



Global Green Growth Institute

The Council

Written Procedure

March 2, 2017

**Decision on the Director-General
Authority to Allocate the Envelope Budget**

The Council,

Recalling Articles 2 and 4 of the Agreement on the Establishment of the Global Green Growth Institute (GGGI), regarding the objectives and activities of the Global Green Growth Institute (GGGI);

Recalling the Decision of the Council on the GGGI Strategic Plan for 2015-2020 [C/6/DC/4], adopted at its Sixth Session on November 18, 2014;

Recalling Article 8(5)(c) of the Agreement on the Establishment of the GGGI, that the functions of the Council include approving the work program and budget;

Recalling the Decision on the Work Program and Budget for the period January 1, 2017 – December 31, 2018 [C/2016/DC/8], approved by the Council at its Ninth Session on September 9, 2016;

Recalling the USD 9,000,000 carryover from the projected budget surplus (referred to as the “envelope budget”) from the Work Program and Budget 2015-2016 to be used to fund new project opportunities and scoping opportunities that may develop over the course of the biennium, particular in relation to scaling up GGGI’s work in the areas of development of bankable projects and development and strengthening of national financing vehicles, and the selection criteria for disbursing funds from this envelope, namely: (i) not already programmed at the country or global levels in 2017-2018; (ii) fully-aligned with country priorities; (iii) fall within GGGI’s value chain and thematic priority areas; and (iv) evidence of demand from partner governments;

Recalling the Decision on Funding of Ethiopia Program from Core Funds [C/2016/DC/13] in which the Council approved, on an exceptional basis, the use of up to USD 3,000,000 from the envelope budget for the Ethiopia Country Program for the period from January 1, 2017 – December 31, 2018;

Consistent with GGGI’s Disclosure Policy [C/5/DC/2], this document will be disclosed on the GGGI Website upon its approval by the Council, and its classification will be changed from “For Official Use” to “General Distribution”.

Further Recalling Regulation 3.3 of the Financial Regulations [C/8/DC/5] authorizing the Director-General to approve additions to the portfolio of projects and scoping exercises that can be accomplished within the approved Budget for the financial period and are aligned with GGGI's strategy;

Recognizing that GGGI has performing systems in place to carefully monitor progress and corporate results on a regular basis;

Desirous of ensuring that the Director-General has managerial flexibility in the implementation of the approved biennial Work Plans and Budgets (WPB) to adapt to unforeseeable changes, opportunities, and cost variations, while respecting the overall directions provided by the Assembly and the Council;

Taking into account the Explanatory Note attached as an Annex which (i) sets out the action plan for the use of USD 4,470,000 of the envelope budget and (ii) notes that the remaining USD 1,530,000 million will be allocated for NFVs and bankable projects in line with the scope of the envelope budget approved in the 2017 – 2018 WPB;

Approves, the Director-General having the authority to allocate the remaining USD 6,000,000 of the envelope budget for projects and activities that fit within GGGI's strategy and can be accomplished within the approved Budget for the biennium.



SCALING FOR INNOVATION AND IMPACT: Financing the Action Plan 2017-2018

February 2017

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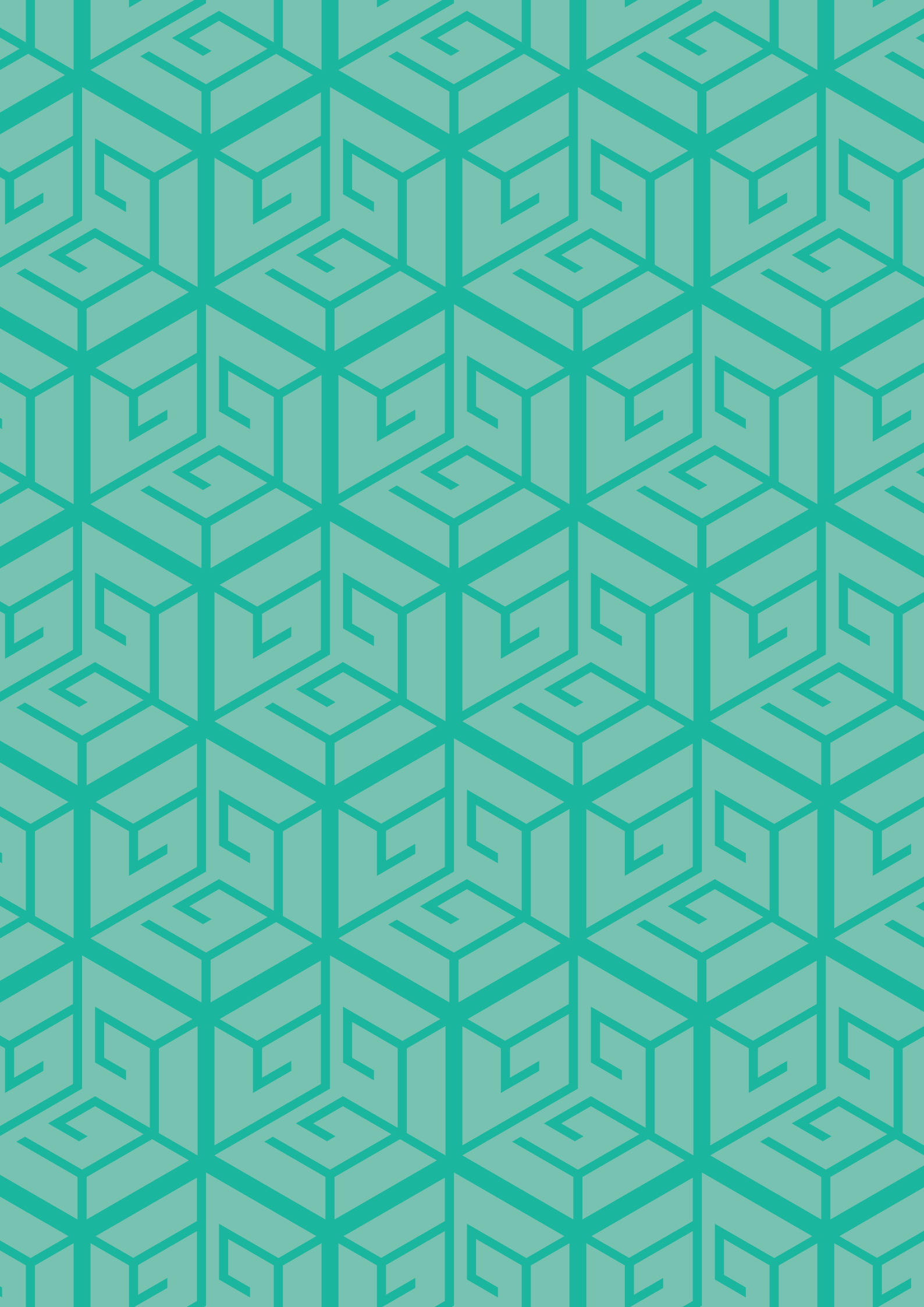


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Executive Summary

As GGGI reaches the midway point of its' six-year Strategic Plan 2015-2020, it continues to take stock of internal progress, assess external trends and chart course corrections that are critical to the organization's long-term sustainability, relevance and impact.

The arrival of the new Director-General (DG), Frank Rijsberman, is an opportune moment for GGGI to review its longer-term trajectory while delivering against its current commitments in the approved Work Program and Budget (WPB) 2017-2018. In this regard, GGGI has designed a *Scaling for Innovation and Impact: Financing the Action Plan 2017-2018* (Action Plan), which proposes a request to use USD 4.47 million from the unallocated budgetary envelope of USD 6 million,¹ to undertake short-to-medium term actions that will enhance and accelerate delivery of existing WPB commitments, as well as respond to emerging demands from partner countries.

While a number of planned activities to be funded from the envelope budget will remain targeted at bankable projects and National Financing Vehicles (NFV) development, as originally agreed in the WPB, GGGI now requests Council to approve the use of funds for proposed actions that the new DG sees as key to better demonstrating impact and value for money of GGGI's work. The proposed activities reflect new demands from GGGI partner countries in response to the Paris Agreement and its rapid ratification, together with a desire to strengthen investment in the Institute's capacity to play a thought leadership role on green growth.

