Global Green Growth Institute

Draft Work Program and Budget (WPB) 2019-2020

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Attachment: Compendium of Business Plans

The Compendium of Business Plans can be accessed at this link: click here

II. List of Abbreviations

Abbreviations	
ASU	Administrative Services Unit
CBP	Country Business Plan
CPF	Country Planning Framework
CRF	Corporate Results Framework
CRM	Constituent Relationship Management
DFID	Department for International Development (of UK Government)
DEWAT	Decentralized Wastewater Treatment
GCF	Green Climate Fund
GGPA	Green Growth Potential Assessments
GGPM	Green Growth Index
GHG	Green House Gas
GIS	Green Investment Services
GLU	GCF Liaison Unit
HIC	High Income Country
HR	Human Resources
IATI	International Aid Transparency Initiative
IEU	Impact and Evaluation Unit
INDC	Intended Nationally Determined Contribution
LDC	Least Developed Country
LEDS	Low Emission Development Strategy
MIC	Middle Income Country
MPSC	Management and Program Sub-Committee
NDC	Nationally Determined Contribution
NFV	National Finance Vehicle
ODG	Office of the Director General
OECD	Organisation for Economic Cooperation and Development
OECS	Organisation of Eastern Caribbean States
OED	Operations Enabling Division
OIAI	Office of Internal Audit and Integrity
Paris Agreement	UNFCCC Paris Accord
PCM	Project Cycle Management
SDG	Sustainable Development Goal
SME	Small and Medium Enterprises
SO	Strategic Outcomes
SPC	Strategy, Partnerships and Communication Department
SPRSI	Safeguards Poverty Reduction and Social Inclusion
SSU	Sustainability and Safeguards Unit
TL	Thought Leadership
TSU	Technology Services Unit
UNFCCC	United Nations Framework Convention on Climate Change
VfM	Value for Money

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IV. Executive Summary

1. Results and Targets

The Global Green Growth Institute (GGGI) has achieved solid success in demonstrating the value it adds in the current biennium, 2017-18. GGGI contributed to adoption of ***17*** green growth polices by its member and partner countries in 2017. It contributed to mobilizing green and climate finance for investment projects and vehicles in its member and partner countries for a total amount of USD ***524*** million in 2017, to the stage of demonstrated investor commitment. GGGI is on track to exceed its ***USD 500*** million green finance target in 2018 and proposes to set annual targets of ***USD 600 and USD 700 million for 2019 and 2020***, respectively, in this Work Program and Budget (WPB). If achieved, this brings the total of green and climate finance mobilized by GGGI for its member and partner countries during the current strategic plan period (2015-2020) to over ***USD 2.5 Billion***. This is four times the increased target set in the Revised Strategy adopted by Council in October 2016 of ***USD 600 million***. This demonstrated early years' success, while it needs to be expanded and solidified, is taken as a validation of GGGI's core approach of working on both policy and finance from a position of teams embedded in member and partner governments.

During 2017-18 GGGI has evolved and matured its policy work from broad national green growth planning to more focused sectoral plans, NDC Action Plans, Low Emission Development Strategies, and specific targeted policy instruments such as improved fuel standards, revised feed-in-tariffs, energy efficiency standards for appliances and wastewater guidelines. In the coming biennium this focusing is expected to continue to address specific policy obstacles to public and private investment in targeted areas of green growth. GGGI proposes targets for the number of policies adopted in 2019 and 2020 of ***20 per year***, and targets of policy advisory assignments completed of ***30 per year*** in 2019 and 2020, respectively.

The Green Investment Services team initiated in 2016, evolved its processes for project origination, design and structuring during 2017 and 18, and now has a fully staffed team and a diversified pipeline of projects in the idea, design and structuring stages under development for 2018 of well over ***USD 1 Billion***, and in preparation for 2019. GGGI has an annual target to originate at least ***60*** investment project ideas, and complete at least ***20*** deals with a total value of at least ***USD 600 million*** in 2019. While the engagement with the private sector can be expanded further, early experience to date with around ***15*** projects and initiatives directly involving the private sector provides a good foundation to work from.

2. *Financial Sustainability*

GGGI has enjoyed solid and stable financial support from a small group of core contributing members on the order of ***USD 25-30 million*** per year since inception in 2012, with a relatively small share of earmarked funding from a few donors in the order of ***USD 10-15 million***. During the current biennium, the Council approved annual budgets of USD 56 million in both years, to spend down the retained surplus of ***USD 24 million***. Actual income in 2017 and projected income in 2018 amounts to only ***USD 23 million and USD 27M per annum respectively***.

GGGI therefore had an urgent challenge to provide a sustainable financial basis for the organization to grow funding to a level of at least ***USD 55 million*** per annum or face a drastic restructuring in staffing and activities in 2019.

