themes/ sub-themes)	Government partners	Donors active in the area	Delivery partners active in the area (including the private sector, civil society)
Theme: Cross-cutting Sub: green growth planning, fiscal policy, NDC, MRV	MPI, MOF, MONRE	World Bank, Luxembourg, UNDP, Germany, USAID	Emerging Markets Consultants, GTCK
Theme: Green Cities Sub: transport, solid waste management, wastewater management and sanitation	MPWT, VCOMS (Vientiane City Operation and Management Services), Pakse-UDAA (Urban District Admin Authority)	KOICA, JICA, ADB, GCF, SDC (scoping)	BORDA, ECCDA, Eco-eye, KEITI, GRET, WTA, Green Vientiane

Indicative Resource Envelope: Indicative planning figure for GGGI Core resources for Lao PDR for 2019-2020: \$ 0.94 million; Government counterpart's in-kind funding: 0.024 million; and Donor co-financing of the program is expected at **\$3.79** million in the biennium.

Ongoing and Planned 2019-2020 Country Program (\$, million)

Thematic area	Project title	Implementation			Funding			Resource Mobilization	
		Inception	Completion	GGGI	Gov	Partner	Gap	Total	
Ongoing 2017-2018	National and Sub-national planning, financing and budgeting for Green Growth	Jan 2017	Dec 2018	1.77	0.012 ¹³	0.34 ¹⁴	0.22	2.34	GCF ¹⁵ , Luxembourg
TOTAL 2017-2018				1.77	0.012	0.34	0.22	2.34	
Planned 2019-2020									

¹³ Office space provided by MPI valued at USD 12,000. (USD 500 per month x 24 months = 12,000)

¹⁴ Green Growth Forums and Green Growth Study Tours coordinated by GGGI, but funded WB, are valued at USD 100,000.

¹⁵ GCF Readiness proposal in the amount of USD 0.48 million was approved in Feb 2018. The project duration is 18 months from April 2018 to September 2019.

Cross-Cutting	National and Sub-national planning, financing and budgeting for Green Growth	Jan 2019	Dec 2020	0.77	0.024 ¹⁶	1.03	1.8	Luxembourg
Green Cities	Green Cities Development in Lao PDR	Jan 2019	Dec 2020	0.14	TBD ¹⁷	0.24	2.52	2.9
								KOICA GCF KEITI
Unallocated core funding								
Funding for Proposal Preparation/ Other				0.03			0.03	
TOTAL 2019-2020				0.94	0.024	0.24	3.55	4.75

Results Framework: Lao PDR Program Summary 2019-2020

Theme Subtheme	Input	Output	Verification	Contributions to Strategic Outcomes	Assumptions Risks
Theme: Cross-Cutting Sub: Capacity building, green finance, MRV, NDC, energy	<i>National and Sub-national planning, financing and budgeting for Green Growth</i>	1. Capacity development workshops 2. Financing support for the development of Green Economic Zone 3. National framework on MRV and national targets for NDC.	1. Workshop reports are produced 2. Funding proposal is produced 3. National NDC targets are developed	SO1. Reduced GHG emissions SO6. Enhanced adaptation to climate change	
Theme: Cross-Cutting Sub: Climate change budgeting		1. Technical analysis on green fiscal instruments (taxes and fees). 2. Public expenditure review on climate change including guidelines on green growth/climate change planning, budgeting, and expenditure tracking	1. Publication of the analytical report 2. Publication of the program report and guidelines		Pending funding approval from Luxembourg

¹⁶ Two office spaces provided by the Gov valued at USD 24,000. (USD 1000 per month x 24 months = 24,000)

¹⁷ The government will contribute land, and staff time.

<p>Theme: Green Cities Sub: 1. Solid waste management 2. Water & sanitation</p>	<p><i>Green Cities Development in Lao PDR</i></p>	<p>1. Inclusive green cities vision and action plans for Vientiane and Pakse 2. Strategy for sustainable solid waste management in Vientiane 3. Strategy for wastewater management in Pakse 4. Deployment of resource recovery facilities in Vientiane 5. Deployment of wastewater management facilities in Pakse</p>	<p>1. Inclusive green city action plans are developed 2. Implementation plan for a solid waste management plan is developed for Vientiane 3. Implementation plan for wastewater management plan is developed for Pakse 4. Resource recovery facility is operational (beyond 2020) 5. The fecal sludge treatment plant and DEWATS operating</p>	<p>SO3 – Increased access to sustainable services SO3.2 – Increased access to improved sanitation. (150 households gain access to DEWATS and 2,400 households to the fecal sludge treatment plant by 2022.) SO3.3 – Increased access to sustainable waste management. Regarding SDG indicators: • 20% increase in SDG Indicator 12.5.1: recycling/recovery volume and proportion of total waste. • 10% increase in SDG Indicator 11.6.1: the proportion of urban solid waste regularly collected and w/ adequate final discharge out of total urban solid waste generated. • 20% increase in SDG Indicator 6.3.1: the proportion of wastewater safely treated.</p>	<p>Pending funding approval from KOICA</p>
<p>Theme: Green Cities Sub: Transport</p>	<p><i>Green Cities Development in Lao PDR - Promotion of EVs in Laos</i></p>	<p>1. Financing support to promote EVs in Lao PDR</p>	<p>1. Funding proposal to GCF is produced</p>	<p>SO1. Reduced GHG emissions</p>	
<p>Theme: Green Cities Sub: Green finance</p>	<p><i>Green Cities Development in Lao PDR - Readiness support to enhance green finance in the area of green</i></p>	<p>1. Cross-sectoral coordination mechanism for green cities is functioning. 2. Framework for monitoring and reporting climate financing from DoF to NDA 3. At least 3 GCF concept notes completed</p>	<p>1. Terms of reference for green cities steering committee 2. Completion of the monitoring and reporting framework report 3. completion of the concept notes 4. Publication of the reports</p>		<p>GCF Readiness secured</p>