The Action Plan and proposed budget is intended to deliver against two key objectives: implementation of Nationally Determined Contributions (NDCs) through demand-led service offerings in existing country programs and strengthening institutional capacity to scale operations in a cost-effective manner. In terms of programmatic funding, the additional resources of USD 3.42 million will target the following in-country and global service offerings adhering to the selection criteria of envelope budget funding, as approved by the Council²:

i. Monitoring, Reporting and Verification (MRV)

Developing systems to monitor, report and verify NDCs at the country level ensuring alignment with GGGI's existing work on NDC implementation. This will enhance countries ability to access NDC finance from the Green Climate Fund (GCF) and other climate finance sources through verified reporting on progress.

ii. Regional approach to green growth in Small Island Developing States (SIDS)

Developing and piloting a regional approach that addresses transboundary climate change issues in SIDS and expands GGGI's impact and services to a greater number of vulnerable countries at a minimal operational cost.

¹ Council approved USD 9 million carry over from the projected budget surplus from the Work Program and Budget 2015-2016 to be used to fund new project opportunities and scoping opportunities that may develop over the course of the biennium, particular in relation to scaling up GGGI's work in the areas of development of bankable projects and development and strengthening of national financing vehicles. Noting the unavailability of earmarked funding to deliver the Ethiopia Country Program Proposal 2017-2018 and expressed desire of Ethiopia for GGGI to continue its program in the country and deliver during the biennium certain priority activities identified by the Government, the Council approved the use of up to USD 3 million from the carryover of USD 9 million, leaving USD 6 million.

² The selection criteria for disbursing funds from this envelope are: (i) not already programmed at the country or global levels in 2017-2018; (ii) fully-aligned with country priorities; (iii) fall within GGGI's value chain and thematic priority areas; and (iv) evidence of demand from partner governments (see Work Program and Budget 2017-2018, p148).

iii. China - Japan - Republic of Korea: Trilateral cooperation on NDC implementation

Accelerating achievement of national commitments made at Paris by the governments of China, Japan and the Republic of Korea through facilitation of technology transfer, knowledge sharing, expert exchange and policy designs and adoption. This initiative will primarily be funded by the three countries with a secretariat hosted by the National Development and Reform Commission (NDRC) of China.

iv. Thought Leadership

Strengthening the ability of project teams to effectively utilize green growth knowledge and experience, and deliver green growth results, by enhancing GGGI's intellectual capacity, research and analysis base, knowledge products and services, and knowledge-sharing platforms and partnerships.

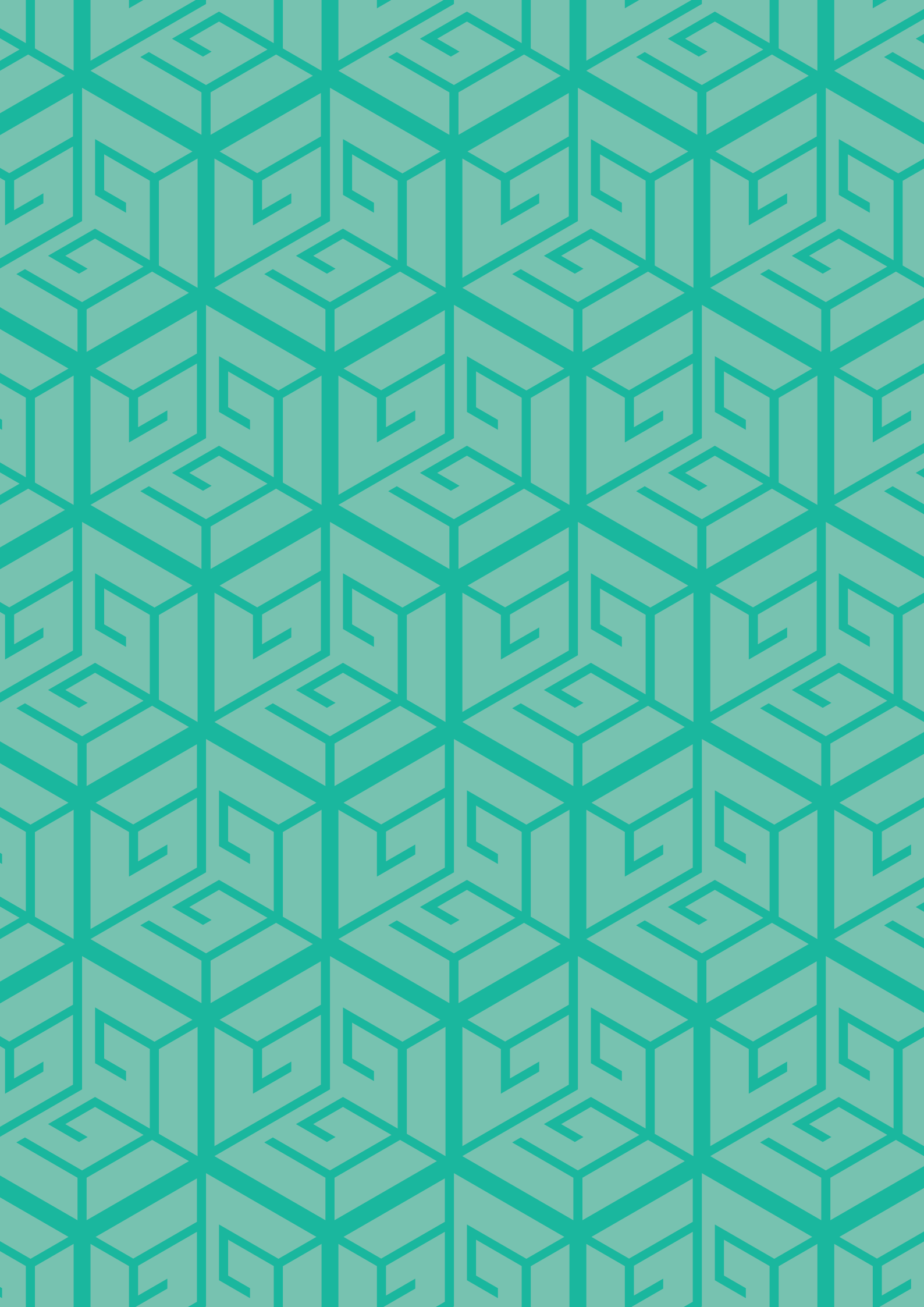
v. ICT Strategic Investment Program

In parallel, to ensure sustainability and cost effectiveness of its country and global operations, GGGI proposes an investment of USD 1.06 million to implement its recently formulated ICT Strategic Plan 2017-2020. By further upgrading and utilizing ICT systems and infrastructure, standardizing and improving business processes and enhanced training services, significant savings can be achieved in the form of both direct and indirect cost savings and efficiency gains. The proposed ICT investment will deliver cost savings of approximately the same as the investment amount (i.e. USD 1 million) in the next three-year period in the form of further efficiency gains in business processes, increased staff productivity and reduced travel costs.

The envelope budget provides GGGI with an important mechanism to flexibly manage the expansion of programs in line with the directions set by the WPB. As noted above, the envelope was originally targeted at the development of bankable projects and NFVs. The DG was given a mandate to utilize the envelope budget for this purpose as per Council Decision C/2016/DC/8*.

Considering the current proposal to utilize the envelope budget for the complementary activities defined here (and still within the scope of the GGGI Strategic Plan 2015-2020), GGGI now seeks Council approval to authorize the DG to proceed with use of the envelope budget for the proposed initiatives, subject to preparation and assessment of detailed costed proposals in line with GGGI's project cycle management policy. This would be consistent with regulation 3.3 of the Financial Regulations [C/8/DC/5], which authorizes the DG to approve additions to the portfolio of projects and scoping exercises that can be accomplished within the approved budget for the financial period and are aligned with GGGI's strategy. It is noted that use of the envelope budget would allow the new activities to be undertaken without increasing GGGI's budget beyond what Council has previously approved. Activities funded from the envelope budget will not result in commitments beyond 2018 (i.e. proposed new projects will be scheduled for completion in 2018).

* For further information, see http://gggi.org/wp-content/uploads/2016/09/12-C_2016_DC_8-Decision-on-the-Work-Program-and-Budget-2017-2018.pdf



I. INTRODUCTION

GGGI in Ethiopia: building a climate resilient green economy to support national development



The arrival of the new DG provides an opportunity to assess and ensure GGGI's continued effectiveness as a global green growth organization. Additionally, in terms of climate change and the coming into force of the Paris Agreement, the coming two years provide a window of opportunity to assess pre-2020 GHG emission gaps and advocate for better, more ambitious and binding Nationally Determined Contributions (NDCs) commitments for beyond 2020. It is imperative that GGGI capitalize on these opportunities by **scaling operations, enhancing innovation and adjusting course** where necessary to sustain the relevance, visibility and impact of GGGI in a post-Paris Agreement era.

