

Concept Note for Preparing GGGI Strategy 2015-2020

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Global
Green Growth
Institute

Executive Summary

This concept note for developing the Strategic Plan 2015-2020 of GGGI provides guidance on key planning, monitoring and budgetary frameworks and its elaboration process. Through this medium term plan, GGGI aims to introduce a programmatic and more focused and consolidated approach, supported by predictable and clear and realistic transformative results. The formulation process is expected to enable identification, through three month long iterative, analytical and consultative steps - (i) overarching, global, political, and socio-economic trends in climate change across three work-streams of support of GGGI; (ii) current organizational and delivery challenges (iii) projected needs of project countries (iv) GGGI's comparative advantages to address the needs mapped against the main challenges (v) results to deliver. (vi) SMART indicators to measure performance.

The plan is proposed to be based on formulation of three different levels of results a. global goals b. organizational and functional outcomes and c. organizational outputs. To ensure better monitoring and reporting of each level of results, a new and strengthened Monitoring, Review and Evaluation framework will be introduced. SMART indicators, with baselines, milestones and targets will be identified for global goals, strategic outcomes, functional outcome and Organizational outputs.

A budgetary framework will also be constructed within the context of the new, more robust results framework. Budgetary chapters will be introduced across the strategic objectives to enable the pursuit of the activities associated with each outcome.

The formulation process will be divided into three distinct phases-1. Starting 2. Priority setting and 3. Results programming. First draft of the plan will be ready for circulation by end of April, 2014. This will be discussed during the Council meeting, scheduled for June, 2014.

The formulation of the plan will be guided by the principles of inclusive engagement of country project teams through a bottom up planning process. It will also include extensive consultation with program committee and council members.

The new forward looking plan will be the cornerstone of the GGGI's vision for further transformational change, which will build on achievements of the past several years and GGGI's renewed effort to ensure more coordinated and joint work between the three workstreams. The plan will be the basis for GGGI's efforts on future planning, budgeting and expenditure.

The GGGI Secretariat will seek for final approval of the plan from the Council in November, 2014.

Introduction

Introduction

1. **Guided by the outcome of the recently conducted Joint Donor Review (JDR) and the Governing Council meeting held in Jakarta, Indonesia on the 14-16 September, 2013, Global Green Growth Institute (GGGI) proposes to develop a new overarching Strategic Plan 2015-2020 to guide its medium and long term programmatic and operational direction.** The formulation and implementation of the plan will be based on robust results model and monitoring framework.
2. **This concept note, developed by the Strategy, Policy and Communications (SPC) Department, provides guidance on key planning, monitoring and budgetary frameworks and elaboration process for the new Strategic Plan.** There are four specific objectives of the new plan:
 - (a) to guide GGGI's long and medium-term aspirations over the period 2015-2020;
 - (b) to provide coherent GGGI priorities for projects and programs across its three program workstreams-Green Growth Planning and Implementation (GGP&I), Public Private Cooperation (PPC) and Knowledge Development and Management (KDM);
 - (c) to ensure sufficient integration of all three workstreams of GGGI at both global and country levels;
 - (d) to identify the resource requirements for focused and targeted set of results ;
 - (e) to put in place a comprehensive monitoring, review and evaluation system.
3. **Building on the current momentum and success stories of GGGI, the Strategic Plan will be anchored on two key strategic components** (i) Six Year Medium Term Plan (MTP) and (ii) Three year Work Plan and Budget (WPB) and will be guided by the principles of inclusive engagement of country project teams through a bottom up planning process. The new forward looking plan will be the cornerstone of the GGGI's vision for further transformational change, which will build on achievements of the past several years and GGGI's renewed effort to ensure more coordinated and joint work between the three workstreams. The plan will be the basis for GGGI's efforts on future planning, budgeting and expenditure.
4. **Developing the MTP would require formulation of two higher levels of results.** These will be responsive and demand driven, cross-cutting and trans-sectoral (i) Global Goals (ii) Strategic Outcomes (SOs) and Functional Outcome while the WPB will essentially address the question of how the SOs and FO will be achieved through formulation of measurable Organizational Outputs (OOs).
5. **GGGI aims to introduce a programmatic and more focused and consolidated approach, supported by predictable and clear and realistic transformative results. This will be designed to enhance the impact of the technical, operational and delivery capacity of the organization as a whole, as well as its country offices.** Given the cross-sectoral nature of GGGI's work across three work-streams, the new plan will be underpinned by a new programmatic approach based on consolidation of past efforts, and new collaborative business practices breaking down past silos.
6. **There is a need for institutional measures to undertake and complete the preparation of the Strategic Plan by shifting from formulating results according to a static log frame approach to the more strategic approach of "managing for results" at both project and Organizational levels.** To carry this forward targeted institutional strengthening for planning and budgeting both at the HQ and decentralized levels is required, along with additional measures to obtain greater Value for Money (VfM) throughout the process of developing the MTP/WPB, as well as their implementation.