	cities in Lao PDR	4. Report with recommendations to improve the financial ecosystem to mobilize private sector investments in climate change and green growth		
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- The targets for the strategic outcomes at the country level are currently being developed.

2. Vanuatu

Country Strategy: The Global Green Growth Institute (GGGI) supports Vanuatu in pursuing a socially inclusive green growth approach that can improve the stability and growth of the economy, improve resilience to climate change and natural disasters and address its rural-urban divide. The Government of Vanuatu makes clear its dedication to holistic growth in its *National Sustainable Development Plan 2016-2030* (NSDP), which states that “a more inclusive, equitable, and balanced approach is needed to promote sustainability, eradicate poverty, and enhance well-being and happiness.” In the 2015-16 period GGGI supported the government in its effort to set up functional institutions and plans that can implement its inclusive and environmentally friendly energy transition. This work included the updating of the National Energy Road Map (NERM) and support for the initial design and approval of a National Green Energy Fund (NGEF) which places specific priority on the rural areas of Vanuatu.

In 2017-2018, in line with the Country Planning Framework (CPF) 2017-2021 (<http://gggi.org/report/vanuatu-country-planning-framework-2017-2021/>), GGGI focused its support on expanded access to inclusive, affordable and sustainable energy services for rural households, businesses and public institutions through continued technical assistance for the detailed design, establishment and operationalization of the NGEF, including identification of appropriate financial products, a project pipeline and gender analysis for the implementation of the Fund. During 2017, the NGEF Task Force and Management Unit were established, including the hiring of the NGEF Manager and an initial commitment of 0.07m from the Government of Vanuatu towards the operational costs of the NGEF. In 2018, the NGEF legislation will be passed through Parliament and the Management Board will be established (including the Ministry for Women’s Affairs), fully

operationalizing the Fund, while further national and international seed funding will be confirmed. The second area of focus in 2017-2018 has been sustainable energy services for rural livelihood creation and economic growth in agriculture, fisheries and tourism including creation of green jobs. A solar freezer project for ten rural tourism operators was designed and implemented, including gender sensitive approaches and disaggregated monitoring, in partnership with the Department of Energy (DoE) and Department of Tourism. A project to enhance climate resilience through community-managed solar-power driven water pumping was submitted for donor funding with the DoE and Department of Water (DoW) and will start in 2018¹⁸. Alongside these activities, GGGI has provided various training opportunities for both public and private sector (particularly tourism and industry) stakeholders in Vanuatu to increase awareness of clean energy technology and financing options, as well as green infrastructure project development and financing. For 2019-2020 period, GGGI will continue to support the government in mobilizing finance to increase Vanuatu's energy access and trigger equitable and transformational green growth activities in rural areas.

Country Program: The GGGI program in 2019-2020 will focus on access to reliable, secure and sustainable energy and reduction in reliance on imported fossil fuels, ensuring access to safe drinking water and promoting equitable and inclusive broad based growth by strengthening tourism, infrastructure, agriculture and industry in rural areas – all key objectives of the NSDP. Based on the Vanuatu CPF, GGGI focuses on three areas:

- (iii) Rural electrification through renewable energy for households, businesses and public institutions
- (iv) Renewable energy for water, agriculture, tourism and fisheries
- (v) Energy efficiency for tourism and industry

Through the focus on these three areas, GGGI's work will also contribute to achieving the aims of Vanuatu's Nationally Determined Contribution (NDC) to generate 100% of its electricity with renewable resources by 2030 and the NERM which aims to reach 100% rural electrification and 65% of rural tourism operators using renewable energy by 2030 as well as improving energy efficiency. GGGI will continue to support the NGEF as a key mechanism for implementation of the NERM. During 2019-2020 the Fund will be fully operationalised through the launch of the first NGEF products and uptake from the target beneficiaries. Gender responsiveness of the Fund will be consolidated through implementation of its gender policy, including development and launch of products aimed at women, low-income and vulnerable groups, gender analysis of products and supported projects and integration of gender into all reporting procedures. At the same time consultations with NGEF on key considerations for an exit strategy for GGGI will be undertaken and an exit strategy will be developed and agreed with the NGEF Management Board.