GGGI has designed five initiatives, detailed in Section 2 of the *Scaling for Innovation and Impact: Financing the Action Plan 2017-2018* (Action Plan), that aim to capitalize on these opportunities³. The draft Action Plan was shared with Council and Assembly Members on December 15, 2016 in the form of a "Note to GGGI Members." While most of the activities in the Action Plan are budget-neutral, some would require additional funding which are detailed here in this request and are based on three key principles.

Financing the Action Plan will ensure that GGGI's expansion remains grounded in GGGI's strategic imperatives, and strengthen a culture of impact, innovation and value for money.

I. Strengthening post-Paris Agreement demand-led service offerings

- Monitoring, Reporting and Verification (MRV) systems for national NDC commitments
- Trilateral (China, Japan, Republic of Korea) knowledge cooperation on NDC implementation
- Regional approach to scale impact in Small Island Development States (SIDS)

II. Strengthening intellectual and innovation capacity

- Developing Thought Leadership

III. Strengthening institutional settings for value for money (VfM) and sustainability

- ICT Strategic Investment 2017-2020

The initiatives are designed to build on existing foundations instituted over the last three years, which have helped GGGI transform from a non-governmental organization to a dynamic international organization with a global footprint across 26 countries. They are intended to supplement the approved *Work Program and Budget 2017-2018* (WPB), the thematic strategies, the value chain approach and Corporate Results Framework.

³ In addition to the Review and Refresh of the Strategy, and the Independent Evaluation of GGGI's progress against it, GGGI has prepared a number of short term adjustments to the organization that are being implemented per January 1, 2017, collectively referred to as the DG's Action Plan. The key elements of the Action Plan that are fully budget neutral include: Re-unification of the governance, strategy, partnership and communication functions reporting to the DG, in order to strengthen resource mobilization activities; Refocusing of the Impact and Evaluation Unit to establish and develop GGGI's evaluation function, as part of a broader 3-year program to elevate the overall "impact culture" of the organization, and; Strengthening of the Human Resources functions to move from passive to active recruitment, expand the learning and development program, and develop a pro-active talent management function in order to recruit world-class talent to GGGI and reduce turn-over.

Currently, the WPB reflects an approved core budget of USD 44.53 million in 2017 and USD 45.23 million in 2018, which includes an un-programmed budgetary envelope of USD 3 million⁴ per year to provide flexibility to respond to emerging demands or opportunities relating to development of bankable projects and National Financing Vehicles (NFVs). The Action Plan proposes to use part of the envelope budget for purposes that were not foreseen when the WPB was prepared and, therefore, reverts to Council to provide the DG the authority to use the envelope budget for the complementary activities described in this proposal.

The new programmatic spend proposals:

- Are within the total budget ceiling approved under WPB 2017-2018;
- Reflect opportunities that are aligned with the GGGI Strategic Plan 2015-2020;
- Respond to the emerging country needs and partner government requests;
- Provide a framework for supporting and strengthening NFVs and bankable projects.

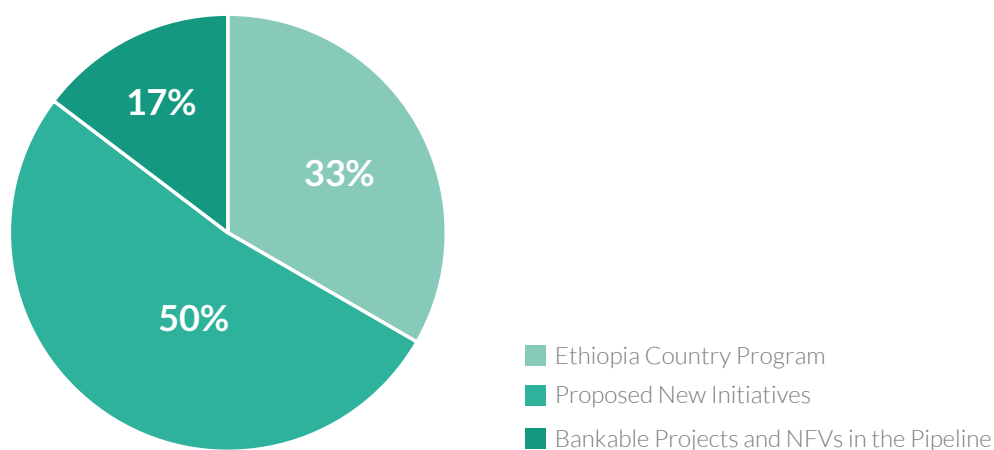
Given the strong alignment between the initiatives and criteria set for accessing resources from the envelope budget, it is proposed that GGGI utilize part of the unallocated envelope budget.

Using the envelope budget also means GGGI is neither increasing the budget ceiling over what is already approved in the WPB, nor (re)allocating resources from existing in-country commitments to accommodate the new initiatives, thereby avoiding disruption to the implementation of WPB. Any new hiring and contractual obligations under these initiatives will be limited to 2017 and 2018 to ensure GGGI is not incurring liability beyond the biennium period.

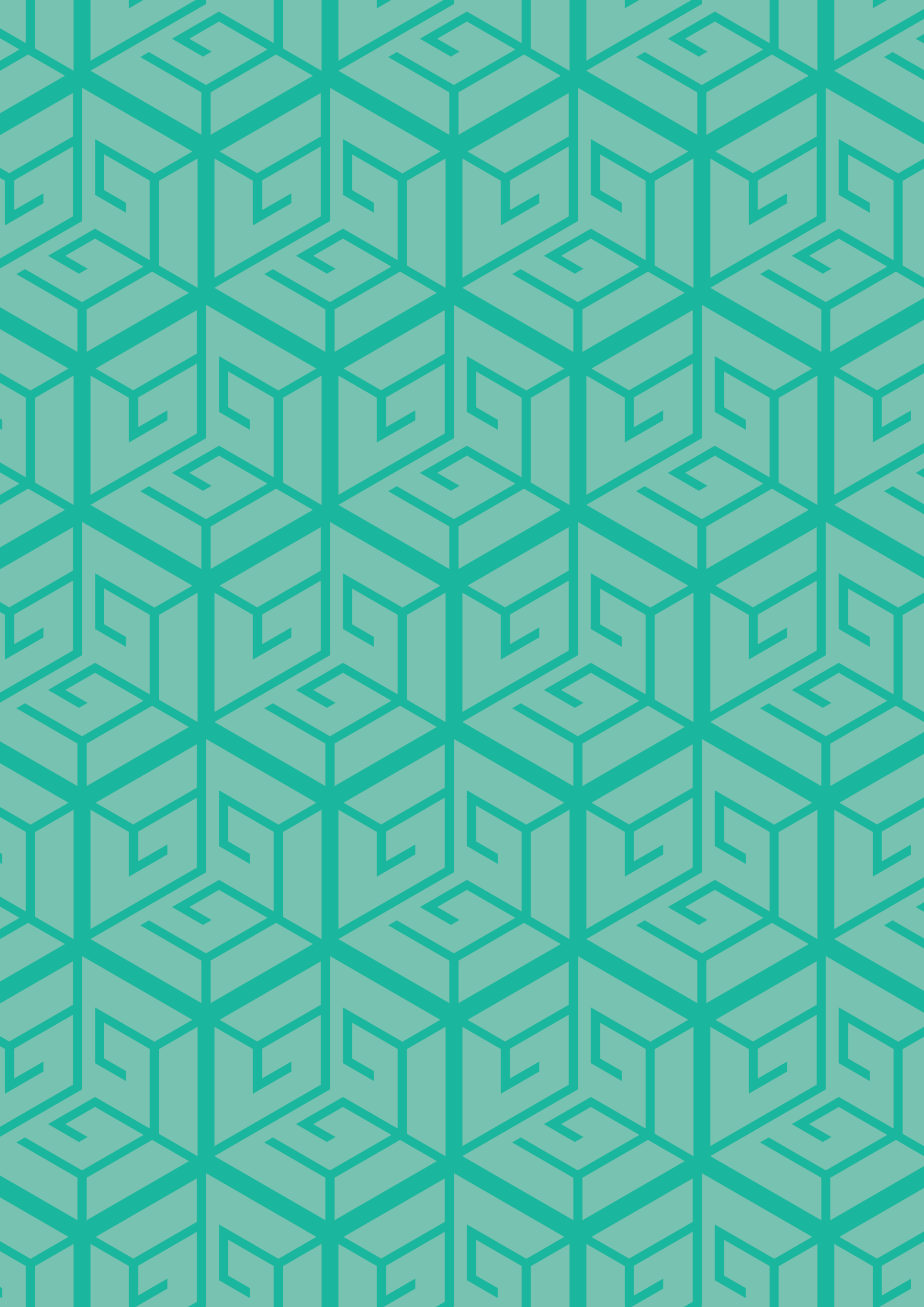
Accelerating GGGI's programmatic and operational capacity to deliver climate-resilient development and poverty reduction, in harmony with partner country ambitions, NDCs and Sustainable Development Goals (SDGs), remains GGGI's guiding direction.