7. Strategic Thinking Process has been launched at the Council Strategic Workshop and will continue to develop and evolve in the fourth quarter of 2013. This will drive the internal participatory review of the existing Strategic Plan across three work-streams and setting of priority, as part of the preparation of the MTP and WPB. For each of the three work-streams of GGGI, the process is expected to enable identification, through three month long iterative, analytical and consultative steps - (i) overarching, global, political, and socio-economic trends in climate change across three work-streams of support of GGGI; (ii) current organizational and delivery challenges (iii) projected needs of project countries (iv) GGGI's comparative advantages to address the needs mapped against the main challenges (v) results to deliver. (vi) SMART indicators to measure performance. The members of the Assembly and Council will be consulted on a periodic basis both formally and informally throughout this process.

Results Framework

Results Framework

1. **GGGI’s new results framework is proposed to be based on a revised Theory of Change (ToC) establishing a clear and well articulated linkages between three different levels of results, across each of the GGGI programmatic work-streams.** The revised and strengthened ToC is expected to demonstrate how integrated and joint work effort establishing seamless synergy across all work-stream will lead to “transformational pathway changes” in the context of national and global climate change goals. The revised ToC will be guiding GGGI’s medium term plans for investment, partnership building and all activities.

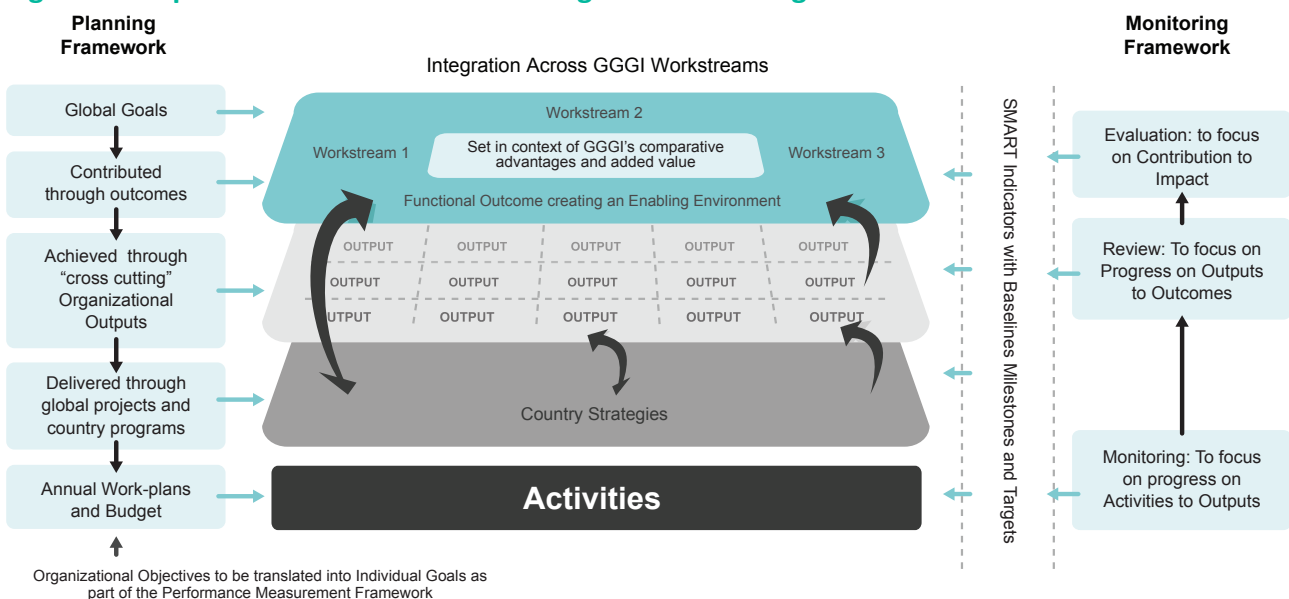
Level 1: Global Goals

2. **The Global Goals express GGGI’s six year development impact, in countries, regions and globally.** The global goals, reflecting GGGI’s vision, mission, Overseas Development Assistance (ODA) status and Governing Council decisions, are results that GGGI will contribute to (i.e. same level as “impact”). These will be determined primarily through GGGI’s mandate (i.e. low carbon vs. sustainable development or combination of the two). GGGI is one of many organizations that assist national governments in their progression towards achieving these objectives. Achievements at this level cannot be attributed to any given development partner, but are the result of interventions of an array of stakeholders. GGGI will contribute to achieving progress in line with its mandate, but at this highest level of results, there can be no direct attribution of causality.