Partnership and Resource Mobilization

GGGI works closely with the Ministry of Climate Change (MoCC) which is also the National Designated Authority (NDA) for the Green Climate Fund (GCF). As part of the resource mobilisation strategy GGGI outputs are closely aligned to the NERM and the NGEF is also part of the Vanuatu Climate Finance Roadmap. GGGI is the delivery partner for one approved GCF Readiness Project in Vanuatu which will be completed in 2018 and a second Readiness project is being

¹⁸ Subject to agreement and signing of funding agreement with the donor partner

developed with the DoE and MoCC. A GCF Simplified Approval Process (SAP) project has also been identified and a concept note prepared with the support of the NDA to support the NGEF targeting a mobilisation of \$10m in seed capital for the NGEF. GGGI successfully mobilised financing for a solar freezers project in 2017 and is seeking further resources to upscale this project. GGGI has also submitted proposals to the Luxembourg Government (Enhancing resilience to climate change through solar water pumping for outer islands) and KOICA (Capacity building to strengthen sustainable implementation of renewable energy technologies for rural energy access) for projects covering the 2018-2020 period. There is also potential for partnerships with NGOs working in rural areas on water and community development including UNICEF, CARE International, ADRA and World Vision. GGGI is in regular contact with key donors in Vanuatu such as Australia and New Zealand and is also exploring partnerships with development partners such as GIZ, SPREP, IUCN and UNDP who are working in similar areas.

Results area (themes/ sub-themes)	Government partners	Donors active in the area	Delivery partners active in the area (including the private sector, civil society)
<p>Theme: Energy Sub: Renewable energy and energy efficiency, National Green Energy Fund, Mobilizing Finance</p>	<p>Ministry of Climate Change Department of Energy - NGEF Implementation Unit Ministry of Finance Ministry of Women's Affairs Department of Strategic Planning, Policy and Aid Coordination Department of Local Government</p>	<p>GCF, Asian Development Bank (ADB), World Bank (WB), New Zealand, KOICA</p>	<p>Department of Cooperatives, National Bank of Vanuatu, Member Financial Service Limited, VANWODS Micro Finance, GIZ, Greentech, PCS, Etech and other RE supplies</p>
<p>Theme: Sustainable Energy Sub: Solar water pumping</p>	<p>Department of Water Department of Energy</p>	<p>Luxembourg, New Zealand</p>	<p>The Pacific Community (SPC), UNICEF, CARE International, ADRA and World Vision</p>
<p>Theme: Sustainable Energy Sub: Renewable energy and energy efficiency for tourism and industry</p>	<p>Department of Tourism Department of Energy Department of Cooperatives Department of Agriculture</p>	<p>BMZ/NDC-P, BMU-IKI</p>	<p>GIZ, UNDP, UNIDO, Pacific Centre for Renewable Energy and Energy Efficiency</p>

Indicative Resource Envelope:

Indicative planning figure for GGGI Core resources for Vanuatu for 2019-2020: \$0.8 million; Government counterpart funding: In-kind: \$0.05 million; and donor co-financing of the program is expected at \$2.2 million in the biennium.

Ongoing and Planned 2019-2020 Country Program (\$, million)

Thematic area	Project title	Implementation			Funding			Resource Mobilization	
		Inception	Completion	GGGI	Gov ¹⁹	Partner	Gap		Total
Ongoing 2017-2018									
Energy	Mobilizing Finance for Green Energy Projects	Jan 2017	Dec 2020	1.9	0.1	0.47 ²⁰	0.1 ²¹	2.57	<ul style="list-style-type: none"> • GCF Readiness Project - NGEF • 2nd GCF Readiness proposal – NGEF energy efficiency with duration Sep 2018-Sep 2019. • GCF SAP project - NGEF (\$10m).
Sustainable Energy/Water	Enhancing resilience to climate change through solar water pumping	Jul 2018	Jun 2020	0.0	0.01	0.0	0.38 ²²	0.39	<ul style="list-style-type: none"> • Proposal submitted to Luxembourg
TOTAL 2017-2018				1.9	0.11	0.47	0.48	2.96	
Planned 2019-2020²³									
Energy	Mobilizing Finance for Green Energy Projects (continued from 2018-2017)	Jan 2017	Dec 2020	0.57	0.03 ²⁴	0.0	0.4	1.16	<ul style="list-style-type: none"> • Includes 0.5m²⁵ from GCF Readiness and \$10 through GCF SAP
Energy / Water	Enhancing resilience to climate change through solar water pumping ²⁶	Jul 2018	Jun 2020	0.0	0.02	0.0	1.5 ²⁷	1.53	<ul style="list-style-type: none"> • Proposal submitted to Luxembourg

¹⁹ \$0.07m towards operations of the NGEF and \$0.025m towards Office Space and furniture, utilities, telephone bills and printing services both by the DoE and DoW. 20 GCF Readiness project currently underway 0.37m USD and 0.1m USD mobilised through BMZ/NDC-P. An additional 0.3m is currently being negotiated with GIZ.

²¹ Anticipated funding from GCF Readiness Project – utilisation of the funds will be split across 2018 (0.1m) and 2019 (0.4m). of this, most would off-set core funding approved will provide approximately 0.3m in funding to Vanuatu. However this funding will be reflected in the Pacific Regional CBP.