Of the proposed amount, USD 3.42 million or 76% is for programmatic interventions. The remaining 24% is aimed at improving longer-term operational effectiveness through strategic ICT investment.

The following diagram presents the latest status of the envelope budget utilization. Together with the budget of USD 3 million for continuation of the Ethiopia country program and the proposed requested budget of USD 4.47 million, a total of USD 1.52 million remains to be programmed for bankable projects and NFVs.



⁴ Allocation of USD 3 million for Ethiopia country program has already been approved by the Council.



II. Financing the Action Plan 2017-2018



Global context

UNEP estimates that even if all conditional components of the NDCs are implemented, global warming will only be limited to 3–3.5°C above pre-industrial levels.⁵ This points to an immense challenge that has gained new urgency and momentum after the rapid ratification of the Paris Agreement and the associated development and implementation of NDCs. In addition to the immediate priority of supporting implementation of these NDCs, raising their ambition (and in some cases the degree of specificity and detail), it will also be crucial to limit warming to the long-term temperature goals of 2°C, or even 1.5°C as set out in the Paris Agreement.

The window is closing for **partner countries to develop more ambitious scaled up actions and revise NDCs in the run up to a legally binding target in 2020 that will help avoid irreversible climate damage.**

Both 2017 and 2018 represent critical years for GGGI to catalyze action at a large scale through actionable services for partner countries to build on. This implies an urgent need for GGGI to further streamline and deepen service offerings, mobilize partners, and ramp up resourcing and operational capacity to deliver relevant policy and financing solutions.

The Action Plan accelerates GGGI's course to deliver impact and expansion in a rapid, yet controlled manner, in line with GGGI's strategic priorities.

The ultimate goal is to build a convincing case for green growth that will bring countries closer to capping global warming, addressing sustainability, and reducing poverty.

Organizational context

The GGGI Strategic Plan 2015-2020 frames the medium-term horizon for GGGI's efforts to develop green growth programs and delivery models. GGGI's work programs and budgets, more specifically, articulate biennial implementation plans to achieve progress against the priorities in the GGGI strategy. From 2015 to 2016, GGGI successfully met 4 out of 6 headline 2020 targets, allowing the organization to envision greater aspirations for 2020.

With the arrival of the new DG in October 2016, a series of internal and external consultations have taken place to review GGGI's immediate and longer-term priorities, as well as implementation progress, country demand and institutional effectiveness. Under the direction of the DG, these initiatives are built on consultations to ensure that the approved WPB 2017-2018 continues to respond rapidly, coherently, and effectively to the post-Paris Agreement context while sustaining GGGI's organizational growth plan.

⁵ UNEP Emissions Gap Report 2016. https://uneplive.unep.org/media/docs/theme/13/Emissions_Gap_Report_2016.pdf

1. Strengthening GGGI's post-Paris Agreement Service Offerings

Estimates purport that financing needs in both unconditional and conditional elements of NDCs amount to USD 349 billion annually.⁶ Against this backdrop, on the supply of finance, at present there is a tremendous amount of capital globally available for investment. The US Federal Reserve for example has experienced a four-fold increase in its balance sheet, which now stands at USD 4.5 trillion, compared to USD 800 billion in 2008.⁷ There is evidence that there is now a narrow window of opportunity to raise the ambition of NDC targets and close the gap between demand and supply of capital.

The successful implementation of the Paris Agreement depends on countries' ability to quantitatively account for greenhouse gas emissions, mobilize climate financing, and track implementation.

GGGI is reinforcing its end-to-end service offerings to ensure a continuum along the value chain from planning to financing, implementation and, ultimately, realization of NDCs among partner countries.

Through these proposed initiatives, GGGI will offer end-to-end service offerings that establish relevant systems to secure financing and assess impacts of actions.

From planning to implementing Nationally Determined Contributions (NDCs)

The post-Paris Agreement discourse has focused largely on NDCs. Their adequacy with respect to meeting the 2°C target, mobilization of financial resources for implementation, and the operationalization of market mechanisms in the Paris Agreement for increased ambition – to name a few – are all subjects of intense debate and research.

Against this backdrop and based on demands from GGGI partner countries as well as recent discussions with Green Climate Fund (GCF) on readiness support, GGGI's program of work can be seen as a de-facto alliance among GGGI partner countries to address common limitations associated with NDCs⁸. GGGI members can collectively approach climate change through systematic, end-to-end fast tracked investment and knowledge exchange. This includes the design of accurate systems to track policy commitments and financing flows as well as the advancement of collective progress through multi-directional sharing and regional cooperation approaches – and could also include emission trading among partners. This “GGGI NDC Alliance” will function as a flexible platform for countries to exchange experiences, jointly develop solutions, and pioneer innovative, technical, and scalable approaches on NDC-related issues. In the medium term, it is envisaged the Alliance may become a basis for more substantive joint initiatives, such as the linking of Internationally Tradeable Mitigation Outcomes (ITMOs) under Article 6 of the Paris Agreement and credit systems between countries. Adding to the bankable projects (linked to NDCs) and NFVs that were previously approved under WPB, the following products and services are proposed under this Alliance.

⁶ Germanwatch and Perspectives (2016). Investing in Ambition: Analysis of the financial aspects in (Intended) Nationally Determined Contributions

⁷ US Federal Reserve https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

⁸ Methodological approach, scope, reference years, governance structure for implementation, presentation and quality of information provided in NDCs are inconsistent. In addition, in general, there are no comprehensive implementation plans, weak Monitoring, Reporting and Verification (MRV) systems, insufficient institutional capacity, lack of alignment between national level plans, SDGs and NDCs and uncoordinated knowledge sharing across countries.

A. Monitoring, Reporting and Verification (MRV) to bolster investment mechanisms. References to MRV can be found throughout the Paris Agreement. They are highlighted particularly in Articles 13 and 14, which state that MRVs allow countries to assess current progress in reducing greenhouse gas emissions towards the overall target. Given the interconnectedness of SDGs and NDCs, MRV systems can not only be used to monitor and report on NDC implementation, but can potentially be used to track SDGs as well.

GGGI has recently received requests from a number of countries⁹ for MRV support to track implementation of NDCs in green growth plans/roadmaps, assess mitigation impacts, and gauge levels of financing used to support these actions. Although GGGI is currently providing MRV services in Ethiopia and Myanmar, the purpose of this new initiative is to build in-house GGGI capacity and provide a targeted set of advisory support services across all three stages of MRV system development and implementation: a. assessment and planning, b. development and c. operationalization to track and report¹⁰ on the implementation and impacts of mitigation and adaptation actions, and the finance used to support these actions in line with their NDCs. This initiative builds on the Republic of Korea's experience on designing and implementing MRV systems.

Advising governments to design effective MRV policies and systems will lead to more transparent, integrated and timely decision-making to track NDC implementation, which will allow lessons to be drawn about policies that worked and why, while ensuring accurate baselines to revise targets towards 2020.

From a global perspective, a robust MRV system paves a foundation for international reporting requirements to leverage international financing and supports the growth of a verifiable Emissions Trading System (ETS) to incentivize market-led low-carbon growth.

In order to deliver on the above, this initiative proposes to enhance GGGI's in-house capacity by establishing a dedicated MRV team to advise on MRV rules and guidelines, tools and systems to improve data quality, assess and prioritize data gaps, data management systems and build MRV in-country operational and resource mobilization capacity to attract additional international financing. The team will leverage skills and specific expertise by developing partnerships with relevant organizations nationally and internationally and engage with stakeholders to seek feedback on effectiveness of the MRV system and work with countries with similar NDC needs to share lessons learned and best practices.

While improving accountability through MRV systems is an important step in aligning NDC goals to longer-term economic, social and environmental objectives, it also establishes a credible basis to share experiences among countries, to determine appropriate policy contexts, and financing sources and to assess results. Leveraging global perspectives while capturing such evidence-based perspectives at the country-level and translating them into regional approaches can significantly benefit collective learning cooperation. This is key to building momentum for scale. Where possible, this work will be supported through Climate Diplomacy activities under Thought Leadership (see below).

