

Global Green Growth Institute
Second session of the Council
Abu Dhabi, 17 January 2013

Decision on Delegation of Authority

The Council,

Recognizing the need to realign the current Global Green Growth Institute's ("GGGI") Delegation of Authority ("DoA") as approved by the Board of the Korean foundation GGGI with the effective date of 12 May 2012 (as attached in Annex 2) to reflect changes to GGGI's operations, organization and management structure as a result of the GGGI's conversion into an international organization;

Recalling the applicability of the current DoA to operation and management of the organization pursuant to Article 17.3 of the Agreement on the Establishment of the Global Green Growth Institute; and,

Further recalling the need for further revision of the DoA from time to time to reflect future developments;

Decides:

1. To approve the proposed approach for adapting GGGI's Delegation of Authority to revisions in the organization's policies, procedures and management structure, as attached in Annex 2.

Proposed approach for adapting GGGI's Delegation of Authorities

Presentation by CFO
Second session of the Council
Abu Dhabi, 17 January 2013

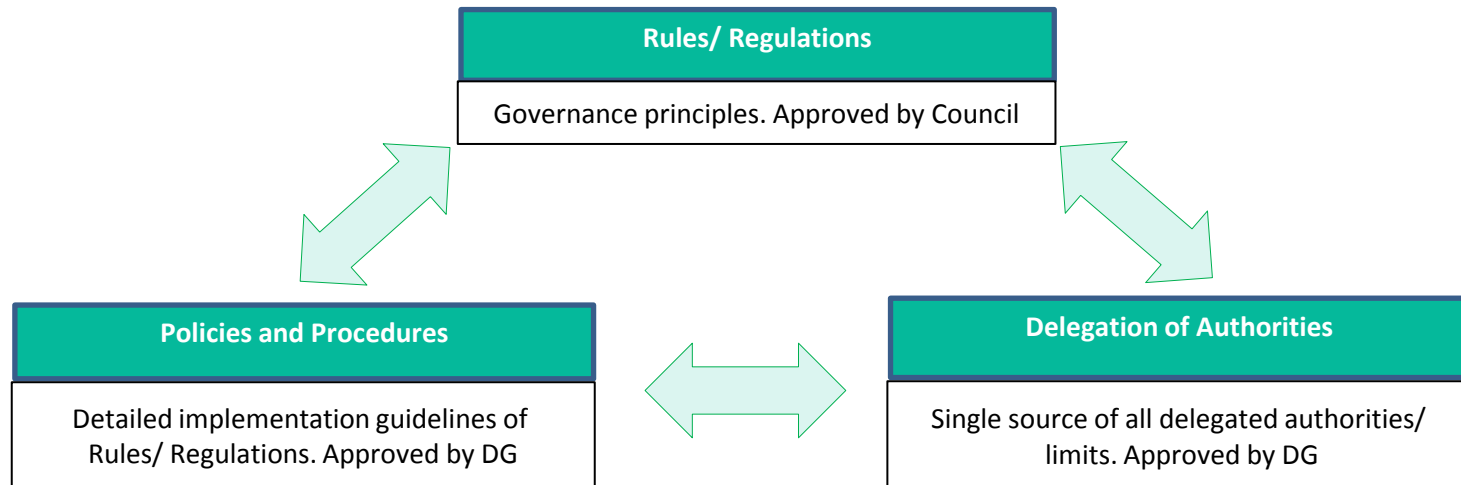




- Background to GGGI's Delegation of Authorities (DoA)
- Fundamental Principles of DoA
- Approach for Developing New DoA



- A good Delegation of Authorities (“DoA”) requires periodic review to take into account changes to operations, organization and/ or management structure.
- There is a need to re-align the current DoA to the following developments brought about by the conversion into an international organization:
 - Change in management structure (Korean organization to International Organization);
 - Change in organization structure (hiring of DDGs and ADG);
 - Change in process governance structure (as below);



- New Staff Rules, new Procurement Rules and planned Finance Rules being adopted by the Council; and
- New Policies and Procedures of GGGI being issued by the Director-General.