Level 2: Strategic Outcomes (SOs) and Functional Outcome (FO)

3. **Strategic Outcomes (SOs) represent GGGI’s development outcomes contributing to the achievement of the Global Goals.** They are proposed to be carefully selected manageable set of results defined for each of the three core work-streams of GGGI with a validity of three years (aligned with the duration of WPB). The SOs will be determined ensuring a clear line of sight from GGGI’s business model, it’s working principle of workstream integration, operational focus, size/scale/ skills/ and aligned with climate change challenges and priorities in (i) engaged and (ii) new countries, as well as GGGI’s means for value added intervention, basic attributes and comparative advantages. The ongoing/confirmed pipeline projects that spread across the 1st WPB period (i.e. 2015-2017); will be considered in formulating the SOs, following a bottom up planning process. This would require strong engagement of country teams.

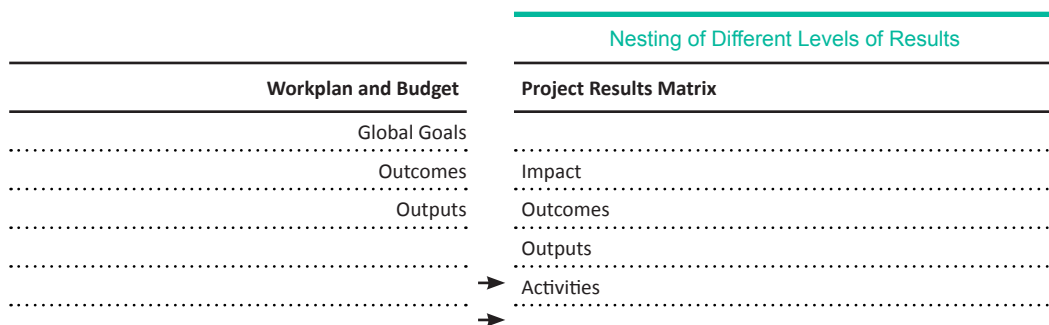
Figure 1: Proposed Structure of the Planning and Monitoring Framework



4. **One functional objective focusing on management and administration, mainstreamed into all the SOs, is proposed to be formulated that will strengthen the service provision** (i.e. standardized business processes, strategic and policy guidance, resource mobilization, communications and outreach, revitalized finance, HR, IT, QA, monitoring, review and evaluation) to all GGGI work-streams across HQ and decentralized entities. Responding to needs of each workstream to deliver projects on time and on budget, the functional outcome is expected to create an enabling environment for effective delivery of services, with due attention to efficiency, effectiveness and cost savings. Having a functional outcome area on efficient and effective administration would help clearly identifying the resources devoted to management and administrative (M&A).

5. **The SOs defined in the reviewed new Strategic Framework has several features that will improve their results focus: they will be more directly linked to the Global Goals; they will have measurable indicators of achievement, milestones and targets.** In addition, they will represent the overarching framework through which all projects of GGGIs at country levels will be tightly aligned and integrated through “nesting” principle. This will ensure transparency in project formulation and expected to provide strengthened basis for more focus and prioritisation (see matrix below).