Relevant SDGs that the initiative most contributes to



13.2

Integrate climate change measures into national policies, strategies and planning



13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

⁹ Thailand, Morocco, Uganda, Myanmar, UAE

¹⁰ Adhering to both national and international reporting requirements.

Results Framework

Outcome	Narrative	Target
Strengthened GHG data management systems in line with NDCs	Targeted impact of this project is to contribute to carbon emissions reductions and meeting NDC targets. GGGI via this initiative will support countries to become better equipped to meet the monitoring and reporting requirements of their climate change mitigation actions. Having GHG MRV systems support governments identify potential mitigation actions, design green projects, and develop and revise GHG mitigation action plan including NDC implementation plan	<ul style="list-style-type: none"> MRV system operationalized in 10 countries
Outputs		
1.1 GHG mitigation MRV guideline (GGGI Guideline) developed	GGGI MRV team will conduct an analysis of IPCC guidelines and other reference materials including the MRV status of the prioritized 5 countries. ¹¹ Onwards the team will engage in in-depth discussions with the 5 countries as part of needs assessment to develop detailed work plans. The entire process and findings will be captured and documented as a GGGI MRV guideline	<ul style="list-style-type: none"> Complete 1 GGGI MRV guideline for distribution
1.2 GHG MRV system with accurate, transparent, consistent and credible GHG emissions data established	GGGI in close coordination with the relevant countries, plans to develop an MRV establishment master plan, followed by draft regulation/law to support MRV institutional setting based on GHG data gathering and gap analysis	<ul style="list-style-type: none"> MRV system developed in 5 countries
1.3 Support the operation of GHG MRV system	GGGI will develop monitoring and reporting templates for each GHG and sector, which in turn will support monitoring implementation of NDC plans and impacts of GHG mitigation actions in the targeted countries. Based on the needs identified, GGGI also can develop verification guidelines and an MRV operation manual tailored to the country context	<ul style="list-style-type: none"> MRV system in operational in 5 countries
1.4 Institutional capacity strengthened for operating a GHG MRV system	Building on from the targeted governments' requests, GGGI will develop capacity building module on MRV and organize a number of technical training workshops as well as knowledge sharing events. One of the topics will include modeling GHG mitigation potentials and quantifying the impacts of climate change actions and programs to leverage green financing, such as GCF Readiness	<ul style="list-style-type: none"> Four capacity building workshop organized Three knowledge sharing events conducted

- B. Trilateral knowledge cooperation on NDC implementation.** Addressing the scale of climate change and development challenges points to the immense need to bridge both the financing and knowledge gap through partnerships, as stated by SDG 17.¹² Knowledge sharing and technology transfer among countries is key to achieving scale at speed. Following a successful side event at COP 22,¹³ GGGI is gaining significant traction in facilitating a trilateral cooperation platform for sharing experiences in NDC implementation between China, Japan, and the Republic of Korea (RoK). The platform will include knowledge sharing, expert collaboration, cooperative research and NDC policy implementation between China, Japan and RoK.

¹¹ Ethiopia, Morocco, Myanmar, UAE, Uganda

¹² SDG 17: *Strengthen the means of implementation and revitalize the global partnership for sustainable development*

¹³ GGGI co-organized a side event at the China Pavilion on "NDC Implementation and Experience Sharing" with China's National Development and Reform Commission and convened Ministerial-level officials from China, Japan and RoK, the UAE, as well as a U.N. Under-Secretary General. The event served as a jumping-off point for Ministerial speakers from all three countries to discuss the potential for a trilateral East Asian cooperation on climate change. Facilitated by GGGI, this trilateral agreement promised enhanced research and design collaborations between these countries' technical institutes, and heightened trilateral efforts on South-South Cooperation with other countries. Overall, the event culminated in a publicly expressed commitment for trilateral cooperation on NDC implementation and experience sharing between China, Japan and RoK.

The participation of Special Representative Xie Zhenhua, Department of Climate Change, China’s National Development and Reform Commission (NDRC), People’s Republic of China and Ministers from Japan and RoK at the COP22 side event, represents high-level buy-in that GGGI and NDRC can leverage. The momentum from this event, and subsequent trilateral Agreement and associated knowledge sharing activities, allows potential for strong impact to NDCs in these three countries, and other countries engaged by this cooperation.

Therefore, as an immediate outcome of the side event, GGGI proposes to establish a platform for Green Growth, NDCs and Sustainable Development knowledge sharing, expert collaboration, cooperative research and policy implementation between institutions of China, Japan and RoK. The objective of this platform is to strengthen cooperation on areas that directly impact sustainable development goals within the trilateral cooperation countries of China, Japan and RoK, as well as in other priority developing countries, such as those within the South-South Cooperation scope. This cooperation recognizes that these countries demonstrate current policy and technology advances, and that the mutual goal of sustainable development and deployment of clean technologies and policies are contingent on collaborative platforms such as this. This initiative, through the set-up of a technical secretariat (hosted by NDRC) and management of the program, will also provide GGGI with stronger credibility in China, accelerating the country’s path to membership, as well as providing opportunities to mobilize/leverage further resources that support cooperation.

While GGGI will initially provide seed funding primarily to support the establishment of the facilitation and platform functions, funding for further activities and expansion beyond the proposed initial investment, including GGGI’s engagement, would need to be funded by the three participating countries.

Relevant SDGs that the initiative most contributes to



17.6

Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism



17.16

Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

Results Framework

Outcome	Narrative	Target
Post-Paris Agreement cooperation between China, Japan and RoK strengthened	Multilateral climate action presents opportunities for scale and impact that are unlikely to be achieved through unilateral interventions. To deliver such mutually beneficial results, the opportunity for tangible cooperation must be made available, particularly through sharing of knowledge and technology transfer among stakeholders. Trilateral expectations are to formalize structure and initiate activities in 2017 with first phase collaboration results to occur in 2018	<ul style="list-style-type: none"> One policy and/or technologies adopted in the targeted countries that accelerate progress towards climate change goals by 2018.

Outputs

<p>1.1 Cooperation framework and implementation plan approved by relevant ministries of each of the countries</p>	<p>Maximizing the impact of climate actions among China, Japan, and RoK will require support at the highest levels. Developing a cooperation mechanism that clearly address the objectives of each stakeholder will be critical to obtaining such buy-in. Governments are still in discussion to finalize implementation plan</p>	<ul style="list-style-type: none"> • Establishment of a CKJ Cooperation Secretariat by December 2017.¹⁴ This will be hosted by NDRC. • Government-level validation workshop completed by November 2017
<p>1.2 Collaboratively developed process to actively share knowledge and develop policy, technology and/or research solutions</p>	<p>Ensuring strong trilateral knowledge cooperation on NDC implementation, and other development objectives requires effective channels to engage experts and share experiences and lessons learned. Establishing dedicated inter-personal and online platforms accessible to stakeholders will be critical to facilitating this process</p>	<ul style="list-style-type: none"> • One bilateral or trilateral Knowledge Sharing Event in 2017 • One high-level China, Japan and RoK government event

In addition to China's increasing political importance in climate action, facilitating NDC-specific policy cooperation and partnership among the three countries represents catalytic potential to strengthen mutual political trust, accelerate economic integration in the region and more importantly, provide the experiences which developing countries are eager to tap in to.