The efforts to build distributed resource mobilization capacity in the country teams, as well as an expanded central capacity in HQ, has been very successful. From a baseline of no additional earmarked contributions signed in 2016 and an empty pipeline, GGGI has mobilized a conservative estimate of ***USD 60 million*** in earmarked projects for the 2019-20 biennium. In addition, it has a well-filled pipeline of ideas and proposals submitted that may well generate significantly more resources.

A portfolio of earmarked projects does introduce a risk of a donor-driven fragmented agenda, away from GGGI's core mission and mandate. To mitigate against this risk, GGGI has put in place strong demand-driven planning processes that closely follow member and partner development priorities, through the country planning frameworks and country business plans. GGGI has also developed strong relations with like-minded strategic partners, particularly the Green Climate Fund (GCF) and The Korea International Cooperation Agency (KOICA) with a MoU to deploy KOICA secondees (experts and volunteers) to GGGI country offices starting from 2019. Fifteen countries have now designated GGGI as the delivery partner for GCF readiness projects, with 8 such projects approved for a total of USD 4.3 million, 5 proposals submitted for a total of USD 4.1 million, as well as more recently for National Adaptation Plans in at least 2 and possibly 4 countries, for which proposals are in preparation. A strong pipeline of KOICA-funded projects has also been developed that is expected to begin funding projects in 2019. The current portfolio and pipeline of earmarked projects is closely aligned with GGGI's mission and mandate.

During the current biennium GGGI's donors expanded with Netherlands, Italy, Luxemburg, GCF,

UNDP, UNESCAP and WGEO providing funding to GGGI for the first time. There are several proposals in the pipeline that will add additional new donors, if approved, including one large private foundation. In addition, GGGI has worked with its current donors to maintain or expand their contributions, core and earmarked, and is in discussion with several countries that could provide additional core resources.

The agreement GGGI signed with the World Green Economy Organizations (WGEO) in Dubai that brings together investors from the region and possibly beyond, is a first in that it aims to provide GGGI with project preparation funding for 60 investment projects, for a fee of USD 300 thousand per project, and targeting to mobilize at least USD 1 billion through WGEO investors for GGGI member and partner countries in a three-year period. This is a first example of a new "fee for service" business model that GGGI believes has strong potential to be developed further in coming years and could contribute significantly to its financial sustainability.

3. ***Base Case and Plus Case Scenarios***

The proposed GGGI Budget is presented in two scenarios, as presented in Table 1 and developed in detail throughout this document and its Annexes.

- The ***Base Case Scenario*** is the minimum level of resources management is confident can be mobilized and that form a reasonable, conservative base for the Institute's planning. It is comprised of USD 52 million in core contributions based on current signed agreements, assuming current investors maintain their contributions through 2020. In this scenario the earmarked resources total USD 60 million, based on contracts signed and a conservative share of proposals submitted. Country envelope budgets, staff planning, and overall budgeting is based on this Base Scenario, with a total of USD 112 million, equal to the 2017-18 biennium. The budget does include several safeguards that mitigate against the risk of resources not materializing.
- The ***Plus Case Scenario*** is the aspirational target for growth, with an increase in core resources of USD 7 million and a 30%, or USD 18 million, increase in earmarked resources over the Base Case. This represents an annual growth rate of about 10%. Resources over and above the Base Case will only be programmed and expended once they are realized and as such there is no additional risk from adopting the Plus Case as a target growth scenario. Non-programmatic expenditures are presumed to remain at the same level in both the Base and Plus Cases, with expansion only in programmatic expenditures.

The programmatic resources in the 2019-20 biennium in the Base Case total ***USD 87 million***, up

from ***USD 75 million*** in 2017-18, as a result of reductions in the non-programmatic costs, notably a reduction in the budget of the Organization Enabling Division of ***20%***, implying a sharp increase in overall organizational effectiveness The share of core resources allocated to country programs from core resources has reduced drastically, compared to 2017-18, in line with the overall reduction in planned core resources from ***USD 90 million*** in 2017-18 down to ***USD 52 million*** in 2019-20.

While many country programs have compensated reduced core budgets through increased earmarked budgets in the Base Case Scenario, some have not. The Institute has introduced Budget Support, which is a budget guarantee from a pool of flexible core resources against expected earmarked income in the Plus Scenario. This enables country programs with currently relatively low revenue forecasts, but reasonable expectations of additional resources becoming available, to maintain the current level of effort (i.e. prevent letting go staff today that would have to be re-hired when projects materialize). When additional resources do come through, the Budget Support returns to the central pool and is available as a general risk mitigation resource.

