

Global Green Growth Institute

Fifth session of the Council

Seoul, 19-20 June 2014

Decision on the approval of minutes for the fourth session of the Council

The Council,

Recalling the fourth session of the Council on 5-6 December 2013 in Songdo, Incheon City, Republic of Korea;

1. *Approves* the minutes from the fourth session of the Council, C/4/MIN/1.

Global Green Growth Institute

Fourth session of the Council
Songdo, 5-6 December 2013

Minutes for the fourth session of the Council

The fourth session of the Council of the Global Green Growth Institute (hereinafter, the “GGGI”) was held on 5-6 December 2013 at the Songdo Convensia in Songdo, Incheon City, Republic of Korea.

Members Present:

Australia, represented by Paul Gibbons, Economic Counsellor, Embassy of Australia in Seoul

Costa Rica, represented by Rene Castro-Salazar, Minister for Environment, Energy and Telecommunications; Carlos Alvarado, Advisor to the Minister, Ministry for Environment, Energy and Telecommunications

Denmark, represented by Niels Pultz, Ambassador to Ireland; Peter Lysholt Hansen, Ambassador to the Republic of Korea; Maria Ulf-Møller, Head of Section, Green Growth, Ministry of Foreign Affairs of Denmark

Ethiopia, represented by G/Yohannes Tewolde G/Egziabher, Advisor to the Minister

Indonesia, represented by Montty Girianna, Director for Energy Resources and Mining, BAPPENAS; Nizhar Marizi, Planner, BAPPENAS

Kiribati, represented by Kaateti Tooto, Acting Deputy Secretary

Mexico, represented by José Luis Bernal, Ambassador to the Republic of Korea; Luis Gonzalez, Third Secretary, Embassy of Mexico

Norway, represented by Torbjørn Holthe, Ambassador to the Republic of Korea; Øyvind Dahl, Senior Adviser; Lauren Naville Gisnås, Advisor, NORAD; Ira Ovesen, Senior Adviser, NORAD

Republic of Korea, represented by Boonam Shin, Ambassador for Climate Change; Yun Kang-hyeon, Director-General for Global Economic Affairs, Ministry of Foreign Affairs (MOFA); Jae-woong Lee, Director, Global Green Growth Division, MOFA; Soon-hee Choi, First Secretary, Global Green Growth Division, MOFA; Kyoung-hae Kim, Second Secretary, Global Green Growth Division, MOFA; Yoon Hongsun, Second Secretary, Global Green Growth Division, MOFA; Kyu-hyun Lee, Third Secretary, Global Green Growth Division, MOFA

Qatar, represented by Timothy Nundwe, Legal Counsel for Qatar National Food Security Programme

United Arab Emirates, represented by Thani Al-Zeyoudi, Director of the Department of Energy and Climate Change (DECC), Ministry of Foreign Affairs; Sameer Assaf, Policy Expert, DECC, Ministry of Foreign Affairs

Lars Løkke Rasmussen, Chair of the Council

Howard Bamsey, GGGI Director-General

Members Absent:

Montek Ahluwalia, Deputy Chairman, Planning Commission, Government of India

Observers:

Mongolia, represented by Damdin Dagvadorj, Special Envoy for Climate Change, Ministry of Environment and Green Development

Papua New Guinea, represented by Patrick Pruaitch, State Minister for Forest & Climate Change; James Yuandu Wanjik, Adviser to the Minister; Bill Veri, Ambassador to the Republic of Korea; Douglas Kaibul, Second Secretary, Embassy of Papua New Guinea

United Kingdom, represented by Malcolm Smart, Senior Economic Adviser, Department for International Development; Frances Wood, Counsellor, Economic, Climate and Energy and Science, British Embassy; Lisa Barrett, Desk Officer, British Embassy

GGGI Secretariat:

Robert Dawson, Deputy-Director General, Management & Administration

Mattia Romani, Deputy Director-General, Green Growth Planning & Implementation

Nikolaus Schultze, Assistant Director-General, Public-Private Cooperation

Munehiko Joya, Chief Financial Officer

Hyoeun Jenny Kim, Director, Strategy, Policy and Communications

Myung-Kyoon Lee, Director, Knowledge Development & Management

Jason Eis, Deputy-Director, London Office

Darius Nassiry, Deputy-Director, Strategy, Policy and Communications

Jahan Chowdhury, Senior Strategy and Planning Specialist, Strategy, Policy and Communications

