



Global Green Growth Institute

Seventh Meeting of the Management and Program Sub-Committee

April 24 – 25, 2018; Seoul, Republic of Korea

Summary of the Seventh Meeting of the Management and Program Sub-Committee

Opening of the Meeting

1. The Seventh Meeting of the Management and Program Sub-Committee (MPSC) was attended by participants from Australia, Costa Rica, Norway, Republic of Korea and Rwanda, as well as by observers from Denmark, Fiji, Hungary, Jordan, Paraguay, Qatar and the United Kingdom.
2. The meeting was chaired by Norway, represented by Ms. Vedis Vik, Senior Adviser, Department for Climate Change, Ministry of Climate and Environment.
3. Annex 1 provides the list of participants.
4. Annex 2 provides the list of sessional documents.

Adoption of Agenda Items

5. Delegates adopted the Agenda [MPSC/2018/AG/1], circulated by the Institute on April 9, 2018.

Progress Report from the Director-General

6. The Institute presented an overview of the *Director-General's Progress Report*, highlighting the results achieved by the Institute in 2017. The Director-General underscored that his first priority was to deliver outcomes and impacts, and that good progress had been made in that regard. The Institute noted that it continued its good track record in developing green policies and was successful for the first time in 2017 in helping members to mobilize green and climate finance at a more significant scale, with over half a billion dollars raised. Also, for the first time, this funding included projects funded by the private sector.
7. The Institute noted that in the course of the meeting, it would be presenting further in-depth information on how it was transitioning from an output-based model to one that

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emphasizes outcomes and impact on the ground. The Institute further noted that it will also present its financial situation, noting that it is also making a transition in its operational model, from one that was predominantly funded through core resources to one with a higher percentage of earmarked resources. It elaborated that while the Institute was successful in renewing the agreements with core donors, the amount of core funding is on the decrease while earmarked funding is set to increase. The emphasis was made that the Institute is ramping up efforts to mobilize earmarked resources and has been successful in developing a sound pipeline of project proposals likely to generate earmarked income for the institute in the next biennium at a level of over \$20 million per annum. The Institute highlighted that in 2017 a strong partnership has been developed with the Green Climate Fund (GCF), particularly related to delivering GCF's readiness program in GGGI member countries. Fifteen countries have selected GGGI as the delivery partner for the GCF Readiness Program. The Institute also noted that it is reworking its business model to adapt to these changes, including by improving its processes and reducing inefficiencies.

8. Delegates commended the good progress being made by the Institute and the results produced in 2017. Delegates welcomed the new President of the Assembly and Chair of the Council, Mr. Ban Ki-moon, and the positive impact that would have on the Institute's work. Delegates emphasized that the Institute must demonstrate value-for-money and concrete results towards transformational change on the ground.
9. Delegates then held a discussion on the ongoing transition from a mostly core-based funding structure to a half-core/half-earmarked funding model envisaged by the Institute and how that would impact the projects on the ground. The Institute noted that it had been fortunate to have had a high-level of core funding which is not common in similar organizations and that the expansion of earmarked funding to about 50% of the budget still includes a healthy level of core funding at 50% as well. It is aware of the risk that earmarked resources can lead to fragmented activities not in line with the Institute's Strategic Plan. The Institute highlighted that it is undertaking strategic activities to seek earmarked funding aligned with the Country Planning Frameworks in place and under development. It noted that the funding received through the GCF, for example, amounting to about USD 5-6 million to date, finances activities that are very closely aligned with the activities funded by its own core resources.
10. Delegates urged for a careful balancing in finding the right ratio between core and earmarked resources and how the Institute chooses to 'grow' and replicate its successes. The Institute reassured delegates that this is indeed a primary concern of management. It highlighted that a key challenge in the financial transition is to reduce its relatively high overheads and it is working on increasing efficiency. The Institute noted also that it is aware of the need to strike a right balance between building internal expertise through staff and hiring in external expertise through consultancy, with the goal being to build sufficient in-house expertise to provide added value, without losing the flexibility provided by consultants.