C. Regional approach to scale impact in Small Island Developing States (SIDS). Climate change poses an existential threat to some SIDS. There is an opportunity for GGGI to deliver in SIDS and achieve high impact results in a relatively short space of time. GGGI can rapidly achieve results with well-designed projects in SIDS due to the relatively lower level of capital investments needed, smaller government structures and direct access to key decision-makers. Most SIDS governments have demonstrated high commitment in addressing climate change, as reflected in respective NDCs. This commitment in combination with relatively small bureaucracies and power structures¹⁵, means that GGGI has a high value proposition for SIDS. The proposed initiative aims to pilot test a regional approach without sustained in-country presence¹⁶ through developing and deploying two regional streams of work, both with replication potential to other SIDS in the Pacific and Caribbean regions:

- **Urban Ecosystem-based Adaptation (EbA) in Support of Green and Resilient Cities.** SIDS around the world are recognizing the importance of growing urban areas to secure future development prospects, as their populations gradually urbanize, putting pressure on infrastructure and services. While the proportion of those living in towns and cities is growing, this is often in the absence of decent work, access to basic services and infrastructure and land. As a result, levels of poverty and vulnerability tend to be high such as the situation seen in the many informal urban settlements around SIDS. Recognizing the high vulnerability to climate change and limited opportunities for economic development in SIDS, GGGI through this particular stream of work, aims to prepare and share across Pacific Island Countries (PICs) an assessment report on disaster resilient green infrastructure through the urban EbA approach, with an in-depth case study on Fiji. This would focus on policy framework and investment models linked to NDCs with potential for replication in other SIDS. The project seeks to meet a demonstrable need¹⁷ and lays the foundation for identifying implementable actions and practices for climate resilient urban development with specific relevance for SIDS.
- **Knowledge sharing and development of policy dialogue on green growth.** Reviewing and mapping green growth groups, dialogues and policies in SIDS with identification of green growth case studies will be the focus of this stream of work. GGGI will organize policy dialogue meetings and workshops across SIDS to ensure green growth objectives and NDC ambitions are articulated in policy outcome documents of selected number of SIDS. This is particularly important given Fiji's role as Presidency of COP23, lobbying for implementation of the Paris Agreement. At the request of the Fijian Government, GGGI, aims to organize climate strategy meetings to effectively engage in the negotiation process, analyze submission and provide

14 Contingent on at least two out of three government partners formally agreeing on the implementations structure.

15 This is demonstrated by the speed at which the HCAs were signed in Fiji and Vanuatu, the access GGGI enjoys in the Ministry of Economy in Fiji and the Ministry of Climate Change and the Department of Energy in Vanuatu, and the pipeline of investment projects that have already been identified in the Fiji and Vanuatu programs

16 Beyond Fiji, Vanuatu where GGGI already have in country presence

17 This area has recently been identified by SPREP and UN-Habitat as critical for cities in climate change adaption and resilience.

policy briefings and organize an adaptation and mitigation learning workshop for SIDS, particularly in the Pacific. This SIDS focused action links with the new “climate diplomacy” project in response to Ethiopia’s request to support the LDC group in the UNFCCC negotiations, as well as discussions with the GCF on joint work related to climate capacity building. Overall, the regional approach on knowledge sharing and policy advice will bring together relevant development partners, thematic experts and local governments to examine green growth approaches. It presents a high-impact avenue to learn, apply and scale what has worked and/or not worked and to unlock the knowledge for an integrated approach to green growth, including climate-resilient urban planning in some of the world’s most vulnerable countries.

Relevant SDGs that the initiative most contributes to



9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all



11.3

By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries



11.b

By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels



13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



13.2

Integrate climate change measures into national policies, strategies and planning

Results Framework

Outcome	Narrative	Target
Increased climate resiliency among Small Island Developing States (SIDS) is promoted and decision-makers become more aware of green growth options	Empowering Small Island Developing States to build green, climate resilient economies will require access to appropriate and needed knowledge, tools and resources at the regional level. On a pilot basis, GGGI will create such access by developing products and services that takes into account the resource limitations of the organization and the strong network of PICs	<ul style="list-style-type: none"> At least one target country in SIDS accepts the framework and project/investment models proposed at the national or local level by December 2018

Outputs

<p>1.1 Model of green growth action planning and implementation that is replicable, scalable and specific to the SIDS</p>	<p>The developmental challenges facing SIDS are exacerbated by the costs and the dearth of technical capacity associated to geographic location. This output would deliver a model of green growth planning and implementation that can be replicated in multiple SIDS</p>	<ul style="list-style-type: none"> • Urban EbA model in support of Green and Resilient Cities applicable to SIDS developed and presented to at least 5 countries by June 2018
<p>1.2 PICs assessment report on disaster resilient green infrastructure developed</p>	<p>Urbanization in the Pacific presents significant potential growth opportunities, but also vulnerabilities in the form of infrastructure that is neither climate resilient nor capable of meeting increasing demand. Employing the Urban Ecosystem-based Adaptation (EbA) approach to assess disaster resilient green infrastructure in PICs can support sustainable urban planning and ensure such planning is aligned to broader policy framework and investment models linked SDGs and NDCs</p>	<ul style="list-style-type: none"> • An assessment report on the potential of EbA to build urban resilience is completed by December 2017
<p>1.3 Increased dialogue on green growth and mainstreaming of green growth concepts into related workshops and policy documents</p>	<p>Maximizing opportunities and finite resources in the region requires that decision-makers have access to and can engage in discourse on the latest climate action developments. Establishing a regional platform that regularly engages stakeholders in such briefings, reviews, assessments and recommendations will be essential to this process</p>	<ul style="list-style-type: none"> • Mapping of green growth groups, dialogues and policies in the Pacific completed by June 2017 • At least 1 south-south green growth knowledge sharing products in 2017 and one in 2018 • At least 2 national and 1 regional workshop on green growth in the Pacific by December 2018 • PIC green growth objectives articulated in an outcome statement or policy document

In order to address transboundary issues, and tackle and respond to climate change, there is a need to further strengthen national approaches and enable GGGI to reach out to more countries through an effective, coordinated and complementary regional approach in SDIS. In addition, this approach also has high potential for replication in the most vulnerable countries in the Caribbean region. In the Caribbean for example, at the request of a high-level delegation from the Caribbean who visited GGGI in November, 2016, GGGI is exploring options to work with the Caribbean Community (CARICOM) Secretariat based in Guyana¹⁸ to enhance regional institutional capabilities for the coordination of regional responses to the effects of climate change, provide policy and technical support taking advantage of any opportunities, including strengthening the Caribbean Biodiversity Fund. GGGI does not plan to build up in-country teams in the Caribbean, but is exploring collaboration with The Nature Conservancy's Caribbean program that has a strong presence on the ground in Caribbean countries.

In order to ensure dialogue and coordination on demands, supply, and results of services mentioned above, GGGI proposes to organize an annual dialogue for members of the GGGI NDC Alliance. Apart from further assessing needs and mapping services against them, this year's dialogue proposes to focus on the feasibility of pursuing articles 6.2 and 6.3 of the Paris Agreement as they provide the framework for Parties to cooperate through carbon markets, and ensure that the ITMOs they transfer, are an option to be used in meeting the NDCs.

The ultimate goal in relation to GGGI's service offerings on NDC implementation remains firmly rooted in empowering countries to convert action plans into tangible achievements by working in partnership and systematically across policy, finance and knowledge, and maintaining accountability across diverse actors needed for the green growth transition.

¹⁸ One of the founding Member countries of GGGI.

2. Building intellectual and innovation capacity

The green growth model of development holds conceptual and practical value in promoting an interlinked development paradigm of inclusive and sustainable development. However, to present a convincing value proposition, there is a long transition from concept to implementation, i.e., from the green growth concept to establishing planning and financing mechanisms, and, ultimately, to capturing the benefits of green growth. A key **requirement for facilitating this transition includes promulgating green growth through a compelling and rigorous evidence base** that showcases impact to key audiences in the climate change and development community.

As GGGI continues to adapt to the evolving development landscape, donor expectations, and partner demands while managing delivery and implementation of green growth programs across a wide range of countries, thought leadership will be necessary to bridge the strategic outcomes GGGI aims for with green growth benefits on the ground.

Thought leadership as a strategic imperative to cultivate the green growth evidence base and catalyze GGGI's theory of change and impact pathways.

Thought leadership to embody GGGI-led green growth theory of change and evidence base. A Thought Leadership team, reporting to the DG, has been established to encompass knowledge and research functions linking GGGI's programs to cutting-edge leadership in green growth. It is intended to improve the outcomes of GGGI programs on global, regional, and national levels by promoting a more robust, evidence-based understanding of green growth.

It will therefore, play a key role in delivering "homeruns" for GGGI's partners and donors, by providing a compelling evidence base to its audiences and stakeholders, and demonstrating an impeccable case for the benefits of adopting a green growth pathway. In doing so, the **business case for green growth needs to be systematic, measurable, and predictable**

Improving GGGI's stature as an evidence-based and networked organization will require building up in-house expertise and deepening intellectual capacity. The objectives of the work stream will include producing knowledge toolkits and rigorous research that better link concepts to evidence that will ultimately feed into in-country service offerings delivered on the ground.

Activities under Thought Leadership are intended to directly contribute to or complement operational projects and outputs, while simultaneously expanding and demonstrating GGGI's leadership in international green growth understanding and dialogue. Research and analysis activities will encompass improving understanding and definition of the concept of green growth, contributing to GGGI's NDC support efforts, and promoting policy analysis and partnerships in green cities, transport, and clean energy. Knowledge sharing activities will encompass strengthening and expanding GGGI's data-driven green growth tools and methodologies, international green growth knowledge platforms and databases, and climate diplomacy.