Rapporteur:

Damin Chung, Officer, Strategy, Policy and Communications

Dyana Mardon, Officer, Strategy, Policy and Communications

Agenda

1. Opening of the meeting
2. Adoption of the agenda for the fourth session of the Council
3. Approval of the minutes from the third session of the Council
4. Update from the Director-General
 - a. Joint Donor Review final report and GGGI management response
 - b. Ratification update
 - c. Privileges and Immunities
 - i. Tax liabilities 2013 and 2014
 - d. UN observer status
 - e. Secretariat reform processes
 - f. Organization and Delivery Unit
 - g. Recruitment of the next Director-General
 - h. BAI audit and follow-up measures
5. Report from the Sub-Committees
6. Finance
 - a. Financial Rules
 - b. Cash flow projections
 - c. Resource mobilization plan
7. Update on the 2015-2020 Strategic Plan
 - a. Update on the preparation of the 2015-20 Strategic Plan
 - b. GGGI future flagship outreach events
8. FY2014-16 Work Plan and Budget
 - a. FY2013 budget revisions
 - b. FY2014-16 work plan and budget
9. Travel Policy for Governance Organs
10. 2014 Council Membership
 - a. Recent Assembly-appointed actors
 - b. Election of expert and non-state actors
 - i. Term of service
11. Sub-Committees of the Council in 2014
 - a. Terms of Reference
 - b. Membership
12. Advisory Committee
13. Membership expansion

14. GGGI offices and presence
 - a. Proposal from the Government of Mexico
15. Sessions of the Council in 2014
16. Provisional agenda for the next session of the Council
17. Any other business
18. Closing of the meeting

Decisions

C/4/DC/1: Decision on the approval of minutes for the second session of the Council

The Council decided:

1. To approve the minutes from the third session of the Council, C/3/MIN/1;
2. To take note of the minutes for the seventh meeting of the Facilitative Sub-Committee, FSC/7/MIN/1, and the minutes for the eighth meeting of the Facilitative Sub-Committee, FSC/8/MIN/1;
3. To take note of the summary of the fourth meeting of the Audit & Finance Sub-Committee of the Council, AFSC/4/SUM/1; and,
4. To take note of the Chair's summary of the second meeting of the Program Sub-Committee, PSC/2/SUM/1, the Chair's summary of the third meeting of the Program Sub-Committee, PSC/3/SUM/1 and the comments from the Program Sub-Committee regarding the FY2014-16 proposed work plan and budget, PSC/REC/1.

C/4/DC/2: Decision on the process for the graduation of projects in Green Growth Planning & Implementation (GGP&I)

The Council decided:

1. To adopt the recommendation of the Chair of the Program Sub-Committee on the process for the graduation of projects in GGP&I, as attached in PSC/REC/2.

C/4/DC/3: Decision on the approval of the FY2014-16 work plan and budget

The Council decided:

1. To approve the FY2014-16 work plan and budget, as attached in C/4/10, subject to delaying execution of activities of USD 9.5 million in 2014 in accordance with Annex 1;
2. When sufficient funding is available, the Secretariat will present a proposal to the Council to implement the activities in Annex 1, which will be considered during the mid-year FY2014 budget revision;
3. To undertake a strategic and forward-looking review of the roles, functions and full costs associated with GGGI's headquarters and its current and proposed offices. The Secretariat shall, in consultation with the Facilitative Sub-Committee (FSC), prepare a comprehensive report, including recommendations from the FSC to the Council for its next session; and,
4. To limit the expansion of the staff in the London office to two (2) personnel, until the Council can take a further decision on this matter.

C/4/DC/4: Decision on the Travel Policy for Governance Organs

The Council decided:

1. To take note of the Travel Policy for Governance Organs, as attached in annex 1.

C/4/DC/5: Decision on the expert and non-state actor members of the Council in 2014

The Council decided:

1. To appoint as members the experts or non-state actors as attached in annex 1;
2. That terms of appointment for expert and non-state actor members of the Council shall begin on 1 January of the coming year following election to the Council and end on 31 December of the second year of the term of appointment.