11. Delegates took note of the Director-General's Progress Report contained in MPSC/2018/1.

Review of Financial Statements and Work Program and Budget 2017

12. The Institute presented its 2017 financial results, including an overview of its financial position, comprehensive income, cash flows, and additional notes to the financial statements. The external auditor, Ms. Claire Lee of KPMG, also presented the audit report to the MPSC, noting no irregularities.
13. Delegates held a discussion on the retained surplus and contingency plans for unforeseen lack of income. The Institute reassured that its 2019-2020 preliminary budget was drawn upon reasonable expectations, and that it includes a 5% unallocated budget for contingency.
14. The Institute also made a presentation on the results achieved in the context of its Work Program and Budget in 2017, showcasing key results in strengthening green growth policies, mobilizing green investments and sharing green growth knowledge. The Institute also provided an overview of the projects conducted by the Office of Thought Leadership.
15. Delegates commended the good progress made and encouraged the Institute to further showcase its achievements. Delegates noted that the Institute must demonstrate solid results on the ground to attract donors and in that regard to further improve upon its reporting of results achieved.
16. The MPSC decided to recommend to the Council the approval of the audited financial statements for 2017.

Work Program and Budget 2018

17. The Institute presented the financial projections and comparisons for the biennium budget, including a trend analysis of the Institute's operating income, expenditures, and the utilization of the retained surplus.
18. The Institute also provided an overview of planned results in the context of programs approved for the Work Program and Budget 2018, which aims to deliver 34 green growth policies, mobilize US\$500 million in green investments, improve knowledge sharing and learning, and to expand from 27 to up to 33 country programs.
19. Delegates held a discussion on how the decrease in core contributions and increase of earmarked funding would affect the country programs. The Institute reassured that while core contributions are decreasing, its goal is that the total budget will be maintained at the 2017 expenditure level (USD44 million). At this level of funding,

country programs will be maintained (although some will grow, and some will shrink, depending on their success in mobilizing resources), but HQ (overhead) funding will be under pressure. The Institute noted that it is raising earmarked funding with new project proposals and is encouraged by the good progress being made on that front.

20. The MPSC took note of the updates on the Work Program and Budget 2018.

Work Program and Budget 2019-2020: Planning Directions

21. The Institute presented an overview of the Planning Directions issued to guide the preparations for the Work Program and Budget 2019 – 2020. The Institute also presented a memo on GGGI's overhead costs, putting forward a proposal to adopt a more detailed definition of overhead costs in terms of its total expenditures (not only core resources as in the current definition), establish a target overhead rate for the institute at 15% of its total expenditures in the medium term, and raise the rate to be charged to earmarked projects to the same 15% (full cost recovery).
22. Delegates requested the Institute to provide further information on the overhead proposals put forward, including a comparison analysis with other similar organizations, and come back to this issue in the next MPSC meeting (virtual) in July 2018.
23. The MPSC took note of the Planning Directions and decided to continue discussions on the issue of overhead costs in the next meeting.

Reclassification of LDC Country Category: The Case for Vulnerable Countries

24. The Institute presented the case for changing its definition of priority countries from Least Developed Countries (LDCs) to Vulnerable Countries, putting forth a proposal to the MPSC to recommend to the Council to: (1) adopt the definition of vulnerable countries as maintained by UNOHRLLS; and (2) change its resource allocation priority to allocate at least 50% of its programmatic resources to these vulnerable countries. The Institute also noted that the current classification of LDCs based on gross national income does not take into account the actual vulnerability of certain countries. The Institute noted that it has been requested by the members and partners to expand its programs in the Pacific and the Caribbean region, countries that have low capacity and highly vulnerable to external shocks, but some are not classified as LDCs.
25. Delegates concurred that that classification based solely on gross national income may not be most equitable but suggested that the Institute elaborate on the proposals, including by examining other classifications employed in the context of the UNFCCC and the SDGs. Especially, Costa Rica noted that the reclassification or the re-definition need to be more inclusive.

