

Global Green Growth Institute

Fourth session of the Council

Songdo, 5-6 December 2013

Discussion paper: Advisory Committee

Article 6 of the Agreement on the Establishment of the Global Green Growth Institute (the “Agreement”) states that GGGI shall have an Assembly, a Council, an Advisory Committee and a Secretariat as its principal organs.

Article 9(1) of the Agreement states:

The Advisory Committee, as a consultative and advisory organ of the GGGI, shall have a key role in:

- a. Serving as a forum for public-private cooperation on green growth; and
- b. Advising the Council on the strategy and activities of the GGGI, including with regard to any synergies and linkages between the GGGI and other actors that may be pursued through Article 16.

In consideration of the role of the Advisory Committee, the GGGI Secretariat is in the process of establishing and operating a PPC Advisory Committee. The PPC Advisory Committee will strengthen GGGI’s public-private cooperation work stream while actively engaging with the private sector in developing GGGI’s future strategy for 2015-2020.

The Secretariat seeks the Council's decision whether the PPC Advisory Committee described in Annex 1 could serve as the Advisory Committee stipulated in Article 9 of the Agreement.

If the Council chooses to consider, in principle, the PPC Advisory Committee as the Advisory Committee described in the Agreement, the Secretariat will draft the rules of procedure for the Advisory Committee and provide relevant follow-up measures for deliberation at the next session of the Council in 2014.

However, should the Council not wish the PPC Advisory Committee to fill the role of the Advisory Committee envisaged in the Agreement, the latter question will be included in the Agenda for the next session of the Council.



Concept paper on the PPC Advisory Committee

Strategic outlook

Green growth requires the private sector to be a key driving force if scale is to be achieved. Investments in green growth–related technologies will require adequate risk/reward profiles, particularly if compared to “conventional” technologies.

It is therefore essential that GGGI addresses both the key obstacles preventing the private sector from investing in green growth-related technologies and incentives that would actually make such investments more attractive.

Risk reduction

GGGI systematically seeks to engage with the corporate and financial sectors in order to improve the risk allocation between the public and the private sectors in specific sectors and sub-sectors that are drivers of green growth. It will particularly look into existing frameworks for early stage project development facilities, long term financing facilities as well as “patient capital,” which constitute key barriers for private sector investments in emerging and frontier markets.

Incentives

GGGI engages with the private sector to identify and address key issues that might prevent investors from operating as going concerns, particularly in securing (long term) cash flows for projects in a given sector or sub-sector relevant to green growth. The (gradual) removal of subsidies that still favor carbon and/or natural resource intensive investments is a key condition in order to establish a level-playing field for green growth-related technologies. Further, it is important to ensure the establishment of adequate price signals at both the global and national levels for reducing greenhouse gas emissions and the efficient use of natural resources. GGGI wishes to further engage with private sector players to address issues such as feed-in tariffs, reverse bidding processes, grid access, the bankability of power purchase agreements, etc., in the energy sector as well as the pricing of externalities in natural resource intensive sectors, including in agro-forestry.

Sustainable investments, sustainable value chains, resource efficiency

GGGI will engage with sustainable and impact investors and identify key areas where green growth investment related products can be developed or applied to country specific circumstances. GGGI will particularly look at the use of natural resources in global supply chains, the role of small and medium enterprises (SMEs) therein and will engage with key actors in this area to improve their efficiency.

Key Advisory Committee role

As GGGI needs to be able to reflect the concerns and inputs of the private sector at both the global and national levels, it will establish and manage an operational-level Advisory Committee, with the aim of providing essential guidance on:

- Its program of work;
- Specific country circumstances (i.e., countries where GGGI is or plans to be actively engaged in); and,
- Reporting and measuring the performance of the execution of its program of work.

Modus operandi

The Advisory Committee meets twice a year in person.

- First meeting: alternatively in one of the three GGGI locations where private sector activities are being pursued (Copenhagen¹/London/Seoul);
- Second meeting: at the annual Green Growth Knowledge Platform (GGKP)² gathering (alternatively organized by the OECD, the World Bank, UNEP and GGGI).

Governance

The objective of the Advisory Committee's governance is to ensure smooth and efficient operations, allowing for timely private sector input and guidance in GGGI programming.

1. Membership is by invitation from the GGGI Secretariat (with one exception – see 2 below) and is not expected to exceed 10 to 15 members at most. It is meant to reflect a good balance between the financial and industrial/(non-financial) services sectors. Ability to connect with in-country correspondents/representatives/processes will be particularly sought;
2. One seat is allocated to a private sector representative from within the Global Green Growth Forum (3GF³) Advisory Board; and,
3. Members are invited *ad-personam* and will be appointed to serve for one term up to three years.

¹ Copenhagen is also the venue for the annual Global Green Growth Forum (3GF)

² For information on GGKP please see: <http://www.greengrowthknowledge.org>

³ For information on 3GF please see: <http://3gf.dk/>

Proposed members of the Advisory Committee for 2013-14 (Tentative)

Full Name	Position	Organization
(Ms.) Gwen Andrews	Vice President	Alstom
(Mr.) Peter Bakker	President & CEO	World Business Council for Sustainable Development (WBCSD)
(Mr.) Carlos Busquets	Deputy Director, Policy and Business Practices	International Chamber of Commerce (ICC)
(Mr.) Henry Derwent	CEO	International Emissions Trading Association (IETA)
(Ms.) Holly Dublin	Director of Strategies	The B team
(Mr.) Morten Dyrholm	Head of Global Public Affairs	Vestas
(Ms.) Eva Maria Erisgen	Senior Consultant, Public & Government Affairs	BASF
(Mr.) Patrick Couzinet	Special Advisor to the CEO	Veolia Water
(Mr.) Gary Hattem	Managing Director Deutsche Bank Americas Foundation	Deutsche Bank
(Ms.) Penny Herbst	Corporate Specialist	ESKOM
(Mr.) Takashi Hongo	Senior Fellow Global Strategic Studies Institute	Mitsui Global Strategic Studies Institute
(Mr.) Peter Hutchinson	Executive Director	Green Africa Power
(Mr.) Sungwoo Kim	Regional Head of CCASS	KPMG
(Ms.) Elizabeth L. Littlefield	President & CEO	Overseas Private Investment Corporation (OPIC)
(Mr.) Geoff Sinclair	Head of Carbon Sales & Trading	Standard Bank Group
TBC		Danfoss
TBC		POSCO