The ***Base Case*** scenario represents a balanced budget, where planned expenditures equal forecast revenue – but a share of the expenditures is conditional to revenue materializing, in order to manage risk. Note that this is a significant improvement over the previous biennium, which forecast a deficit of ***USD 24 million*** for the same level of expenditures.

If the ***Plus Case*** scenario is realized, management proposes to target a surplus of ***USD 5 million*** of revenues over expenditure, in order to increase the current Operating Reserves (or Working Capital) from ***USD 10 million to 15 million***, recognizing the increased scale of the institute if the Plus Case materializes (and maintaining the same proportion of reserves as a share of total expenditures).

4. *Institutional Development and Effectiveness*

During the 2017-18 biennium GGGI invested significantly in building online, decentralized resource planning and management tools. Management, procurement, and accounting has been decentralized to a significant degree to the country teams that have evolved from project management teams to business units responsible for government relations, resource mobilization and project implementation. New systems have been acquired and implemented for online CRM (SalesForce) and online project management (GGGI Online), complementing the ERP, and creating a full suite of online productivity tools available to all offices and from all laptops of all employees. IT systems have been upgraded, bandwidth in country offices has been improved, and laptops have been replaced for all staff.

GGGI has also invested, in 2018, in the redevelopment of its core business processes. It has re-developed its Project Cycle Management, to reduce red tape, simplify and automate processes, and shift away from managing primarily fixed 2-year projects developed and put in place through the WPB and funded through core resources. In its place has come this new WPB that allocates country envelope budgets, while the organization develops projects on a continuous basis, using either core or earmarked resources, or a combination of both. To support this new model, a time sheet management tool was developed and tested with a number of teams in 2018 and will be rolled out in 2019. As a result, the organization has shifted from primarily paper-based processes to almost entirely online, paperless processes.

GGGI has used the 2017-18 biennium to prepare for a new way of working more akin to a nimble, non-profit professional services organization, serving the members with top-notch policy and financial advice and services. The final months of 2018, and the first quarter of 2019 will be critical in the transition to this new business model.

In line with the recent decision by Council to define overhead as the share of non-programmatic funds (OED and ODG divisions) of the total (combining core and earmarked), the projected overhead in 2019-20 biennium is ***22%*** in the Base Case Scenario and comes down to about ***18%*** if the Plus Case Scenario is realized. This is down from an overhead percentage of ***23%***, calculated on the same basis, in the current 2017-18 biennium, and down from ***28%*** in the biennium before that (2015-16).

In short, management believes it has taken the necessary steps to prepare GGGI for a new, more flexible and nimble business model, while reducing its overhead, thus increasing its Institutional Effectiveness significantly.

5. *Membership and Country Operations*

During the current biennium to date, two countries have formally ratified GGGI' s treaty and become a formal GGGI members (Lao PDR and Paraguay). According to our current information there are six countries close to finalizing the membership process which may complete during the biennium (Tonga, Burkina Faso, Colombia, Uganda, Sri Lanka and Kuwait).

The institute has also signed Host Country Agreements with 8[1] (Cambodia, Lao PDR, Senegal, United Arab Emirates*, Colombia*, Kiribati, Uganda, and Indonesia*) and another Host Country Agreement for its Africa Regional Office in Ethiopia during the biennium.

GGGI has recently received an increased number of expressions of interest to join from new countries, particularly since the new President, Mr. Ban Ki-moon, has started his term. Formal expressions of interest to join were received recently from Sri Lanka, Egypt, Kazakhstan, Sudan, and Zambia. In total, the number of countries that are in the pipeline to join GGGI as a member is about the same as the current total number of members. If all these countries join as members, membership will double to around 55-60 in the coming biennium.

GGGI has expanded its country operations from 25 countries at the start of the biennium to 33 in 2018 (adding Mozambique, Myanmar, Hungary, Burkina Faso, Kiribati, PNG, Guyana, OECS/St Lucia). Expansion of GGGI country operations depends on the availability of additional resources, either from the country itself for high-income countries (such as for Hungary, Qatar or Kuwait), or from additional resources such as from GCF, or other earmarked projects. In addition, GGGI has approached specific new donor countries with proposals to expands our program in areas of specific interest, including New Zealand to expand GGGI's program in the Pacific and France to expand GGGI's program in francophone Africa.

6. *Staffing*

GGGI has increased its staffing from 160 positions at the beginning of the current biennium to 310 staff positions (283 staff in position and 27 vacancies) currently. The overall disposition has shifted from a majority of staff in HQ to a majority of staff in the field (56% currently). In the Base Case staff numbers will stabilize at current levels. In the Plus Case scenario, additional staff will be recruited to deliver new projects as and when they materialize. New positions will be predominantly in the country programs and total staffing is not expected to exceed 350 positions.