Figure 2: Alignment of Results between Corporate and Project Levels



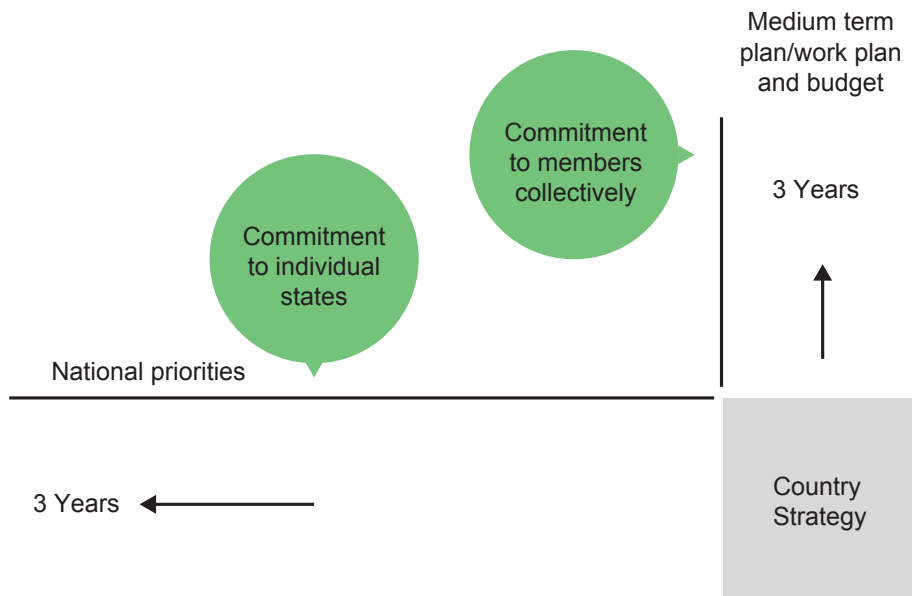
6. **The Organizational Outputs (OOs) are direct contribution of GGGI in terms of processes, products and services to the Strategic and Functional outcomes.** They are the basis of project formulation and represent the results attributable to GGGI at the global, regional and national levels and the tangible delivery of GGGIs interventions funded through regular and extra budgetary resources. The elaboration of the OOs will be the basis for WPB preparation and implementation.

7. **GGGI will only formulate Organizational Outputs (OOs) and related implementation strategies that are necessary and sufficient towards reaching the Strategic Outcomes/Functional Outcome.** As such, all outputs (i.e. projects/programs) will have to be directly linked and make an important contribution to one or more Organizational Outcome under each work-stream or in some cases more than one work-stream (cross cutting) This approach may require activities and outputs in new areas of work that have not been previously undertaken by GGGI, or areas of existing work that need to receive greater emphasis and collaborative efforts than at present.

8. **Once the Strategic Plan is developed and approved, it is proposed that all GGGI intervention countries develop a brief Country Engagement Strategy (CES).** The objective of the CES will be

to shift from a silo project approach to a more joint programmatic approach (i.e. balanced cross fertilization between three work-streams of GGGI) showing how the country intervention is directly contributing to the achievement/delivery of both the country commitments and commitments made to the member states (see diagram below). This will ensure tighter alignment between the country priorities vis. a vis. the GGGI priorities and can be the basis for more integrated and two direction process in prioritization and programming. In fact, this is proposed to be one of the key project selection criteria (to be further developed during the formulation stage).

Figure 3: Alignment of Results between Corporate and Country Levels



Monitoring Framework

Monitoring Framework

- 1. To ensure better monitoring and reporting of results, a new and strengthened Monitoring, Review and Evaluation framework will be introduced. SMART indicators, with baselines, milestones and targets will be identified for global goals, strategic outcomes, functional outcome and Organizational outputs** (see column 2-5 of the results matrix in Matrix 1 below). Indicator selection will be guided by availability of data at the global level (secondary sources); objectivity and being from authoritative source; sustainability, longevity and timeliness in collection; meaningfulness for aggregation.
- 2. Strategic Outcome indicators will measure progress in terms of commitment and capacities that HQ and country programs put in place to contribute to the global goals.** Strategic Outcome indicators will provide the clear basis of aggregation of results delivered in countries as well as structured profile by country.
- 3. A balanced set of indicators for Organizational outputs for each strategic outcome and functional outcome will be formulated.**

Budgetary Framework

Budgetary Framework

1. A budgetary framework will be constructed within the context of the new, more robust results framework. Budgetary chapters will be introduced across the SOs to enable the pursuit of the activities associated with each outcome. The results matrix will be taken as the basis for costing.

