

**Global Green Growth Institute**

Council of the GGGI

Written Procedure

10 October 2014

**Decision on supplementary and revised budget 2014**

The Council,

*Recalling* Articles 2 and 4 of the Agreement on the Establishment of the Global Green Growth Institute, regarding the objectives and activities of the organization;

*Acting pursuant* to Regulation 3.8 of the Financial Regulations of the Global Green Growth Institute, regarding the approval of a supplementary budget by the Council;

*Taking note* of the recommendation of the Audit & Finance Sub-Committee of the Council that the Council approve the supplementary and revised budget for 2014;

1. *Approves* the supplementary and revised budget as attached in Annex 1.



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We have carefully considered the suggestions received from the AFSC regarding the request for supplementary budget for 2014. Wherever possible, we have reduced the amount requested for. The detail breakdown of each of the supplementary request items is enclosed in Annex 2.

### **Proposed Supplementary and Revised Budget 2014**

Under Financial Regulations 3.8, the Director-General requests the following activities to be supported under a supplementary budget.

**A. Supplementary Budget for Governance, Outreach, and Events (total original requested budget USD 525,000)**

**Revised requested budget after taking AFSC recommendations into consideration:** We have now reduced this amount to USD 433,471 through further cost savings measures explained below.

1. **Leadership Gathering at the UN:** In order to raise GGGI's profile among international and host country stakeholders, GGGI has organized an event to be held during the UN Climate Summit. The GGGI Leaders' Gathering Event on 23 September at the UN Headquarters will be an occasion to formally announce the members' collective intention to nominate President Susilo Bambang Yudhoyono of Indonesia as the next Chair of the Council and President of the Assembly and offer congratulations from all GGGI members. GGGI Leaders will also express thanks to Chair Lars Løkke Rasmussen and President Bharrat Jagdeo for their leadership. The cost of organizing the event is expected to be about USD 105,000;
2. **Second Informal Working Group (IWG) Meeting:** As follow up to the first IWG, the second round of consultations on the draft Strategic Plan 2015-2020 will take place in Songdo, Republic of Korea, on 13 October 2014. The key objective of the meeting is to present the draft Strategic Plan 2015-2020 and to solicit comments and feedback. In order to ensure maximum participation in this important event, GGGI proposes to cover the airfare and hotel cost of all Participating Members of the GGGI, as well as staff members from GGGI Country Offices. The budget is estimated to be USD 140,000;

**Revised requested budget after taking AFSC recommendations into consideration:** The Secretariat has estimated reduced number of participating country members taking part in the IWG II. As a result, number of participants have been reduced from 23 to 10 (from member states and non-state actors). Revised budget proposed for IWG II is USD 92, 880.

barriers to attract green investment. The budget for the materials for this side event, along with participation from the Secretariat in the COP 20, is estimated to be USD 85,000;

**Revised requested budget after taking AFSC recommendations into consideration:** The Secretariat has reduced number of participants joining the Lima event. Revised budget proposed is USD 52,727

4. **Council/Assembly Meeting (excluding conference):** Funding for governance activity in 2014 is not sufficient under the present budget. The informal Donor Consultative Group meeting was held for in-depth consultation with donor countries on the draft Work Program and Budget 2015-2016. The Council and Assembly meeting in November will require more funding, although the Secretariat has applied cost-saving measures by combining the two sessions to be held on the same day. Additional budget requested is USD 145,000.

**Revised requested budget after taking AFSC recommendations into consideration:** In 2014 budget, we had only budgeted for two council meetings. As mentioned in paragraph four above, the Donor Consultative Group meeting was an unscheduled event that we did not budget for in 2014. The scope of the proposed council meeting has changed substantially. We are planning for Ministerial level representations together with new non state actors for more strategic level discussions in the council meeting. We have however reduced the supplementary budget request previously submitted to AFSC from USD 145,000 to USD 133,470 by rationalizing number of participants.

5. **Additional outreach and governance:** The Director-General will conduct outreach meetings in GGGI non-member countries that have GGGI activities. In addition, the Director-General will hold other consultations with future donor countries. GGGI will also take steps to ensure its future governance arrangements are as efficient and effective as possible. Additional budget of up to USD 50,000 is proposed to cover these outreach costs.

**B. Assembly Event (total requested budget USD 250,000)**

6. **GGGI International Conference:** GGGI is organizing an international conference, as part of the Council/Assembly week, titled “The Nexus between the Creative Economy and Green Growth.” The conference, with distinguished speakers, will examine the premise that green growth and creative economy can reinforce each other. Concrete ideas and practical solutions identified in the conference will be fed into GGGI’s delivery model and service offerings. President Susilo Bambang Yudhoyono of Indonesia has confirmed his participation in the event as a keynote speaker. The budget of the event is USD 700,000, out of which USD 250,000 is proposed to be covered by GGGI. Remaining amount will be financed by the Republic of Korea’s Ministry of Foreign Affairs, Ministry of Strategy and Finance, POSCO, GTC, and KOICA.

