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**Global Green Growth Institute**

Council of the GGGI

Written Procedure

17 August 2015

**Decision on the Investment Criteria**

The Council,

*Recalling* Regulation 6.18 of the Financial Regulations ([C/WRP/DC/13](#)) that bestows authority in the Director-General to authorize short-term investments of money not needed for immediate requirements in accordance with investment criteria approved by the Council;

*Approves* the Investment Criteria, as attached in Annex 1;

*Recalling* Regulation 6.12 of the Financial Regulations, which (i) mandates the Director-General to make full and effective use of available currencies and to establish a policy mitigating currency fluctuation risks and (ii) authorizes the Director-General to purchase and sell currencies and to utilize hedging, derivatives and other risk mitigation instruments when doing so is deemed to be in the best interest of GGGI;

*Takes note* that GGGI's Investment Guidelines to be approved by the Director General will authorize use of Forward Currency Contracts, as defined therein, to minimize the impact of fluctuations in market exchange rates on the value of GGGI's available resources which may result from the denomination of contributions in a currency other than United States Dollars.

## INVESTMENT CRITERIA

### Investment Transactions

Pursuant to Regulation 6.18 of the Financial Regulations of the Global Green Growth Institute, the Director-General is authorized to make short-term investments of money not needed for immediate requirements only in accordance with investment criteria approved by the Council (these “Investment Criteria”). These Investment Criteria provide the parameters governing the investment of GGGI’s liquid resources not needed for immediate requirements.

### Permitted Investment Instruments

Subject to the limitations set forth in these Investment Criteria, GGGI may invest in the following short-term investments:

1. Money Market Deposit Accounts
2. Time Deposits

### Limitations

Preservation of Capital. GGGI may not invest in market instruments where any portion of the principal of the investment is at risk under normal market conditions.<sup>1</sup>

Minimum Credit Rating. The minimum short-term rating for the financial institution must be the equivalent of at least A-1 / P-1 / F1.

Maturity. The investment must have a final maturity of one year or less or be available on demand.

Currency. The base currency of the investment must be United States Dollars.

Deposit Insurance. The financial institution must be an insured institution under a government-backed deposit insurance scheme.

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<sup>1</sup> It being understood that the principal of the investment may unavoidably be at risk resulting from failure or insolvency of a financial institution holding such investment. The Minimum Credit Rating and Deposit Insurance limitations set out in the Investment Criteria are intended to reduce the likelihood and extent of such losses.