- It is most suitable to prepare the DoA concurrently with the development of the new Policies and Procedures, in order for the organization to have a good understanding of the approval process.
- The new DoA will, therefore, take some time to prepare and customize to GGGI's requirements.
- **In view of Article 17.3 of the Establishment Agreement¹, we propose that:**

The current DoA be endorsed by the Council as an interim measure;

This DoA should be applied by GGGI with adequate caution (and not to be used as a single source of all approval authorities);

This DoA should at all times be applied in conjunction with the new Rules, Regulations, Resolutions adopted by the Assembly or the Council or Policies and Procedures approved by the Director-General; and

In case of any discrepancies between the approval authority or limit in the Rules or Policies and Procedures and the approval authority or limit in the DoA, the former will supersede the latter.

¹Article 17.3 – *The rules, regulations, procedures and practices of the Organization shall apply to the GGGI until otherwise decided by the Assembly, the Council or the Director-General as appropriate, and only to the extent that they are not inconsistent with this Agreement or with any rules, regulations, resolutions, procedures and practices adopted by the Assembly or the Council.*



- The Assembly and Council, through the Establishment Agreement, Rules and Regulations, have delegated authorities for several financial and operational tasks, to the DG and the Secretariat.
- The DoA will further delegate the DG's authority to GGGI Staff to hold them accountable for approval and decision-making functions within GGGI.
- The fundamental principles that will be built into GGGI's DoA will be:
 - The DoA will be comprehensive and cover pertinent approval and decision-making authorities and limits across all functions of GGGI;
 - The authority limits will be in line with GGGI's Establishment Agreement, Rules and Regulations, and other established policies and procedures of the organization;
 - The authority limits will take into account the volume of transactions within GGGI to ensure efficient processing of transactions, with critical, high-value approvals being routed to Senior Management and routine, low-value approvals being routed through a lower level of approval;
 - The DoA will maintain a degree of desired control without hindering the smooth flow of operations at GGGI.



- The DoA will maintain an adequate mix of centralization (control of administrative authorities at Headquarters) and decentralization (empowerment of End Users), in line with operational decisions and policies/ procedures of GGGI;
- The DoA will be in line with international benchmarks and best practices;
- The DoA will ensure that financial management decisions are independent of conflict of interest; and
- The DoA will be designed considering future growth of operations. A periodic review process will be carried out to take into account material changes to operations, organization and/ or management structure.



Develop Policies and Procedures for Finance, Procurement, HR, Budget and Travel.



Conduct review of existing DoA, in line with new policies and procedures and benchmark against the DoAs of leading organisations.



Prepare and submit Gap Analysis Report for the existing DoA and discuss with Management Committee. Agree on a template for the revised DoA.



Based on the Gap Analysis Report, develop organization-wide DoA that sets out financial and operational approval authorities and limits, and submit for Management Committee review.



Incorporate all feedback received and submit to Director-General for approval.



Develop Communications and Implementation Road Map. Conduct Awareness Session and implement new DoA.



THANK YOU !



Delegation of Authority

May 12, 2012



Delegation of Authority

Chapter	Item	Revised No.	Note
	Objectives	0	
1	Program Management (General)	0	
2	Budget Management	0	
3			
3.1	Finance Management (Accounting/Finance/Tax)	0	
3.2	Finance Management (Disbursements)	0	
4	Contract / Purchase	0	
5	Asset Management	0	
6	Human Resources	0	
7	Legal	0	
8	Mission trip	0	



Delegation of Authority

Objectives

1. The objectives are to provide the level at which decision making authority is held for GGGI activities. This provides for implementation of clear, manageable, and efficient procedures for delegating authority and facilitating management control over delegation of authority.

Basic principle

2. Delegation of authority must be exercised in accordance with relevant policies, standards, organization and budgetary limitations and administrative instructions as prescribed by GGGI.
3. Where there is a conflict between the delegation of authority and other GGGI policies and regulations, delegation of authority shall apply.
4. Rank of delegation is as follows noting that while all authorities are delegated from the Board and the Executive Director, other Directors have authorities only over specific areas as outlined in this document and, in the case of Management Committee members, report directly to the Executive Director.
 - Board of Directors - Executive Director - Deputy Executive Director- Chief Administrative Officer/ Chief Finance Officer - Director - Senior Program Manager
5. Delegation of authority must, in all instances, be made by written notice to the position receiving the authority.
6. In case where the final approver is absent or there is no appointment in place, the authority shall be delegated the next level appropriately.
7. Quantitative limits of authority should be observed in spirit as well as in practice, which means there should be no splitting of contracts for the sake of appearing to adhere to the set limits.
8. The total amount prescribed in this manual is based on the amount excluding VAT.
9. Amendment to the manual shall be made upon approval by the Board of Directors.
10. This Delegation of Authority shall enter into effect as of May 12, 2012.