**C. Supplementary Budget for Severance Payment**

7. Severance payment, as a result of K-GGGI dissolution, has been recalculated to USD 250,000 based on legal advice.

**D. Deferrals of Commitments from 2013 (Core and Earmarked Funding)**

8. In June 2014, GGGI reported to the Council the total commitments worth USD 1.58 million, funded by core that were part of the 2013 budget but continued in 2014 due to various operational delays. The deferred spending in the first three months of 2014 had to be included in the 2014 financial books for accountancy purposes. A total of USD 2.3 million from 2013 budget, funded by earmarked sources, was also deferred to 2014.
9. The full details of deferred payments for both core and earmarked funding are provided below.

Funding Category	Division	Project Code	Project Name	Total
<b>CORE</b>	GGP&I	1000A100	Global Green Growth Academy	209,978.30
	GGP&I	1000A300	Colombia GGP	10,700.00
	GGP&I	1000B201	Mekong – Scoping	123,800.00
	GGP&I	1000BR01	Brazil GGP Sector	55,586.00
	GGP&I	1000ID01	Indonesia – GIMS	448,178.81
	GGP&I	1000KE00	Sub-Saharan (Scoping Phase)	36,580.00
	GGP&I	1000MN00	Mongolia GGP	47,276.00
	GGP&I	1000MX00	Mexico – Scoping	50,373.00
	GGP&I	1000PE00	Peru (Scoping Phase)	16,656.00
	GGP&I	1000PE02	Peru Competitiveness	19,606.00
	GGP&I	1000PH00	Philippines Eco Town	144,192.80
	GGP&I	1000VN00	Vietnam GGP	85,559.00
	GGP&I	1000ZA02	South Africa - Scoping	95,124.92
	KDM	2000A100	GGGI - GGBP	34,727.47
	KDM	2000A102	GG Methodology Development	49,000.00
	KDM	2000A105	BRICS	47,500.00
	KDM	2000A500	Technology Innovation	29,376.30

**C/WRP/DC/4**  
**Annex 1**

	PPC	4000A108	Finance G20 related work	79,500.00
Total FY2013 Deferrals				<b>1,583,714. 60</b>
<b>Funding Category</b>	<b>Division</b>	<b>Project Code</b>	<b>Project Name</b>	<b>Total</b>
<b>Earmarked</b>	GGP&I	1001PE00	BMU-Component 3 Peru	56,998.00
	GGP&I	1005KZ00	Kazakhstan NGGP	-
	GGP&I	1009AE00	UAE-GGP	746,700.08
	GGP&I	1010ID00	Indonesia GGP	1,529,247.25
	KDM	2012A100	ECF - GGBP	57,791.48
Total FY2013 Deferrals				<b>2,390,736.81</b>

**E. Changes to Projects funded by Earmarked Sources**

10. **Kazakhstan Country Program:** The project in Kazakhstan has been approved by the funding source EBRD in early May 2014, with expected disbursement of funds in early June 2014. Since a MoU has not yet been signed between the Government of Kazakhstan and GGGI, the project is not going to be fully operationalized until 2015. It is possible – given the uncertainty of getting full Government buy-in - EBRD, the funding source for this project, may divert resources to another GGGI country of operations. For scoping-related work, a total of USD 150,000 has been budgeted for in 2014.
11. **Thailand Country program:** The Council-approved budget for the Thailand Country Program for 2014 was USD 804,490. The budget has been revised downward to USD 333,340 due to slow start of the project.
12. **MoU with Korea EXIM Bank:** GGGI and Korea EXIM Bank signed a MoU to support Thailand’s Development of GHG reduction roadmap and framework for Emissions Trading Scheme (ETS). GGGI, as EXIM Bank’s main counterpart, will provide in-kind advisory support to delivery of outputs on the following three areas: (a) Diagnosis of Thailand’s emissions reduction programs, (b) Analysis of Korea’s ETS, and (c) Recommendations on the legal/institutional framework of a national ETS. The project, with no cost implication for GGGI, will run for six months.
13. **MoU with Swiss Development Cooperation (SDC):** Discussion is underway with SDC to initiate the second phase of SDC-GGGI Strategic Water Partnership 2014-2016. The project is estimated to be USD 1.1 million covering three possible countries.

**Addendum to Proposed Supplementary and Revised Budget 2014**

POSCO funded GGGI in 2012 as part of their corporate social responsibility program. This was to support a smart-grid project initiated by GGGI Abu Dhabi Office. A total of USD 188,310.10 is remaining balance from the project. As recently confirmed by POSCO, this amount could be utilized to organize the GGGI Assembly Event in November 2014. Of this amount, the Secretariat proposes to use USD 110,310.10 for the Assembly Event. The remaining amount of USD 78,000 has been budgeted for Capacity Development program under the Biennium Work Program and Budget 2015-16.