C/4/DC/6: Decision on the Sub-Committees of the Council in 2014

The Council decided:

1. To renew the terms of reference of the **Audit and Finance Sub-Committee**, as attached in annex 1;
2. To renew the terms of reference of the **Program Sub-Committee**, as attached in annex 2;
3. To renew the terms of reference of the **Facilitative Sub-Committee**, as attached in annex 3; and,
4. To approve the composition of the Sub-Committees, in accordance with their respective Terms of Reference and as attached in annex 4.

C/4/DC/7: Decision on the schedule of sessions of the Council in 2014

The Council decided:

1. To approve the schedule for future sessions of the Council in 2014, as attached in annex 1.

C/4/DC/8: Decision on the provisional agenda for the next session of the Council

The Council decided:

1. To approve the provisional agenda for the next session of the Council, as per the discussion in the meeting.

Discussion

1. OPENING OF THE MEETING

Mr. Rasmussen opened the fourth session of the Council.

2. ADOPTION OF THE AGENDA FOR THE FOURTH SESSION OF THE COUNCIL

Mr. Rasmussen proposed that the agenda be revised so that the Council first consider cash flow and resource mobilization, followed by a discussion on the FY2014-16 work plan and budget. Costa Rica requested to include a discussion on potential programs for south-south cooperation before finalizing the budget discussion. The Council adopted the agenda with these revisions.

3. APPROVAL OF THE MINUTES FROM THE THIRD SESSION OF THE COUNCIL

The Council approved the minutes from the third session of the Council and took note of the minutes and summaries of the Facilitative Sub-Committee, Audit & Finance Sub-Committee and the Program Sub-Committee.

4. UPDATE FROM THE DIRECTOR-GENERAL

a. Joint Donor Review final report and GGGI management response

The Joint Donor Review had issued its final report on 23 October 2013, and the GGGI management team issued a response to the report's findings on 4 November 2013.

b. Ratification update

Of the 20 Signatory States, 13 have completed the ratification process of the Agreement on the Establishment of the Global Green Growth Institute (the "Establishment Agreement").

c. Privileges and Immunities

i. Tax liabilities 2013 and 2014

Mr. Bamsey informed the Council that the Assembly had established a Privileges & Immunities (P&I) Committee to develop a general agreement on P&I. In addition, the Secretariat has initiated discussions with those countries in which the GGGI has an office or in-country presence.

As the GGGI currently does not yet have host country agreements or P&I agreements with countries in which it operates (excluding its Headquarters Agreement with the Republic of Korea), it is incurring additional tax costs. The Council concluded that issues relating to taxation in countries in which GGGI has a presence but does not currently have a host country agreement or an agreement on privileges and

immunities should be included in the office review to be conducted in the first half of 2014.

d. UN observer status

The Sixth Committee of the United Nations General Assembly passed the GGGI's application for UN observer status, which will be considered by the General Assembly in the near future.

e. Secretariat reform processes

The Secretariat has identified 5 areas focus in 2014, integrated with the work plan and budget framework: (1) financial and legal integrity; (2) value for money; (3) high performance and diverse workforce; (4) operational effectiveness; and (5) health, safety and services.

f. Organization and Delivery Unit

An Organization and Delivery Unit has been established under the Management & Administration Division, responsible for reporting, monitoring and evaluation of projects, environmental and social safeguards, and procurement.

g. Recruitment of the next Director-General

This discussion was held in closed session.

h. BAI audit and follow-up measures

GGGI has responded to each recommendation from the Board of Audit and Inspection (BAI) of the Republic of Korea's audit of November 2012, detailed in the Secretariat's final update in November 2013.

5. REPORT FROM THE SUB-COMMITTEES OF THE COUNCIL

Mr. Rasmussen, as Chair of the Facilitative Sub-Committee (FSC), informed the Council that the FSC had held two meetings since the previous Council session and had discussed the draft work plan and budget and process for the recruitment of the next Director-General, among other items.