²² Anticipated signing of financing agreement in June 2018 – utilisation of funds will be split across 2018, 2019 and 2020 as indicated in the table. ²³ There is also a regional capacity building program on green economy and renewable energy which has been submitted to KOICA which would start in June 2018 and run to end December 2020. This project once approved will provide approximately 0.3m in funding to Vanuatu. However this funding will be reflected in the Pacific Regional CBP.

²⁴ While this refers to office and utilities costs, the NGEF is currently negotiating with Government for a 0.3-0.6m USD annual contribution towards the NGEF ²⁵ 0.1m USD to be disbursed in 2018 and 0.4m USD to be disbursed in 2019

²⁶ Although initiated in 2018, the majority of this funding would be disbursed in 2019-2020 period ²⁷ Of the total 1.785m approximately 0.635m would off-set core funding and 1.1m would be spent on equipment/hardware

Energy	Promoting inclusive renewable energy and energy efficiency in tourism and industry	1 Jan 2019	Dec 2020	0.2	0.0	0.0	0.3	0.5	• Additional funding sought
Unallocated core funding									
Funding for Proposal Preparation/ Travel /Other									
0.0 0.0									
0.03 ²⁸									

Results Framework: Vanuatu Program Summary 2019-2020

Theme Subtheme	Input	Output	Verification	Contributions to Strategic Outcomes	Assumptions Risks
<i>Energy: Expanded green energy access</i>	<i>Mobilizing Finance for Green Energy Projects</i>	<ul style="list-style-type: none"> Capitalization of the Fund Approved pipeline (including gender responsive) NGEF investments/products Full operationalization of at least one product Completion of energy efficiency (EE) policy and action plan Feasibility study for on-the-bill EE financing and energy audits Technical capacity built in NGEF partner institutions Exit strategy for GGGI from NGEF developed 	<ul style="list-style-type: none"> Financing agreement Reports and meetings minutes of NGEF Board Disbursement agreement(s) Loan/guarantee agreements between NGEF and local intermediaries. Commitment letters by local intermediaries. Energy policy/action plan document Safeguards, gender and poverty reduction mainstreamed Training reports and evaluations 	<p>SO1. Reduced GHG emissions</p> <p>SO2. Green Jobs</p> <p>SO3.1 Energy access</p>	<ul style="list-style-type: none"> Delays due to availability of Board members Delay in signing of agreements with intermediary organizations Delay due to disbursement procedures
<i>Energy: Solar water pumping</i>	<i>Enhancing resilience to climate change through solar water pumping</i>	<ul style="list-style-type: none"> 30 solar PV powered water pumping units designed, successfully installed and commissioned. Community water systems management strengthened including integration of National Guidelines Standardized designs and guidelines for use of solar water pumps drawn up Lessons learnt from project implementation, operation, monitoring and evaluation shared 	<ul style="list-style-type: none"> Installation and commissioning reports Water management committee minutes Training event reports Water usage guidelines and standard designs Safeguards, gender and poverty reduction mainstreamed throughout the guideline and standardization work Gender disaggregated monitoring 	<p>SO1. Reduced GHG emissions</p> <p>SO3.1 Energy access</p> <p>SO6. Climate change adaptation</p>	<ul style="list-style-type: none"> Limited capacity at DoE/DoW to provide data and information in a timely manner Market constraints could cause price variations

²⁸ For Project management costs (the old Output A) (regional representative management time, senior administration and finance officer, publications, etc. – these are considered absorbed apart from the 30,000 USD placed in the proposal preparation/non-project travel/other column

<p><i>Energy: Renewable energy and energy efficiency</i></p>	<p><i>Promoting inclusive renewable energy and energy efficiency in tourism and industry</i></p>	<ul style="list-style-type: none"> • Gender mainstreaming achieved • International acceptable practices on Electricity Tariff identified and recommended to Vanuatu Government. • Feasibility for renewable energy (RE) /EE project with 3 companies which can commit to financing developed • RE & Green Initiatives that could be adopted for provincial governments and rural Industries • RE/EE projects required to green Agriculture and Fisheries Sector identified and designed • RE & EE planning integrated into sectoral strategies • Gender mainstreamed into outputs 	<ul style="list-style-type: none"> • Presentations and workshop reports • Tariff review report delivered to URA • Feasibility studies completed and delivered to relevant ministries • Project proposal lists • Report on integrated planning • Environmental and social safeguards analysis applied to studies and project design 	<p>SO1. Reduced GHG emissions SO2. Green Jobs</p>	<ul style="list-style-type: none"> • Rural community fail to take ownership • Limited willingness to change tariff structure • Limited data available / data collection time consuming • Limited time available from public / private bodies to participate
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SO1: 100% Renewable based electricity (NDC, 2015 and NERM, 2016); **SO2:** No national target; **SO3.1:** 60% rural electrification by 2020 and 100% by 2030 (NERM, 2016); **SO6:** Climate change adaptation priorities as specified in the National Climate Change and Disaster Risk Reduction Policy 2016–2030

Annex 3: Assumptions in the Allocation Scenarios for Work Program and Budget 2019-2020