Figure 4: New Budgetary Framework

Links with Budget			
	Budgetary Chapters	Type of budget	
Global goals		Core/Earmarked	Core/Earmarked
Strategic Outcomes / Functional Outcomes	Programs → → Subprograms	Voluntary Contributions	Extra Budgetary Contributions Programmed by - Higher level of confidence (i.e. pipeline projects with draft contracts/MoU) - Lower level of confidence (i.e. project concept note under discussion/pipeline ideas)
Organizational Outputs	Outputs		
Activities	Annual Budget (activity based)		

***Budget to be further classified based on administration, functional and economic classifications*

2. The budgetary chapter structure will outline the Functional Outcome (i.e. Technical quality, service, outreach, IT, governance, oversight, direction, administration,)) and other areas of activity and operations of the organization required in support of the delivery of the WPB. (i.e. special chapters such as security, contingency). The pursuit of efficiency gains and savings in preparing the budget will remain a high priority for the Organization.

3. Comprehensive analysis will be undertaken for assessing resource requirements for the new programmatic approach, and these will be outlined within the context of the revised budgetary chapter structure. Total resource requirements to carry out the WPB will comprise of two distinct sources of funding. One source of funding will be the voluntary contributions by Members (based on the agreed scale of contributions). The other main source stems from extra-budgetary contributions provided by Members and other partners on a voluntary basis through direct support to projects (earmark support). Any such support must be clearly linked to the results of MTP.

4. Since extra budgetary contributions have inherent risk of not being materialised, in the planning process for 2015-2017 PWB, any such risk is mitigated by deriving estimates of extra budgetary resources based on status of extra budgetary projects, with two levels of assurance.

- **Higher level of assurance:** a) currently operational projects that have budgeted resources in 2015-17; and b) project proposals in the pipeline that are under negotiation and are likely to be approved, with budgets in 2015-17, being essentially assured funding;
- **Lower level of assurance:** prospects based on project ideas and positive contacts with donors

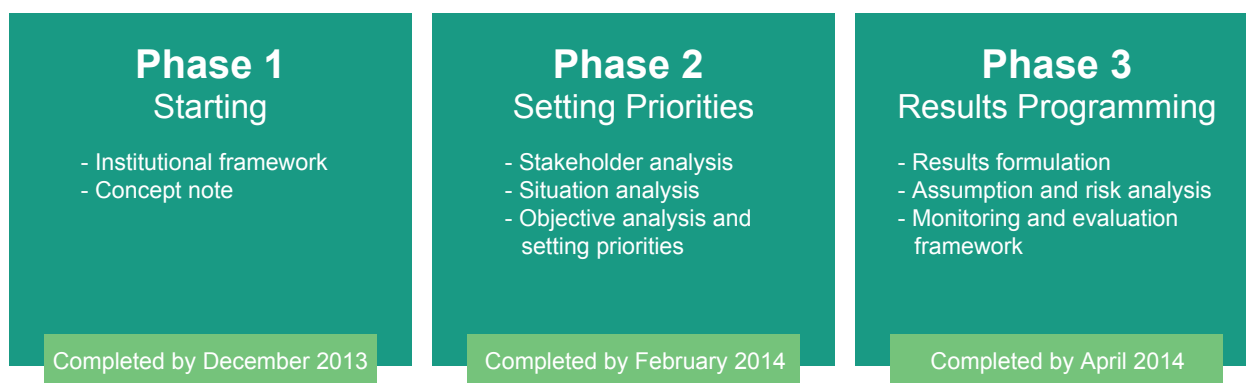
5. **A resource mobilisation strategy with clear target/timeline will be developed to address any resource gaps for each WPB periods.** A Trust Fund mechanism, where resources can be pooled from voluntary contributions of member states, for earmarked activities aligned with the MTP objectives, may be developed, to further attract resources. In addition, a follow up Communications Strategy will also be part and parcel of the new plan.
6. **The draft Strategic Plan 2015-2020 will be presented to the Council in June, 2014.** Once comments from all members are incorporated, a final version will be submitted for approval in November, 2014.
7. **The 3 year rolling Work Plan and Budget (WPB) will be translated into an annual actions plan reflecting activities, as well as budget.** This will form the basis of performance measurement at an individual staff level. Further elaboration of this will take place through the implementation of Talent and Performance Management (TOM) project that aims to provide managers necessary tools to formulate individual goals, aligned with Organizational objectives, to measure staff performance.