Costa Rica, as Chair of the Program Sub-Committee, submitted a proposal to the Council to streamline the graduation of GGP&I projects from scoping to implementation. The Council approved the proposal.

The Council recommended that country offices and teams be involved in the development of country program selection criteria for the Council's later consideration, as the teams have experience in the different project stages.

Denmark, as Chair of the Audit & Finance Sub-Committee, informed the Council that it had met once since the last session of the Council and discussed the draft budget for 2014 and the terms of reference for an external audit.

6. FINANCE

a. Financial Rules

The Secretariat has developed Financial Rules in line with the Financial Regulations approved previously by the Council. The Council took note of and commended the Financial Rules.

The Council concluded that it be the responsibility of the Audit & Finance Sub-Committee to provide an update to the Council every six months on the implementation of GGGI's Financial Rules.

b. Cash flow projections

Mr. Bamsey informed the Council that the Secretariat had developed different scenarios for funding in 2014 based on varying timelines and availability of funding, and that these were considered when developing the work plan and budget and resource mobilization.

c. Resource mobilization plan

Mr. Joya noted that an option for the Council in improving GGGI's resource base was to expand membership to attract new contributing countries and encouraged participating countries to also help mobilize resources. He noted the Secretariat was considering various means of stabilizing yearly funding, such as a trust fund, and that discussions would be held with contributing members to ensure a more stable funding cycle. The Secretariat will also pursue potential avenues of collaboration with the Green Climate Fund (GCF) as the GCF develops.

7. UPDATE ON THE 2015-2020 STRATEGIC PLAN

a. Update on the preparation of the 2015-20 Strategic Plan

The Council:

- a. Concluded that the Assembly, Council, Sub-Committees of the Council, country partners and all GGGI teams, including in-country, be included in the development process for the Strategic Plan 2015-20;
- b. Concluded that the Strategic Plan ought to incorporate guidance for all areas of GGGI's work while being flexible enough to accommodate the specific needs of in-country projects;
- c. Emphasized the importance of transparency throughout the process;
- d. Emphasized the importance of being realistic in determining the feasibility of projects based on resources and value added to GGGI;
- e. Emphasized the need to develop a strong, comprehensive internal database system for lesson sharing;

- f. Agreed that the KDM work program should focus on pragmatic topics and market needs;
 - g. Emphasized that the GGGI continue to seek to develop into an efficient international organization of a high standard;
 - h. Recommended that safeguards be integrated throughout all work streams and projects; and,
 - i. Recommended that the Secretariat ensure that the end product is relevant for countries.
- b. GGGI future flagship outreach events

The Council supported the Secretariat's proposal to hold one flagship outreach event per annum. The Council agreed to inform the Secretariat of any events that may be occurring in their home countries that GGGI may participate in. The Council emphasized that GGGI's participation in events should be focused on promoting the visibility of GGGI.

8. FY2014-16 WORK PLAN AND BUDGET

- a. FY2013 budget revisions
- b. FY2014-16 work plan and budget

Mr. Bamsey stated that the FY2014-16 work plan and budget (WPB) sought to reflect guidance from the Council and recommendations from the Joint Donor Review, focusing on consolidation and integration of GGGI's programs across the three major work streams. He added that research had been renamed as Knowledge Development and Management (KDM) to reflect the practical-orientation of GGGI's research and analytical focus.

The Council commended the Secretariat's revised budget process from the previous year and increased transparency throughout the WPB. The Council emphasized the importance of finding a balance between an ambitious work plan and a realistic budget while keeping in mind the GGGI's main objectives.

Denmark proposed identifying activities that may be delayed until further clarity is reached on GGGI's finances in 2014. The Council supported this proposal.

Costa Rica emphasized the importance of south-south cooperation in GGGI's activities and the need to identify ways for participating countries without GGGI projects to play an active role in the organization.

Korea raised concerns regarding GGGI contracting with a particular consulting firm. Korea also recommended that GGGI focus on strengthening the headquarters rather than expanding, in size or staff, any one in-country office. Mr. Bamsey responded that regarding consultancy services, all contracts are done in accordance with GGGI's Procurement Rules. Mr. Bamsey proposed, and Korea accepted, that in future procurement processes greater weight be given to GGGI's previous experience with vendors.