1. The two scenarios presented represent a snapshot in time. They represent a low case (base case) under which the Institute has firm expectation of the core contributions and high expectations to reach the earmarked resources which combine committed resources and submitted plans for earmarked funding. Nevertheless, both the firm core contribution and the highly likely earmarked funding contain an element uncertainty which is unavoidable due to variance in fiscal conditions, exchange rates, and counterpart agency mandates. However, GGGI maintains a reasonable degree of confidence in the Base Case.
 - a. **In the Base Case**, the total funding for GGGI would fall short of the current overall budget of \$58.05 million per annum for the 2017-2018 biennium. Importantly, in the current biennium, regular resources were augmented with spending down of the Retained Surplus of \$24 million and expenditures thus exceeding revenues. Under the Base Case, and without such additional funding, GGGI will inevitably face need for reductions in some areas of operation, most acutely in the non-programmatic areas, where earmarked funding can only replace core resources to the extent overhead is recovered. These savings needs are being accounted for in GGGI's planning.
 - b. **In the Plus case**, uncertainty increases under both variables, targeted core contributions and targeted earmarked funding. The country-level targeted earmarked funding levels are aspirational, and cannot, therefore be aggregated to a total volume. These are affected by timing and success probabilities and thus lend themselves as objectives for the country and partnership teams to achieve. However, for planning purposes, the Plus case represents success level in earmarked funding which would move GGGI toward its overall strategic objective of moving its reliance on core resources to earmarked funding from the current 80:20 ratio to 50:50 ratio.
2. The Plus case would enable GGGI to maintain its current operational level. Nevertheless, moving to a different funding model requires important adjustment in the operating model. Such transformation is under implementation through the business process review and reform to the project cycle manual, particularly through enhancement of the in-house capacity to implement projects, i.e. to make maximum use of the internal staff resources and staff in implementation of the earmarked projects in place of engagement of contracted parties for their delivery.
3. In both scenarios, earmarked resources are based on earmarked resources committed and those in the pipeline. These are inserted on the basis of the committed amounts and assumed disbursed during the biennium. While this is an assumption, estimating disbursement curves at this early stage will complicate the assessment unnecessarily.
4. Both scenarios assume an overhead charge on earmarked resources has been assumed at an average value of 10%, which has been directed to finance non-operational direct and indirect services required for the institutional operations of GGGI.
5. The allocation scenarios are presented in the following format:
 - Headline of projected core funding
 - Deduction of non-programmatic core allocation based on strategic parameters
 - Total Programmatic allocation as follows
 - o Contingency allocation, allocation for global parameters
 - o Allocation to Program Management, Procurement, Evaluation and Thought Leadership
 - o Allocation to Country Programs, and application of the Strategic parameters to define minimum and maximum amounts programmable in Member LDC, Member MICs, Non-Member LDCs and Non-Member MICs
6. The table for allocations in Country Programs shows:
 - **Column A:** The 2017-2018 core allocation per country according to the 2017-2019 Mid-term Budget Review, for purposes of comparison.
 - **Column B:** The 2017-2018 earmarked resources committed in the period 2017-2018 to date, for purposes of comparison.
 - **Column C:** The 2017-2018 total program combining core and earmarked resources in the biennium 2017-2018, for purposes of comparison.
 - **Column D:** The proposed core allocation for 2019-2020 biennium, based on the base case scenario and following allocation principles:



1. Country Business Plans for each recipient country
 2. Confirmed and potential earmarked resources available per Country Programs; and
 3. Membership status and level of development.
 4. Allocations to the non-member countries are made in the context of the restricted resources permitted under the Refreshed Strategic Plan 2015-2020, i.e. maximum 5% for non-member MICs; and 8% for non-member LDCs.
 5. In addition:
 - A nominal amount of core support has been allocated to Indonesia and Mexico programs;
 - Core allocations were made for the first time to Guyana and PNG, members countries where GGGI is commencing operations; and
 - No core funding allocation is made to **HICs**, consistent with 2017-2018.
- **Column E:** The earmarked funding confirmed and targeted for disbursement in the biennium 2019-2020 as pertinent to the base and plus cases.
- **Column F:** The total proposed program volume in the biennium 2019-2020 under the conditions of the base and plus cases.

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Base Case: Core resource allocations 2019-2020

