



Global Green Growth Institute

The Council

Written Procedure

July 13, 2018

**Decision on Pre-financing of activities
relating to earmarked funds**

The Council,

Recalling regulation 6.3(a) of the Financial Regulations of the Global Green Growth Institute (“Financial Regulations”) [C/8/DC/5], which provides that the core funds of GGGI shall at all times and in all respects be held, used, committed or invested entirely separate from earmarked funds;

Recalling regulation 6.3(b) of the Financial Regulations, which provides that the core funds of GGGI shall under no circumstances be charged with or used to discharge losses or liabilities arising out of operations or other activities of any earmarked funds;

Further recalling regulation 6.2(a) and (b) of the Financial Regulations, which provides that advances from the Working Capital Fund shall be made only with the approval of the Director-General and only be made to the General Fund for the purpose of financing budgetary expenditures from the General Fund;

Taking note of the increasing number of GGGI’s activities funded by earmarked resources;

Recognizing the need to create a sustainable and flexible pre-financing mechanism which allows efficient implementation of activities;

1. *Approves*, on an exceptional basis, that advances from the Working Capital Fund can be made for the purpose of pre-financing of activities relating to earmarked funds, and
2. *Authorizes* the Director-General to approve such pre-financing subject to the following conditions:

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”.

- a. Pre-financing shall be made as advances from the Working Capital Fund;
- b. The relevant donor shall have committed to provide GGGI the Earmarked Contribution and acknowledged the pre-financing arrangement in writing prior to the approval of pre-financing;
- c. The total aggregate amount of pre-financing commitments shall not exceed USD 2.5 million at any point in time;
- d. The working capital funds will be replenished between 6 to 12 months;
- e. The Institute will report annually to the Management and Program Sub-Committee (MPSC) on the status of the Working Capital Fund.