Chapter 1 : Program management (General)
1.1: Structure Plan & Policy

Document No.	
Revision date	
Effective date	

◎ : Approval, ○ : Consent, □ : Report

Activity	DIRECTOR	CAO/CFO	ED	BOARD	Note
1. Strategy Plan					
1.1 Strategy Plan				◎	
1.2 Country Program Selection*				◎	*Proposed by ED
1.3 Program* (Country project/Research/ PPC)				◎	*Proposed by ED
1.3.1 Mid & Long Term Plan				◎	
1.3.2 Implementation of plan*			◎		
1.3.3 Execution of Business operation	◎				
2. Board of Directors*					*In Consultation with MC& the Chairman
2.1 summon notice			◎		
2.2 Proposal for BOD consideration			◎		
2.3 Approval of minutes				◎	
2.4 Actions and measures based on Board decision			◎		
3. Amendment of Articles of Incorporation				◎	
4. Amendment to the Delegation Authority				◎	

5. Rules & Regulations					
5.1 Establishment of Rules & Regulations				◎	
5.2 Revision to Rules & Regulation*			◎		*In Consultation with MC
5.3 Internal Policy*			◎		*In Consultation with MC
6. Subsidiary Bodies					
6.1 Subcommittee					
6.1.1 Establishment of Subcommittee				◎	
6.2 Satellite Offices					
6.2.1 Establishment of Satellite Office				◎	
6.2.2 Operation Plan				◎	
6.2.3 Yearly Implementation plan for Satellite Office			◎		
6.2.4 Quarterly Implementation plan for Satellite Office	◎				
6.2.5 Special business Implementation plan for Satellite Offices			◎		

Chapter 2 : Budget management

Document No.	
Revision date	
Effective date	

⊙: Approval, ○: Consent, □: Report

Activity	DIRECTOR	CAO/DOF	ED	BOARD	Note
1. Mid & Long term budget plan				⊙	
2. Approval of yearly operating & program budget				⊙	
3. Execution of yearly operating budget*					
3.1 Execution within yearly operating budget	⊙	○			
3.2 Revision within yearly operating budget		○	⊙		
3.3 Diversion of operating budget to other items within an approved limit*		○	⊙		*In Consultation with MC
3.4 Excess of approved yearly budget				⊙	

Chapter 3.1 : Finance Management(Accounting/Finance/Tax)

Document No.	
Revision date	
Effective date	

☉ : Approval, ○ : Consent, □ : Report

Activity	SPM (FINANCE)	DOF	CAO/CFO	ED	BOARD	Note
1. Journal and voucher						
1.1 Approval of slip		☉				
1.2 Journal for year-end closing		☉				
2. Financial work						
2.1 Opening, change or cancelation of banking account			☉			
2.2 Appointment of authorization or signing checks, securities or firm banking			☉			
2.3 Fund transfer between bank accounts (Between GGGI Accounts)		Under or equal to 100 thousand dollars	Over 100 thousand dollars			
2.4 Fund management						
2.4.1 Opening time deposit account			☉	□		
2.4.2 Opening various kinds of financial products other than time deposits			☉	□		
2.4.3 Closing/Selling			☉	□		
2.5 External payment *	Under or equal to 50 thousand dollars	Under or equal to 100 thousand dollars	Over 100 thousand dollars			