Formulation Process and Timeline

Formulation Process And Timeline

1. The formulation phase, facilitated by SPC, with support from other Units including Organization and Delivery Unit (ODU), for the Strategic Plan will involve three distinct phases for each of the GGGI component areas.

Figure 5: Formulation Phases of Strategic Framework



2. The start of formulation exercise will consist of preparatory activities, based on an agreement between the lead division for respective component (i.e. component leader) and the SPC to undertake the process. A Core Team for each component will need to be established ensuring representation of the relevant country and global projects. The second step of phase 1 is to prepare the component concept note. This will build on the draft WPB 2014-2016 and strategic papers already developed for the Council Meeting in September, 2013. The concept note will describe the approach to the formulation process, including main actors, the roadmap. The Concept Note, inter alia, should facilitate adequate planning of human and financial resources required for the formulation. The main elements of the Concept Note are:

- (a) A preliminary context analysis - the conditions and challenges that may affect/shape the process and lessons learned from the past;
- (b) A list of relevant stakeholders to be engaged and their roles;
- (c) A preliminary analysis of component's achievement over the last five years;
- (d) An initial mapping of Development Partners;
- (e) A detailed Road Map highlighting the main steps and milestones, the actors, and a time schedule;
- (f) An estimate of resources required for the formulation process.

3. The main purpose of phase 2 will be to identify strategic areas where each component should focus its support to global and national priorities. The priority-setting process will consist of several steps: (i) a stakeholder analysis; (ii) a situation analysis (iii) option analysis and priority settings. The following matrix needs to be completed as the final output of this priority setting step. The Matrix lists agreed priorities and shows their coherence to relevant priorities discussed during council meeting and global goals priorities. The priority areas will determine the selection of GGGI impact areas.

Table 1: Priority Matrix Template

Component priorities	Relevant Priorities	Relevant Global Goal
Priority Area A		
Priority Area B		
Priority Area C		

4. As mentioned earlier, strategic plan formulation will adopt a result based management (RBM) approach and principles. Each component will ensure that priorities are translated into a manageable set of results –outcomes and outputs – that describe the component’s strategic focus and “how” those results will contribute to GGGI global goals. The results formulation process will consist of three steps (i) Results Formulation (ii) Assumption and Risk Analysis (iii) Setting Monitoring and Evaluation Framework. By end of this phase, the following Results Matrix should be completed:

Table 2: Results Matrix Template for Component A

Results (1)	Indicators (2)	Baselines (3)	Targets (4)	Means of Verification (5)	Assumptions (6)
Strategic Outcome 1					
Organizational Output 1.1					
Organizational Output 1.2					
Organizational Output 1.3					
Strategic Outcome 2					
Organizational Output 2.1					
Organizational Output 2.2					

5. The outcome of the above phases will be aggregated to reflect the organization wide results (across all three components). This, completed by April 30, 2014, will need to be validated by the Council. The purpose of the validation is to provide an opportunity for timely inputs to the process and to reach consensus among Council members. The costing exercise will begin by May, 2014 once the results matrix is approved and validated.

6. The draft Strategic Plan 2015-2020 will be presented to the Council in June, 2014. Once comments from all members are incorporated, a final version will be submitted to Council members in September, 2014. The plan is expected to be approved during the Council meeting in November, 2014.

7. A quality assurance review criteria and group will be established to review the outcome of each of the three phases mentioned above. The group will consist of GGGI Executive Management, as well as external experts.