The team will continue to support in-country delivery through global knowledge products and services that are based on the analysis and extraction of experiences (internally and externally), contextualization of best practices, and packaging of new knowledge, insights, innovations, data, tools, and methodologies to inform country-based and global initiatives that promote green growth through these key functions:

Applied or policy research. The focus is on making knowledge and technical expertise from outside GGGI readily available to operational teams and member countries.

Disseminating GGGI's experience. Working closely with operational team members and other GGGI divisions, the team will reflect on and analyze experience gained on the ground to develop lessons learned, best practice case studies, content for policy seminars, publications, etc.

Methodology and tool development. The team will develop, apply, and enhance tools and methodologies such as the Green Growth Potential Assessment (GGPA), the Green Growth Performance Measurement (GGPM), and economic, energy, or transport models for direct use in GGGI's operational work as well as for sharing widely through global platforms such as the Green Growth Knowledge Platform (GGKP).

Technical support to operational teams. The team will remain available to provide technical support to operational teams for part of their time, both to contribute to GGP&I and IPSD country outputs.

Academic partnerships for capacity building. The team will promote long-term partnerships with academic institutions that aim to stimulate learning and development of green growth strategies and methodologies.

Knowledge sharing. The team will manage GGGI global and regional knowledge management and sharing functions, and develop and oversee GGGI's Knowledge Strategy.

Using the above products and services and by leveraging resources from other similar partner organizations, alliances, and platforms, the team will support partner countries in the global climate negotiations. Working together with relevant teams, this will include climate diplomacy activities that support the Government of Ethiopia in its role as Chair of the Least Developed Countries (LDC) Group under the United National Framework Convention on Climate Change (UNFCCC); GGGI's NDC Alliance; South-South cooperation and knowledge sharing on climate change issues; and GGGI's partnership with the GCF.

The funds being allocated for Thought Leadership are required to maintain a minimum size for this team, and to initiate climate diplomacy activities (in response to partner country demands) and rapidly converting knowledge sharing resources into delivering operational results in the field through bankable projects. Most of the resources for the team otherwise consist of existing staff and project budgets, and are already included in the WPB 2017-2018.

Relevant SDGs that the initiative most contributes to



7

Ensure access to affordable, reliable, sustainable and modern energy for all



9

Build resilient infrastructure, promote sustainable industrialization and foster innovation



11

Make cities inclusive, safe, resilient and sustainable



13.2

Integrate climate change measures into national policies, strategies and planning



13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Results Framework

Outcomes	Narrative	Indicators/Targets
GGGI is recognized as a Thought Leader in green growth, both nationally and internationally	Thought Leadership will focus on leading efforts to develop and advocate for a globally relevant definition of green growth, and promote applied research and analysis on urban climate resilient planning, sustainable transport systems, and productive use of off-grid clean energy. The outputs of the Thought Leadership work are then expected to raise GGGI's visibility, credibility and relevance as a thought leader	<ul style="list-style-type: none"> At least 10 requests by country programs, partners and Members to utilize expertise (including climate diplomacy), knowledge, and partnerships developed by Thought Leadership
Outputs	Narrative	
1.1 GGGI technical reports, monographs, or policy briefs prepared on priority topics	This output focuses on preparing targeted publications (technical reports, monographs, policy briefs, papers, and others)	<ul style="list-style-type: none"> At least 15 GGGI Technical Guidelines, Monographs, or Insight Briefs published on priority green growth topics (including issues related to climate negotiations)
1.2 Papers published, or submitted for publication, in peer-reviewed journals or publications, with at least one GGGI staff member as (co-)author	This output involves multiple activities of Thought Leadership staff members that will result in published papers, articles, or other materials, some of which are connected to defining IGG and the NDC assessment (see above)	<ul style="list-style-type: none"> Ten papers published, or submitted for publication, in peer-reviewed journals or publications, with at least one GGGI staff member as (co-)author
1.3 Formal, substantive partnerships developed with leading organizations in the area of green growth globally	This output will support partnerships with academic and non-academic institutions. Promote long-term partnerships with academic institutions that aim to stimulate learning and development of green growth strategies and methodologies	<ul style="list-style-type: none"> Eight leading institutions engaged in formal, substantive partnerships with GGGI
1.4 Capacity building programs designed and initiated with academic partners	This output will support capacity building programs with academic partners listed above. Activities will also involve providing capacity building in green city and infrastructure planning, funding, and implementation and in addressing climate change challenges	<ul style="list-style-type: none"> Three capacity building programs designed and initiated with academic partners

3. Strengthen institutional settings for value for money and scaling operations

With the growing number of projects, programs, staff and partnership requirements, GGGI faces an increasing need to address operational efficiency and demonstrate VfM. Improving resource capacity and utilization will help respond to needs of an expanding portfolio, while reducing transition costs for partners.

This principle directs GGGI in actively designing conditions for strengthening institutional settings through improved ICT and Human Resources. For GGGI to sustain its expansion, the organization will need to decentralize certain functions to allow programs to respond rapidly and in accordance with contextual needs. A strong ICT platform is crucial to decentralize management and decision making processes whilst ensuring adequate oversight of diverse programs, and also reducing the overhead resources required to achieve this. Similarly, technological and human resource reforms targeting improved staff productivity and retention rates will result in higher cost efficiencies and in-house capacity in the longer-term.

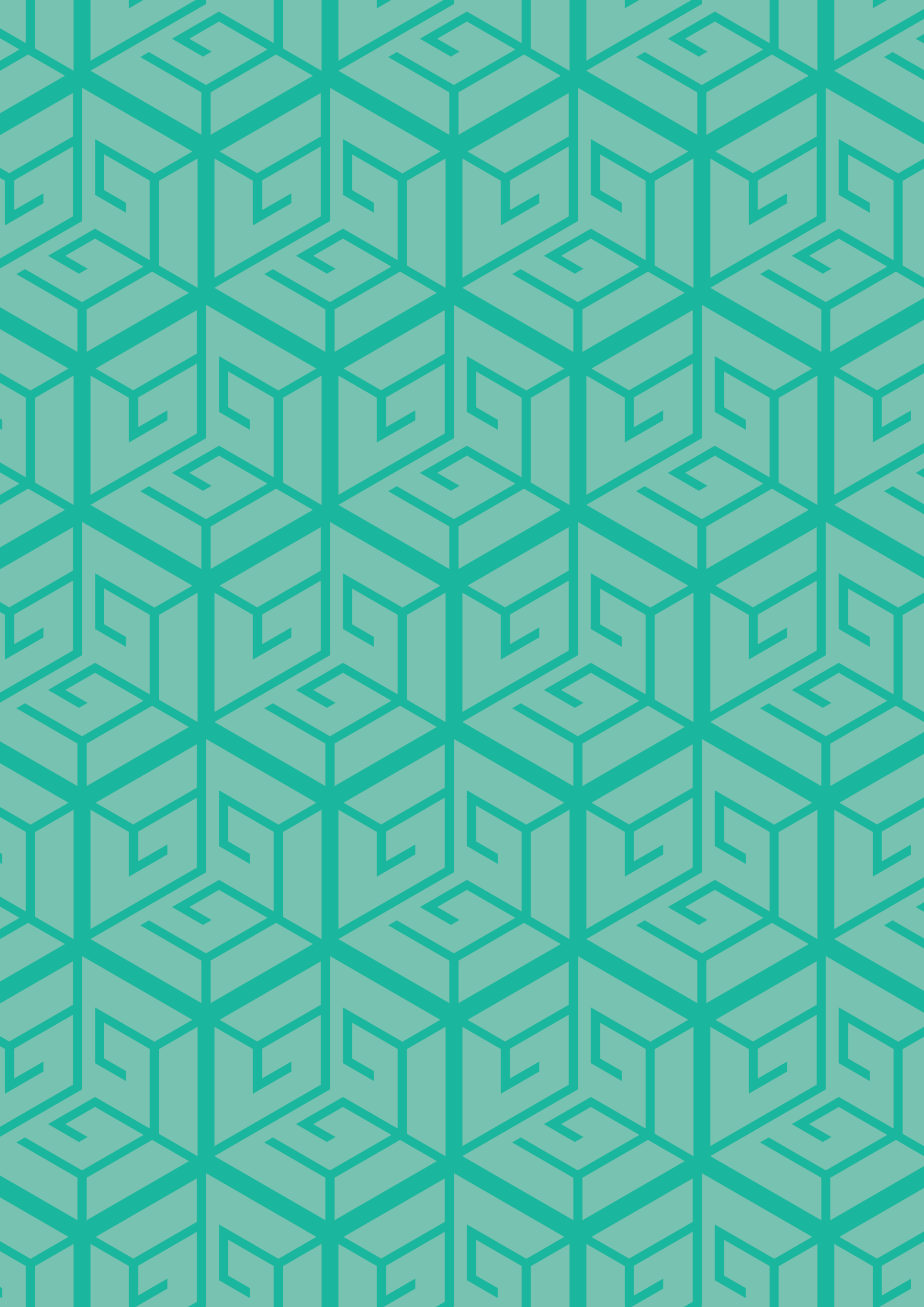
ICT Strategic Investment Program. Over the course of 2016 when WPB was being prepared, GGGI was in the process of formulating its ICT Strategic Investment 2017-2020. Upon its finalization, it was noted that investment requirements over the next 4 years go beyond what was originally programmed in the WPB and would require additional budget. Improving ICT capacities across the organization will significantly empower GGGI's expanding portfolio. The ICT Strategic Investment was informed by the GGGI Strategic Plan 2015-2020 and WPB 2017-2018, information needs across organization, a strategic analysis of current IT operations, and key IT trends. It is a product of organization-wide discussions about the role of information technology in the evolving landscape where the organization operates and in addressing institutional challenges and opportunities.