26. Delegates also sought further clarification on the actual impact the reclassification would have on resource allocation and the Institute clarified that the practical implication would be to do more for Small Island Developing States particularly, and to have predictability as some countries change in and out of the LDC category.
27. The MPSC decided to continue its deliberations on the case for vulnerable countries in the next meeting.

Draft Partnerships and Resource Mobilization Action Plan

28. The Institute presented the draft *Partnerships and Resource Mobilization Action Plan*, providing an overview of the framework to ensure sustainable funding for operations. The tabling of the draft Action Plan followed the discussion of a Partnership and Resource Mobilization: Issues Paper [A/2017/2-C/2017/2] that was presented to the Assembly and Council session in October 2017. The October discussion was followed by GGGI's own evaluations [e.g. MPSC/2017/25A] and that of development partners that have highlighted the need to focus greater attention to partnerships and resource mobilization, by both headquarters and country teams in a coordinated manner.
29. The Institute and Members agreed core contributions are preferred, and efforts are needed to ensure that current Members renew their core contributions, at least at the current level, in order to achieve the core funding target in the Strategic Plan of USD 30 million per year. However, noting that core contributions have recently declined, the Institute will focus efforts to mobilize earmarked funding to maintain current levels of operations, if not expand programming. The MPSC agreed on the need to explore innovative funding sources to lay the foundation for funding implementation of the strategic plan for 2020-2030, with work to start on this in 2018 in consultation with the Members and potential partners, including from the private sector.
30. The Institute presented its current resource mobilization pipeline and highlighted efforts underway to secure the renewal of core funding and mobilize earmarked funding. These efforts include (a) demonstrating GGGI's impact and the value for money of its operations through improved results-based management; (b) demonstrating GGGI's sound management systems through a Pillar Assessment to be entrusted with implementation of the EU Budget, and to qualify GGGI as a Public International Organization for USAID; (c) revising GGGI's Project Cycle Management to ensure coordinated resource mobilization efforts aligned with the Institute's mandate; and (d) building the capacity of GGGI teams through donor intelligence and training programs.
31. Members endorsed the Institute's proposal to reactivate the Donor Consultative Group, as outlined in the annex of the Action Plan, but proposing that greater clarity be provided on the means that the Group will convene and the term that it will exist. The Institute will subsequently reach out to current development partners to seek their guidance on entities to be included.

32. Members proposed they also support the Institute in outreach to prospective development partners and member countries through their bilateral channels and requested that the Institute share information on the status of current engagements. The Institute welcomed this proposal and suggested that a standard format and frequency for reporting be established, as well as a mechanism for feedback from Members on their bilateral outreach.
33. The MPSC took note of the draft Partnerships and Resource Mobilization Action Plan.

Thought Leadership and Green Growth Knowledge Platform

34. The Institute presented updates on the work of the Office of Thought Leadership, including its 2018 Work Plan. Highlights of the ongoing projects include developing the strategic outcomes for 27 countries and green growth readiness in 7 African countries; the Green Growth Index and Simulation tool; LDC renewable energy and energy efficiency initiative; capacity building and climate diplomacy.
35. Delegates noted that the Institute's work to bring about transformational change on the ground is its niche and that there were also other organizations working on research and analysis in the green growth arena. In that regard, the delegates indicated the need to work on areas of comparative advantages for the Institute. The Institute noted that the Office of Thought Leadership is a small group of in-house experts that is necessary to support positioning of GGGI's agenda in the global green growth discourse, and to support global, multi-county, and/or multi-theme initiatives aimed at country program needs.
36. Delegates held a discussion on the development of the Green Growth Index, urging for careful use of data and collaboration with credible partners. The Institute assured that the data is sourced from internationally recognized sources and it works with leading experts in the field. The Institute promised that the Green Growth Index will be submitted to the Council for its review.
37. Delegates also heard a presentation on recent developments on the Green Growth Knowledge Platform (GGKP) expansion plans, and commended the work being done. Delegates were encouraged to see such useful collaboration and gathering of relevant stakeholders.
38. The MPSC took note of the updates on the Office of Thought Leadership and the Green Growth Knowledge Platform Strategy and Work Programme.