Scenario:		Base case
Strategic Parameters	Value	Source
Targeted percentage of spending on all non-programmatic activities	30%	GGGI Refreshed Strategic Plan 2015-2020 pp25
Targeted percentage of spending on Management and Administration	17%	GGGI Refreshed Strategic Plan 2015-2020 pp 25
Amount of GGGI's core resource for country programs that will go directly to LDCs	50%	GGGI Refreshed Strategic Plan 2015-2020 pp24
Amount of GGGI's core resources directed to Member LDCs and MICs combined	87%	GGGI Refreshed Strategic Plan 2015-2020 pp 24
Amount of GGGI's core resource for country programs that will go directly to Member LDCs	42%	GGGI Revised Corporate Results Framework 2015-2020
Maximum allocation to Non-Member countries	13%	Calculation
Possible allocation to non-Member LDCs	8%	Calculation
Maximum allocation to non-Member MICs	5%	Calculation
Percentage of earmarked funding to non-programmatic	10%	Assumption
% of Programmatic allocation to Global Programs	5%	WPB Reform Paper
% of Programmatic allocation of core to Contingency	5%	WPB Reform Paper
	2019-2020 value (USD)	Note
Core Funding projected	52,400,000	Projection at March 2018
Earmarked Funding projected	43,647,500	
Total funding projected	96,047,500	
Maximum Non-programmatic allocation	20,084,750	30% of core and 10% of earmarked
Non-programmatic spending as percentage of total funding	21%	
Maximum core spending on Management and Administration	13,272,750	Includes Operations Enabling Division (OED) (Office of the DDG, Finance, Human Resources, Technology Services, Administrative Services, Legal Counsel) and Corporate Shared Cost
Maximum other non-programmatic spending	6,812,000	Includes Office of the Director General (ODG) (Governance, Strategy, Partnerships, GCF Liaison Unit, Communications, Office of Internal Audit (OIAI), and Capital Cost
Minimum programmatic allocation of core	36,680,000	
Global Programs	1,834,000	5% of programmatic
Contingency for Country Programs	1,834,000	5% Corporate contingency for operational reserve
Office of the Assistant Director General (OADG) GGPI, Safeguards, Poverty Reduction and Social Inclusion (SPRSI)	4,082,123	Office of the Assistant Director General (OADG) GGPI at 75% of 2017-18 budget; Heads of Programs (HoPs), Country Portfolio Officers (CPOs) and SPRSI at 100% of 2017-18 budget
Office of the Director of IPSD	1,544,339	75% of 2017-2018 budget
Procurement	516,944	75% of 2017-2018 budget
Impact & Evaluation Unit (IEU)	1,282,803	75% of 2017-2018 budget
Office of Thought Leadership (TL)	3,824,060	80% of 2017-2018 budget
Programmable core resource	21,761,730	Programmatic allocation less Global Programs, Contingency, OADGs GGPI and IPSD, SPRSI, Procurement, IEU and TL
Minimum core allocation to Members	18,932,705.32	
Minimum core allocation to LDCs	10,880,865	
Minimum core allocation to Member LDCs	9,139,927	
Maximum core allocation to MICs	10,880,865	
Maximum core allocation to Non-Member MICs	1,088,087	
Maximum core allocation to Non-Member LDCs	1,740,938	

Base Case: Core resource allocations by country programs 2019-2020²⁹

Country	Portfolio/Region	Memberships	Country classification	A: 2017-2018 Core Allocation	B: 2017-2018 Earmarked	C: Total 2017-2018 budget	D: 2019-2020 Draft core allocation	E: 2019-2020 Expected Earmarked	F: Total program 2019-2020
Ethiopia	Africa & Europe	Member	LDC	3,058,312	-	3,058,312	1,500,000	1,100,000	2,600,000
Rwanda	Africa & Europe	Member	LDC	4,784,534	-	4,784,534	1,600,000	660,000	2,260,000
Senegal	Africa & Europe	Member	LDC	2,594,167	-	2,594,167	1,300,000	1,200,000	2,500,000
Jordan	Africa & Europe	Member	LMIC	1,526,811	-	1,526,811	900,000	360,000	1,260,000
Hungary	Africa & Europe	Member	HIC	-	282,696	282,696	-	800,000	800,000
Mozambique	Africa & Europe	Non-Member	LDC	1,635,770	-	1,635,770	360,000	450,000	810,000
Burkina Faso	Africa & Europe	Non-Member	LDC	-	-	-	360,000	262,500	622,500
Uganda	Africa & Europe	Non-Member	LDC	2,516,682	-	2,516,682	360,000	900,000	1,260,000
Morocco	Africa & Europe	Non-Member	LMIC	-	824,644	824,644	160,000	600,000	760,000
Cambodia	Asia & Pacific	Member	LDC	3,213,254	-	3,213,254	1,400,000	300,000	1,700,000
Kiribati	Asia & Pacific	Member	LDC	642,673	-	642,673	360,000	100,000	460,000
Lao PDR	Asia & Pacific	Member	LDC	1,667,255	-	1,667,255	850,000	3,790,000	4,640,000
Vanuatu	Asia & Pacific	Member	LDC	1,908,495	300,000	2,208,495	800,000	2,185,000	2,985,000
Fiji	Asia & Pacific	Member	LMIC	2,181,670	-	2,181,670	1,000,000	550,000	1,550,000
Indonesia	Asia & Pacific	Member	LMIC	-	12,260,517	12,260,517	150,000	8,200,000	8,350,000
Mongolia	Asia & Pacific	Member	LMIC	2,224,515	350,000	2,574,515	1,000,000	-	1,000,000
Philippines	Asia & Pacific	Member	LMIC	3,733,563	-	3,733,563	1,000,000	5,000,000	6,000,000
PNG	Asia & Pacific	Member	LMIC	-	-	-	100,000	3,000,000	3,100,000
Vietnam	Asia & Pacific	Member	LMIC	2,489,941	-	2,489,941	1,000,000	-	1,000,000
Thailand	Asia & Pacific	Member	UMIC	990,763	300,272	1,291,035	580,000	-	580,000
Myanmar	Asia & Pacific	Non-Member	LDC	1,255,106	-	1,255,106	360,000	-	360,000
Nepal	Asia & Pacific	Non-Member	LDC	1,186,933	-	1,186,933	350,000	-	350,000
India	Asia & Pacific	Non-Member	LMIC	1,251,156	-	1,251,156	150,000	200,000	350,000
Tonga	Asia & Pacific	Non-Member	LMIC	-	-	-	150,000	-	150,000
China	Asia & Pacific	Non-Member	UMIC	1,402,792	-	1,402,792	150,000	-	150,000
Costa Rica	LAC & Middle East	Member	UMIC	316,000	-	316,000	190,000	-	190,000
Mexico	LAC & Middle East	Member	UMIC	1,038,423	-	1,038,423	150,000	1,000,000	1,150,000
Guyana	LAC & Middle East	Member	UMIC	-	-	-	190,000	850,000	1,040,000
Peru	LAC & Middle East	Member	UMIC	1,432,558	-	1,432,558	800,000	350,000	1,150,000
Qatar	LAC & Middle East	Member	HIC	-	-	-	-	5,000,000	5,000,000
UAE	LAC & Middle East	Member	HIC	-	4,098,138	4,098,138	-	4,000,000	4,000,000
OECS	LAC & Middle East	Non-Member	UMIC	-	-	-	160,000	150,000	310,000
Colombia	LAC & Middle East	Non-Member	UMIC	1,456,101	2,400,770	3,856,870	150,000	2,640,000	2,790,000
TOTAL				44,507,473	20,817,036	65,324,510	17,580,000	43,647,500	61,227,500
UNALLOCATED CORE FUNDING		Member	LDC				4,181,730		
Of the Unallocated Core Funding, MINIMUM UNALLOCATED CORE FOR LDCS							1,329,927		
Of the Unallocated Core Funding, MINIMUM UNALLOCATED CORE FOR MEMBERS							4,062,705		