The proposed funds will be utilized to improve ICT systems, infrastructure and management across all projects and programs. This will primarily focus on Client Relationship Management (CRM), enhancement of Enterprise Resource Planning (ERP), digital workplace,¹⁹ and improvements to country office connectivity. The program is particularly relevant to GGGI's priority of deepening its presence and capacity within existing least developed and lower middle income countries.

By moving ERP to a cloud based system, the ICT investment will significantly improve accessibility by GGGI country offices worldwide. Among other things, it will improve business process by integrating a Customer Relations Management (CRM) system with Project Cycle Management and overall connectivity by enhancing bandwidth. In addition to a more effective decentralized system, the investment will result in strengthened resource mobilization efforts by the country teams, more effective project management – and an overall estimated reduction of USD 0.45 million in travel costs and USD 0.5 million in efficiency gains over the next three years.

Further, while the volume of GGGI operations will continue to grow, ICT must accommodate other drivers of change in order to improve how people are connected, communicate and collaborate to achieve common objectives. These include: increasing volumes of transactions, plateauing economies of scale and effectiveness, need for increased communication and knowledge sharing, and opportunities to leverage changing technological landscapes and delivery models to improve user experiences.

¹⁹ Intranet, document management, project management.



III. Conclusion and Request Summary



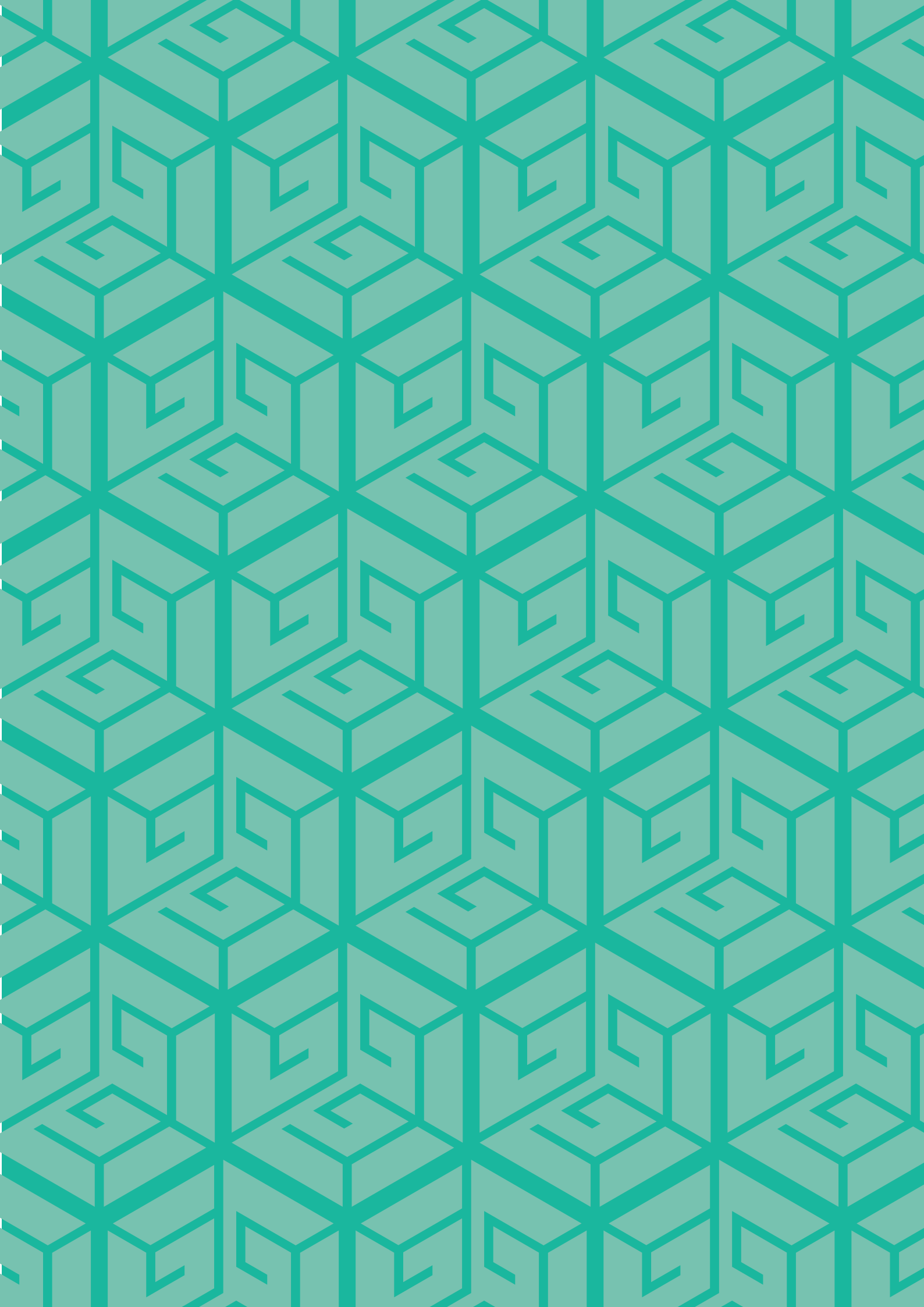
The heart of GGGI's delivery model lies with the ability to deliver on the green growth promise through GGGI's in-country programs, all of which operate in fluid and complex environments. **The Action Plan will improve GGGI's ability to manage change, innovation and sustainability in a demand-driven context, as well as to act as a change management blueprint for developing GGGI's competitive advantage in relation to the existing WPB.**

Following the arrival of the new DG in October 2016, GGGI has assessed how it can respond effectively to recent country-requests requests and opportunities in a post-Paris-Agreement word, and accelerate its impact at scale. Longer term actions along these lines will be considered in the review and refresh of the GGGI Strategy, discussed with Management and Programme Sub-Committee (MPSC) in April and July, 2017 and brought back to Council for approval in October this year. Short to medium term actions within the 2017-2018 biennium were consolidated in the *Scaling for Innovation and Impact: Financing the Action Plan 2017-2018*. While many of the actions in this Action Plan can be implemented budget-neutral, some require additional investment to complement the WPB 2017-2018.

GGGI requests Council to authorize the DG to use USD 4.47 million of the unallocated remaining USD 6 million in the envelope budget for the activities described in this proposal against the summary budgets shown below.

Proposed Budget for 2017-2018 (in USD)

Budget Group	MRV	Trilateral Cooperation	SIDs Regional Approach	NDC Collaborations (cross cutting)	Thought Leadership	ICT Strategic Plan	Grand Total
Acquisition	30,000	4,000					34,000
Communication							
Conference	97,585	38,000	75,343	2,000	26,000		238,928
Information			10,000		136,000		146,000
Others							
Outsourcing			96,061		58,000	230,249	384,310
Overhead							
Personnel	1,152,800	31,500	293,174		1,076,195	567,176	3,120,845
Professional							
Rental							
Supplies & Maintenance						230,249	230,249
Training							
Travel	56,800	26,500	48,838	60,700	100,742	30,000	323,580
Grand Total	1,337,185	100,000	523,415	62,700	1,396,937	1,057,674	4,477,911





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