Recent Evaluation Findings and Lessons

39. Delegates heard presentations by independent evaluators, Ms. Julia Larkin and Mr. Ramiro Barrios, on the results of their evaluations on the Thailand and Mexico country program respectively. The Institute also provided a presentation on the Institute's management response, noting the improvements suggested as well as the key achievements made by the respective country teams, including the adoption of a Green Growth Strategy by the Sonora state of Mexico and a US\$1.2 million investment by a steel piping producer under the Thai NDC Action Plan.
40. Delegates held a discussion on what support could be provided to the country programs to overcome some of the difficulties encountered, including support by headquarters.
41. Delegates also encouraged the country programs to engage and collaborate with donor country presences on the ground.
42. The Institute reassured that it works collaboratively with other international organizations and partners on the ground including with donor countries, i.e. DANIDA in Mexico.
43. The MPSC took note of the recent evaluation findings and lessons.

Update on Risk Management

44. The Institute presented an update on the work conducted to manage risks related to the organization's reputation, operational program and portfolio, finance, legal, information technology and data, human resources and work environment. It was noted that the Institute's Management Team conducted a review of the Framework and Matrix in March 2018, in accordance with the Risk Management Framework that requires a review every six months.
45. The Institute noted that it operates in an inherently high-risk environment, oftentimes taking forerunning positions and pursuing innovative business processes and technology. In that context the Institute emphasized that it is committed to taking strong corporate risk management practices and prudent business processes to mitigate such risks that the Institute may experience.
46. Delegates sought more information on mitigation of operational risks, and the Institute noted that it had extensive risk recovery coverage, including host country agreements that provide certain immunities, and that country planning frameworks and projects include a risk management component that is regularly reviewed. The Institute answered that it undertakes vigorous results monitoring in order to ensure that it delivers results.

47. Delegates also enquired about business contingency plans to which the Institute reassured that standard operating procedures were in place to handle emergencies, including emergency plans and committees at both headquarters and country offices to ensure business continuity. The Institute also made a point that it is continuing to employ cost-effective business continuity practices, including the recent transition to a cloud-based system and doubling of internet lines to eliminate the need for server back-ups.
48. The MPSC took note of the updates on Risk Management.

Accountability and Safeguards Systems

49. The Institute presented an overview of the accountability and safeguards systems and planned initiatives for continuous improvements. The Institute introduced that it had recently adopted an Accountability Framework, which contains good governance policies encompassing both GGGI operations and programs. The institute presented its work to build organizational mechanisms for the systematic addressing of program and project level safeguarding, which includes attention to environmental and social safeguards, gender and social inclusion. The Institute also highlighted its commitment to create a safe and trusted environment, including through the Code of Conduct and Staff Rules and Regulations to ensure that staff work in an environment free of discrimination and harassment. The Institute noted that its Sustainability and Safeguards Rules, Private Sector Engagement Rules, Guidelines for GGGI Anti-Corruption and Whistleblower Policy, Compliance Review Mechanism and Procurement Rules are other tools at hand to mitigate and manage risks to the Institute.
50. Delegates commended the efforts being made by the Institute to ensure accountability and safeguarding of its operations and programs. Delegates underscored the importance of safeguarding every step of business activities and to ensure that the rules and policies in place are being followed, including by the country offices.
51. The Institute also presented the plan on reporting, with the intention to report annually to the Assembly on the Institute's work on integrity, ethics and accountability, including data on any investigations and actions taken. The Institute also confirmed that in case of grave misconduct or integrity violations, concerned Members would be informed separately, as appropriate.
52. The MPSC took note of the updates on the accountability and safeguards systems.