²⁹ Additional core resources will be allocated to countries that achieve membership during the biennium; whereas programs in countries that do not progress with their membership during the biennium have been reduced in accordance with the Refreshed Strategic Plan 2015-2020 guidance and will be closed at the end of the biennium.

Plus Case: Core resource allocations 2019-2020

Scenario:	Plus case	
Strategic Parameters	Value	Source
Targeted percentage of spending on all non-programmatic activities	30%	GGGI Refreshed Strategic Plan 2015-2020 pp25
Targeted percentage of spending on Management and Administration	17%	GGGI Refreshed Strategic Plan 2015-2020 pp 25
Amount of GGGI's core resource for country programs that will go directly to LDCs	50%	GGGI Refreshed Strategic Plan 2015-2020 pp24
Amount of GGGI's core resources directed to Member LDCs and MICs combined	87%	GGGI Refreshed Strategic Plan 2015-2020 pp 24
Amount of GGGI's core resource for country programs that will go directly to Member LDCs	42%	GGGI Revised Corporate Results Framework 2015-2020
Maximum allocation to Non-Member countries	13%	Calculation
Possible allocation to non-Member LDCs	8%	Calculation
Maximum allocation to non-Member MICs	5%	Calculation
Percentage of earmarked funding to non-programmatic	10%	Assumption
% of Programmatic allocation to Global Programs	5%	WPB Reform Paper
% of Programmatic allocation of core to Contingency	5%	WPB Reform Paper
	2019-2020 value (USD)	Note
Core Funding projected	59,900,000	Projection at March 2018
Earmarked Funding projected	54,559,375	
Total funding projected	114,459,375	
Maximum Non-programmatic allocation	23,425,938	30% of core and 10% of earmarked
Non-programmatic spending as percentage of total funding	20%	
Maximum core spending on Management and Administration	15,638,938	Includes Operations Enabling Division (OED) (Office of the DDG, Finance, Human Resources, Technology Services, Administrative Services, Legal Counsel) and Corporate Shared Cost
Maximum other non-programmatic spending	7,787,000	Includes Office of the Director General (ODG) (Governance, Strategy, Partnerships, GCF Liaison Unit, Communications, Office of Internal Audit (OIAI), and Capital Cost
Minimum programmatic allocation of core	41,930,000	
Global Programs	2,096,500	5% of programmatic
Contingency for Country Programs	2,096,500	5% Corporate contingency for operational reserve
Office of the Assistant Director General (OADG) GGPI, Safeguards, Poverty Reduction and Social Inclusion (SPRSI)	4,082,123	Office of the Assistant Director General (OADG) GGPI at 75% of 2017-18 budget; Heads of Programs (HoPs), Country Portfolio Officers (CPOs) and SPRSI at 100% of 2017-18 budget
Office of the Director of IPSD	1,544,339	75% of 2017-2018 budget
Procurement	516,944	75% of 2017-2018 budget
Impact & Evaluation Unit (IEU)	1,282,803	75% of 2017-2018 budget
Office of Thought Leadership (TL)	3,824,060	80% of 2017-2018 budget
Programmable core resource	26,486,730	Programmatic allocation less Global Programs, Contingency, OADGs GGPI and IPSD, SPRSI, Procurement, IEU and TL
Minimum core allocation to Members	23,043,455.32	
Minimum core allocation to LDCs	13,243,365	
Minimum core allocation to Member LDCs	11,124,427	
Maximum core allocation to MICs	13,243,365	
Maximum core allocation to Non-Member MICs	1,324,337	
Maximum core allocation to Non-Member LDCs	2,118,938	