*2.5 Payment for parties outside of GGGI

Activity	SPM (FINANCE)	DOF	CAO/CFO	ED	BOARD	Note
3. Financial statements and Tax return						
3.1 Tax return						
3.1.1 Corporate income tax return						
(1) Regular, revised return			<input type="radio"/>			
3.1.2 Value added tax return						
(1) Regular return (Preliminary/final), Adjustment return		<input type="radio"/>				
3.1.3 Withholding tax return						
(1) Wage and salary/Retirement income		<input type="radio"/>				
(2) Others		<input type="radio"/>				
3.1.4 Local tax return such as acquisition tax (including relevant VAT)		<input type="radio"/>				
3.1.5 Other tax return		<input type="radio"/>				
3.2 Approval of Financial Statements					<input type="radio"/>	
3.3 Supplementary schedules of F/S & Account adjustment list			<input type="radio"/>			
3.4 Audit						
3.4.1 Audit Policy					<input type="radio"/>	
3.4.2 Yearly Audit plan					<input type="radio"/>	
3.5.3 Implementation according to yearly audit plan			<input type="radio"/>		<input type="checkbox"/>	

Chapter 3.2 : Finance Management(Disbursements)

Document No.	
Revision date	
Effective date	

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Activity	SPM (FINANCE)	DOF	CAO/CFO	ED	BOARD	Note
1. Disbursement for approved contract(including renewed/revised contracts) *	Under or equal to 50 thousand dollars	Under or equal to 100 thousand dollars	Over 100 thousand dollars			
2. Payment in accordance with law & public agreed rate						
2.1 Payment of Taxes and dues(National tax, local tax, etc.)		◎				
2.2 Banking commission/ collection fee/telegram charges		◎				
2.3 Payment of communication and public expenses		◎				
2.4 Payment of Fine/Penalty taxes/Civil negligence penalty						
(1) Fine and penalty taxes			◎	□		
(2) Civil negligence penalty (Excluding tax)			◎	□		
3. Payment in accordance with approved policy and regulations						
3.1 Payment based on company's policy such as HR regulations and guides						
3.1.1 Payment of monthly salary		◎				

*Process and documentation review whether contract is validly signed, the invoice is valid and the relevant program director or staff has verified delivery of services.

C/2/DC/6
Annex 2

3.1.2	Severance pay			<input checked="" type="radio"/>	<input type="checkbox"/>		
3.1.3	Expenditure for congratulations and condolences		<input checked="" type="radio"/>				
3.1.4	Education & Training expenses*						
	(1) Approved amount on training document			<input checked="" type="radio"/>			
	(2) Expenses for legal training(Certificate holder)			<input checked="" type="radio"/>			
3.1.5	Expenses for physical examination		<input checked="" type="radio"/>				
3.2	Set up limitation of using corporate credit card			<input checked="" type="radio"/>	<input type="checkbox"/>		
3.3	Payment for corporate credit card			<input checked="" type="radio"/>			
4.	Cash in advance and expense reports						
4.1	Cash in advance	Under or equal to 10 thousand dollars		Over 10 thousand dollars			
4.2	Expense reports *	Under or equal to 10 thousand dollars		Over 10 thousand dollars			* Monthly settlement
5.	Business-promotion expenditure	Under or equal to 1 thousand dollars		Over 1 thousand dollars			
6.	Disbursement of purchase goods	Under or equal to 10 thousand dollars		Over 10 thousand dollars			
7.	Other expenditures (Within approved budget and operating policy)	Under or equal to 10 thousand dollars		Over 10 thousand dollars			

Chapter 4 : Contract/Purchase

Document No.	
Revision date	
Effective date	

☉ : Approval , ○ : Consent, □ : Report

Activity	DIRECTOR	DOF	CAO/CFO	ED	BOARD	Note
1. Procurement*	Under or equal to 20 thousand dollars		○	Over 20 thousand dollars	Over 1.25 million dollars	* In consultation with MC for over 100 thousand dollars
2. Construction/ Professional Contract*	Under or equal to 20 thousand dollars		○	Over 20 thousand dollars	Over 1.25 million dollars	* In consultation with MC for over 100 thousand dollars
3. Real Estate/Car rental contract						
3.1 Office			☉	□		
3.2 Housing/Land *			☉	□		* Monthly rent base
3.3 Car			☉	□		
4. Purchase						
4.1 Purchase of publication or periodic magazine subscriptions			☉			
4.2 Purchase of car			☉	○		
4.3 Other purchases	Over 10 thousand dollars		Over 100 thousand dollars	○		

Chapter 5 : Asset management(Non-necessary/Deficit Disposal)

Document No.	
Revision date	
Effective date	

◎ : Approval, ○ : Consent, □ : Report

Item	DIRECTOR	DOF	CAO/CFO	ED	BOARD	Note
1. Disposal of non-necessary asset*						
1.1 Classification of non-necessary asset			◎			
1.2 Missing asset		◎	□	□		
1.3 Disposal/Discard*		Under or equal to 10 thousand dollars	Over 10 thousand dollars			
2. Waiver of claim & recognize loss		Under or equal to 10 thousand dollars	Over 10 thousand dollars	□		

* 1. Based on the ledger. Excluding real estate (Report to BOD).