Eighth Meeting of the MPSC and the Provisional Agenda of the Seventh Session of the Assembly and Eleventh Session of the Council (Joint Session)

53. The Institute put forward a proposal to the Members on: (1) whether to convene another meeting of the MPSC in 2018, and if so, whether to hold that meeting in person or virtually; and (2) the date, location and provisional agenda for the Seventh Session of the Assembly and Eleventh Session of the Council (Joint Session) for recommendation to the Council.
54. Delegates were of the consensus view that another in-person meeting of the MPSC would not be necessary and decided to convene a half-day meeting of the MPSC virtually, on a day in July 2018 to be determined by further consultation.
55. Delegates were agreeable to the proposed date of the Seventh Session of the Assembly and Eleventh Session of the Council (Joint Session) in October 2018, and requested that meetings do not overlap with the board meetings of the Green Climate Fund and Conference of the Parties to the UN Framework Convention to Combat Climate Change (UNFCCC).
56. Delegates suggested that the draft Provisional Agenda of the Seventh Session of the Assembly and Eleventh Session of the Council (Joint Session) include the necessary updates from the Institute's work, including on the Green Growth Index. The Institute noted that the issues of reclassification of vulnerable countries and overhead rate area matter of urgency in order to incorporate it into the preparations for the draft Work Program and Budget 2019-2020, thus the Institute introduced its plans to conduct consultations in order to take a decision on it before the convening of the Assembly and Council joint session.
57. The MPSC invited the Institute to consider the suggestions and comments made to the draft Provisional Agenda of the Seventh Session of the Assembly and Eleventh Session of the Council (Joint Session), and to revise the provisional agenda accordingly. The MPSC further invited the Institute to circulate a draft decision to the Council on the date and location of the Seventh Session of the Assembly and Eleventh Session of the Council (Joint Session) as proposed by the Institute.

Any other business

58. Republic of Korea, as host country, thanked the Chair for her leadership and commended the Institute for a well-organized Meeting of the MPSC.

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ANNEX 1 List of Participants

Australia

Ms. Sandra I'Anson, Senior Policy Officer, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade

Costa Rica

Ms. Silvia Rojas Fernández, Director, Sustainable Biodiversity Fund (FBS), Ministry of Environment and Energy (*via videoconference*)

Ms. Sofia Salas Monge, Minister Counsellor, Embassy of the Republic of Costa Rica to the Republic of Korea

Norway

Ms. Vedis Vik, Senior Advisor, Department for Climate Change, Ministry of Climate and Environment

Ms. Kristine Stubberud, Senior Advisor, Climate, Energy and Environment, Norwegian Agency for Development (NORAD)

Republic of Korea

Mr. Chang Soo Kim, Director, Green Economy and Environmental Diplomacy Division, Ministry of Foreign Affairs

Ms. Jai Hee Yoon, Third Secretary, Green Economy and Environmental Diplomacy Division, Ministry of Foreign Affairs

Rwanda

Her Excellency Emma-Françoise Isumbingabo, Ambassador Extraordinary and Plenipotentiary, Embassy of the Republic of Rwanda to the Republic of Korea

Mr. Edward Kyazze, Division Manager, Urbanization, Human Settlements and Housing Development, Ministry of Infrastructure

Ms. Coletha Uwineza Ruhamy, Director General, Rwanda Environment Management Authority

Denmark (observer)

Ms. Dorthea Damkjaer, Chief Advisor, Multilateral Cooperation and Climate, Ministry of Foreign Affairs

Fiji (observer)

Mr. Joreti Dakuwaqa, Charge d'affaires ad interim, Embassy of the Republic of Fiji to the Republic of Korea

Ms. Patricia Chand, Third Secretary, Embassy of the Republic of Fiji to the Republic of Korea

Hungary (observer)

Mr. Balázs Hamar, Counsellor for Science and Technology, Embassy of Hungary to the Republic of Korea

Jordan (observer)

His Excellency Adel Adaileh, Ambassador Extraordinary and Plenipotentiary, Embassy of the Hashemite Kingdom of Jordan to the Republic of Korea

Ms. Wala' Abed Aljawad, Officer, Embassy of the Hashemite Kingdom of Jordan to the Republic of Korea

Paraguay (observer)