Plus Case: Core resource allocations by Country Programs 2019-2020³⁰

Country	Portfolio/Region	Memberships	Country classification	A: 2017-2018 Core Allocation	B: 2017-2018 Earmarked	C: Total 2017-2018 budget	D: 2019-2020 Draft core allocation	E: 2019-2020 Targeted earmarked	F: Total program 2019-2020
Ethiopia	Africa & Europe	Member	LDC	3,058,312	-	3,058,312	1,875,000	2,025,000	3,900,000
Rwanda	Africa & Europe	Member	LDC	4,784,534	-	4,784,534	2,000,000	2,490,000	4,490,000
Senegal	Africa & Europe	Member	LDC	2,594,167	-	2,594,167	1,625,000	5,235,000	6,860,000
Jordan	Africa & Europe	Member	LMIC	1,526,811	-	1,526,811	1,125,000	2,127,000	3,252,000
Hungary	Africa & Europe	Member	HIC	-	282,696	282,696	-	2,300,000	2,300,000
Mozambique	Africa & Europe	Non-Member	LDC	1,635,770	-	1,635,770	433,480	2,326,520	2,760,000
Burkina Faso	Africa & Europe	Non-Member	LDC	-	-	-	433,480	2,516,520	2,950,000
Uganda	Africa & Europe	Non-Member	LDC	2,516,682	-	2,516,682	433,480	2,026,520	2,460,000
Morocco	Africa & Europe	Non-Member	LMIC	-	824,644	824,644	193,518	2,906,482	3,100,000
Cambodia	Asia & Pacific	Member	LDC	3,213,254	-	3,213,254	1,750,000	1,490,000	3,240,000
Kiribati	Asia & Pacific	Member	LDC	642,673	-	642,673	438,489	241,511	680,000
Lao PDR	Asia & Pacific	Member	LDC	1,667,255	-	1,667,255	1,062,500	3,701,500	4,764,000
Vanuatu	Asia & Pacific	Member	LDC	1,908,495	300,000	2,208,495	1,000,000	1,945,000	2,945,000
Fiji	Asia & Pacific	Member	LMIC	2,181,670	-	2,181,670	1,217,536	7,964,784	9,182,320
Indonesia	Asia & Pacific	Member	LMIC	-	12,260,517	12,260,517	193,518	13,362,482	13,556,000
Mongolia	Asia & Pacific	Member	LMIC	2,224,515	350,000	2,574,515	1,217,536	662,464	1,880,000
Philippines	Asia & Pacific	Member	LMIC	3,733,563	-	3,733,563	1,217,536	7,087,464	8,305,000
PNG	Asia & Pacific	Member	LMIC	-	-	-	125,000	3,675,000	3,800,000
Vietnam	Asia & Pacific	Member	LMIC	2,489,941	-	2,489,941	1,217,536	1,582,464	2,800,000
Thailand	Asia & Pacific	Member	UMIC	990,763	300,272	1,291,035	707,516	580,793	1,288,309
Myanmar	Asia & Pacific	Non-Member	LDC	1,255,106	-	1,255,106	433,480	1,452,382	1,885,862
Nepal	Asia & Pacific	Non-Member	LDC	1,186,933	-	1,186,933	433,480	1,116,520	1,550,000
India	Asia & Pacific	Non-Member	LMIC	1,251,156	-	1,251,156	193,518	1,301,482	1,495,000
Tonga	Asia & Pacific	Non-Member	LMIC	-	-	-	193,518	(43,518)	150,000
China	Asia & Pacific	Non-Member	UMIC	1,402,792	-	1,402,792	193,518	3,146,482	3,340,000
Costa Rica	LAC & Middle East	Member	UMIC	316,000	-	316,000	182,756	417,244	600,000
Mexico	LAC & Middle East	Member	UMIC	1,038,423	-	1,038,423	193,518	3,233,482	3,427,000
Guyana	LAC & Middle East	Member	UMIC	-	-	-	237,500	852,500	1,090,000
Peru	LAC & Middle East	Member	UMIC	1,432,558	-	1,432,558	1,023,008	1,516,992	2,540,000
Qatar	LAC & Middle East	Member	HIC	-	-	-	-	10,000,000	10,000,000
UAE	LAC & Middle East	Member	HIC	-	4,098,138	4,098,138	-	5,000,000	5,000,000
OECS	LAC & Middle East	Non-Member	UMIC	-	-	-	193,518	806,482	1,000,000
Colombia	LAC & Middle East	Non-Member	UMIC	1,456,101	2,400,770	3,856,870	187,500	2,862,500	3,050,000
TOTAL				44,507,473	20,817,036	65,324,510	21,731,435		
TOTAL EARMARKED FUNDING CAPPED AT BASE plus 25 %								54,559,375	
TOTAL PROGRAM									76,290,810
UNALLOCATED CORE FUNDING							4,755,295		
Of the Unallocated Core Funding, MINIMUM UNALLOCATED CORE FOR LDCS							1,373,438		
Of the Unallocated Core Funding, MINIMUM UNALLOCATED CORE FOR MEMBERS							4,634,507		

³⁰ See footnote 15.

Annex 4: Timeline for the WPB 2019-2020