* 1.3 Disposal: The highest amount is applicable through bidding by more than 3 parties when selling.

Discard: Written explanation is necessary.

Chapter 6 : Human Resources

Document No.	
Revision date	
Effective date	

◎ : Approval, ○ : Consent, □ : Report

Activity	DIRECTOR	CAO	ED	BOARD	Note
1. HR policy					
1.1 GGGI organization and structure change				◎	
1.2 Decision of salary and HR policy, benefit fringe rule				◎	
1.3 Confirm of the number of employees				◎	
1.4 Decision of salary range of employees				◎	
2. HR management					
2.1 Annual Recruitment plan				◎	
2.1.1 Recruitment at SPM level and above*		□	◎		*Confirmation by the BOD
2.1.2 Recruitment below SPM level*	◎	□			*Approved by the relevant director in consultation with director in charge of HR
2.1.3 Other non-regular positions (PA, Interns)		◎			
2.1.4 Seconded policy				◎	
2.1.5 Implementation of seconded policy			◎		

2.3	Transfer of departments			<input checked="" type="radio"/>		
2.4	Leave of absence					
2.4.1	Longer than 5 Days			<input checked="" type="radio"/>		
2.4.2	Less than 5 Days		<input checked="" type="radio"/>			
2.5	Sick Leave*					* Approved by the relevant Director
2.5.1	Less than 1 Week	<input checked="" type="radio"/>				
2.5.2	Longer than 1 week			<input checked="" type="radio"/>		*Report to ED
2.6	Annual Leave					
2.6.1	Directors at and above			<input type="radio"/>		
2.6.2	SPM at and below*	<input checked="" type="radio"/>				*Approved by the relevant director
2.7	Certificate Issuance(Employment/ Career certificate, etc.)	<input checked="" type="radio"/>				
3.	Reward and punishment					
3.1	Reward policy				<input checked="" type="radio"/>	
3.2	Disciplinary action					
3.2.1	Directors at and above				<input checked="" type="radio"/>	
3.2.2	SPM at and below*			<input checked="" type="radio"/>		*In Consultation with MC

4. Education and training*					*Approved by the relevant Director
4.1 Overseas/local Training					
4.1.1 Directors at and above			<input checked="" type="radio"/>		
4.1.2 SPM at and below	<input checked="" type="radio"/>				
5. Invitation of local or oversea expert	Under or equal to 3 thousand dollars		Over 3 thousand dollars		
6. Membership/ Participation of other Organization			<input checked="" type="radio"/>	<input type="checkbox"/>	*In Consultation with MC
7. Payroll (Salary & payment of other contractual benefits)		<input checked="" type="radio"/>			

Chapter 7 : Legal issue/Legislation *

Document No.	
Revision date	
Effective date	

☉ : Approval, ○ : Consent, □ : Report

Activity	DIRECTOR	CAO	ED	BOARD	Note
1. Litigation, Arbitration, settlement of Lawsuit, other dispute and settlement with third party			Under or equal to 100 thousand dollars	Over 100 thousand dollars	
2. Seal management					
2.1 Corporate seal management (Registration/change)		☉			
2.2 Owner's seal management		☉			
2.2.1 Approval of produce of owner's seal		☉			
2.2.2 Keeping and management of owner's seal	☉				

Chapter 8 : Mission Trip

Document No.	
Revision date	
Effective date	

⊙: Approval, ○: Consent, □: Report

Activity	DIRECTOR	CAO	ED	BOARD	Note
1. Approval of Mission requests					
1.1 International trips					
1.1.1 Directors at and above			○		
1.1.2 Employees at and below	⊙				
1.2 Domestic Trips					
1.2.1 Directors at and above			○		
1.2.2 Employees at and below	⊙				
2. Approve written request for actual Per diem		⊙			