To ensure stability in the proposed work plan in relation to available budget throughout the year, the Council asked the AFSC to identify activities totaling USD 9.5 million of the proposed budget which can be delayed until sufficient funds to support these activities are received in 2014. If and when more funds are received, the Secretariat will inform the Council of activities it will initiate.

The Council agreed to conduct a review of the roles and functions of current and prospective GGGI offices, including information on the number of staff and consultants for each office and in-country programs. The Council welcomed the initiative for the Secretariat to engage in south-south collaboration projects.

9. TRAVEL POLICY FOR GOVERNANCE ORGANS

The Council took note of the Travel Policy for Governance Organs and supported the proposal for the Secretariat to provide support only for one delegation from each participating member. On an initiative from the Chair, the Council also requested that staff and members of the governance bodies use frequent flyer miles accumulated when traveling on business.

10. 2014 COUNCIL MEMBERSHIP

The Council welcomed Papua New Guinea to the Council with a term beginning in 2014.

Regarding expert and non-state actors of the Council, the Council appointed Mr. Montek Ahluwalia to a second term from January 2014 to December 2016. Mr. Chung Suh-Yong, Associate Professor at Korea University, was appointed to complete the remaining year of Mr. Kim Sang-hyup's two-year term. The Council agreed to postpone appointing further members to a later date.

11. SUB-COMMITTEES OF THE COUNCIL IN 2014

a. Terms of Reference

The Council agreed to maintain the current Terms of Reference for each of the Sub-Committees and highlighted the need for improved communication between the Sub-Committees. In addition, the Council agreed that a structured discussion should be held in 2014 to determine whether the current governance structure should be maintained or revised.

b. Membership

The Council agreed that the Chairs of each Sub-Committee would remain the same and appointed the membership of each Sub-Committee.

12. ADVISORY COMMITTEE

Mr. Schultze informed the Council that a Public-Private Cooperation Advisory Committee had held its first meeting on the morning of 5 December, composed of representatives from the financial, services and technology sectors as well as relevant

industry associations and taking into account regional diversity. The Council agreed that this body should become the Advisory Committee as stipulated in Article 9 of the Establishment Agreement.

13. MEMBERSHIP EXPANSION

The Council:

- a. Requested that the Secretariat provide an update on membership inquiries received since the previous Council session at each session;
- b. Agreed that membership expansion take geographic and economic diversity into consideration;
- c. Advocated increased membership from African countries and G20 countries;
- d. Agreed that the Chair of the Council, with the Secretariat, should determine target countries for membership in 2014 and that all Council members should play an active role in pursuing target countries;
- e. Agreed that contact with target countries should be initiated from the Chair of the Council or President of the Assembly, with follow up from embassies in-country; and,
- f. Agreed that the concept of rotation of membership on the Council, as stipulated in the Establishment Agreement, and the potential need for a more flexible approach to Council membership be considered.

14. GGGI OFFICES AND PRESENCE

- a. Proposal from the Government of Mexico

The Council welcomed the offer from Mexico and agreed that this would be considered in the review of offices to be conducted in the first half of 2014 and further discussed at the next session of the Council.

15. SESSIONS OF THE COUNCIL IN 2014

The Council set a provisional date of 25-26 June 2014 for the fifth session of the Council and the dates of 27-28 November 2014 for the sixth session of the Council, with both sessions to be held in the Republic of Korea.

16. PROVISIONAL AGENDA FOR THE NEXT SESSION OF THE COUNCIL

The Council agreed that among other items, the agenda for the next session of the Council would include an update on the Strategic Plan 2015-20, FY2014 budget revisions and a discussion on GGGI offices.

17. ANY OTHER BUSINESS

The Secretariat was asked to consider whether more time should be allotted for Council sessions to ensure full discussions can be held without time constraints and whether materials for meetings should be provided further in advance.

18. CLOSING OF THE MEETING

Business having concluded, Mr. Rasmussen closed the fourth session of the Council.