Mr. Fabian Ybarra, Second Secretary, Embassy of the Republic of Paraguay to the Republic of Korea

Qatar (observer)

Mr. Jassim Al-Moftah, Second Secretary, Embassy of the State of Qatar to the Republic of Korea

United Kingdom (observer)

Mr. Dan Jollans, Lead, Growth & Resilience Department, Department for International Development

GGGI

Dr. Frank Rijsberman, Director-General

Mr. Robert Dawson, Deputy Director-General and Head of Operations Enabling Division (OED)

Ms. Mahua Acharya, Assistant Director-General and Head of Investment and Policy Solutions Division (IPSD)

Mr. Chanho Park, Deputy Head of Green Growth Planning and Implementation Division (GGP&I) and Head of Programs, LAC and Middle East

Dr. Lilibeth Acosta-Michlik, Project Manager, Green Growth Performance Measurement, Office of Thought Leadership, ODG

Ms. Christel Adamou, Senior Officer, Human Resources, OED

Mr. Orestes Anastasia, Deputy Head Office of Thought Leadership, ODG

Dr. Pranab Baruah, Principal Specialist, Research and Analysis, Office of Thought Leadership, ODG

Mr. Keeyong Chung, Director of Governance, ODG

Ms. Sirpa Jarvenpaa, Director, Office of the Director General, Strategy, Partnerships and Communications

Mr. Dave Kim, Special Advisor to the President of the Assembly/Chair of the Council & Outreach Officer, ODG

Ms. Anne Kwak, Governance Officer, ODG

Ms. Linda Lundqvist, Head of Legal, OED

Mr. Siva Muthusamy, Director of Finance, OED

Mr. Warin Nitipaisalkul, Head of Impact and Evaluation, OED

Dr. Dereje Senshaw, Principal Specialist, Research and Analysis, Office of Thought Leadership, ODG

Mr. James Sheppard, Head of Partnerships, ODG

Ms. Ingvild Solvang, Senior Gender and Social Development Specialist, GGP&I

Mr. Saki Tuisolia, Strategy, Change Management and Corporate Reporting, ODG

External presenters

Mr. Ben Simmons, Head of Secretariat, Green Growth Knowledge Platform

Ms. Julia Larkin, IDEAS for Energy

Mr. Ramiro Barrios, independent consultant

ANNEX 2 List of Sessional Documents

MPSC/2018/AG/1	Agenda of the Seventh Meeting of the Management and Program Sub-Committee (MPSC)
MPSC/2018/1/Rev	Director-General's Progress Report
MPSC/2018/2	GGGI Financial Summary
MPSC/2018/2-1	Audited Financial Statements
MPSC/2018/3/Rev	GGGI Results Report 2017: Performance against the Corporate Results Framework Attachments: Project Results Reports
MPSC/2018/4	Investment and Policy Solutions: Status of portfolio including policy projects
MPSC/2018/5	Biennial Projections and Comparisons
MPSC/2018/6	Work Program 2018
MPSC/2018/7	Planning Directions for the Preparation of the Work Program and Budget 2019-2020
MPSC/2018/8	Memo on GGGI Overhead
MPSC/2018/9	Reclassification of LDC Country Category: The Case for Vulnerable Countries
MPSC/2018/10	Draft Partnership and Resource Mobilization Action Plan
MPSC/2018/11	Office of Thought Leadership 2018 Work Plan
MPSC/2018/12	Green Growth Knowledge Platform (GGKP) Strategy and Work Program
MPSC/2018/13	Thailand Country Program Evaluation Report
MPSC/2018/14	Mexico Country Program Evaluation Report
MPSC/2018/14a	Update on implementation of evaluation recommendations
MPSC/2018/15	Update on Risk Management
MPSC/2018/16	Accountability and Safeguards at GGGI
MPSC/2018/17	Note on 2018 Sessions of the Governance Organs

A/2018/AG/1 –
C/2018/AG/1

Draft Provisional Agenda for the Seventh Session of the Assembly
and Eleventh Session of the Council (Joint Session)