7. *Conclusion*

GGGI has maintained and sharpened its policy focus and significantly increased its achievements and aspirations in contributing to mobilize green and climate finance for its member and partner countries. From a target approved by Council in 2017 to mobilize a cumulative USD 600 million by 2020, management now proposes an increased cumulative target of USD 2.5 billion for 2020, of

[1] * The Host Country Agreement signed with this country is not yet effective pending completion of national requirements for entry into force.

which well over USD 1 billion will already have been achieved by end 2018.

Sharply increased resource mobilization has resulted in a projected earmarked project revenue of USD 60 million for the biennium, enabling GGGI to project a Base Case balanced budget scenario of a stable USD112 for 2019-20. Efforts to increase the organizational effectiveness have resulted in a reduction of the projected overhead percentage to 18-20% for the coming biennium.

Table 1. Final WPB 2019-2020 Budget Summary

Year 2019-2020 (USD mil)									
		A	B	C	D	E	F	J	K
		Base Case Funding					Plus Case Funding		
#	Countries	Core allocation	Highly/likely Earmarked	Base Case Total (A+B)	Expenditure allocated	Budget Support	Core Allocation	Expected Earmarked	Plus Case Total (F+J)
1	Colombia	0.45	2.17	2.62	2.62		0.53	2.64	3.17
2	Costa Rica	0.19	0.20	0.39	0.39		0.22	0.40	0.62
3	Guyana	0.19	0.85	1.04	1.04		0.22	0.85	1.07
4	Mexico	0.15	1.20	1.35	1.35		0.18	3.32	3.50
5	Carribean	0.16	0.25	0.41	0.41		0.19	0.80	0.99
6	Peru	0.80	0.20	1.00	1.20	0.20	0.94	1.55	2.49
7	Qatar	0.00	5.00	5.00	5.00		0.00	10.00	10.00
8	UAE	0.00	3.00	3.00	3.00		0.00	4.00	4.00
LAC & Middle East Total (i)		**1.94**	**12.87**	**14.81**	**15.01**	**0.20**	**2.29**	**23.56**	**25.85**
9	Burkina Faso	0.36	1.00	1.36	1.36		0.42	2.88	3.30
10	Ethiopia	1.50	0.60	2.10	2.45	0.35	1.77	2.45	4.22
11	Hungary	0.00	0.80	0.80	0.80		0.00	2.00	2.00
12	Jordan	0.90	0.45	1.35	1.35		1.06	2.19	3.25
13	Morocco	0.16	1.00	1.16	1.16		0.19	3.17	3.36
14	Mozambique	0.36	0.46	0.82	1.02	0.20	0.42	2.31	2.73
15	Rwanda	1.60	1.26	2.86	3.36	0.50	1.89	3.49	5.38
16	Senegal	1.30	1.20	2.50	2.50		1.53	2.75	4.28
17	Uganda	0.36	1.71	2.07	2.07		0.42	2.91	3.34
Africa & Europe Total (ii)		**6.54**	**8.48**	**15.02**	**16.07**	**1.05**	**7.72**	**24.15**	**31.87**
18	Cambodia	1.40	0.30	1.70	1.70		1.65	2.06	3.71
19	China	0.15	0.00	0.15	0.55	0.40	0.18	1.79	1.97
20	Fiji	1.00	1.18	2.18	2.40	0.22	1.18	7.77	8.95
21	India	0.15	0.10	0.25	0.60	0.35	0.18	1.44	1.62
22	Indonesia	0.15	7.04	7.19	7.19		0.18	12.17	12.35
23	Kiribati	0.36	0.00	0.36	0.36		0.42	0.19	0.61
24	Lao PDR	0.85	4.44	5.29	5.29		1.00	4.44	5.44
25	Mongolia	1.00	0.04	1.04	1.34	0.30	1.18	0.89	2.07
26	Myanmar	0.36	1.19	1.55	1.55		0.42	9.29	9.71
27	Nepal	0.35	0.95	1.30	1.50	0.20	0.41	2.45	2.86
28	Papua New Guinea	0.10	3.33	3.43	3.43		0.12	6.53	6.65
29	Philippines	1.00	1.57	2.57	2.57		1.18	5.21	6.39
30	Thailand	0.58	0.00	0.58	0.88	0.30	0.68	0.71	1.39
31	Tonga	0.15	0.00	0.15	0.19	0.04	0.18	0.00	0.18
32	Vanuatu	0.80	1.69	2.49	2.49		0.94	1.69	2.63
33	Viet Nam	1.00	0.00	1.00	1.50	0.50	1.18	1.90	3.08
Asia & Pacific Total (iii)		**9.40**	**21.82**	**31.22**	**33.53**	**2.05**	**11.09**	**58.53**	**69.62**
Global Total (i+ii+iii)		**17.88**	**43.17**	**61.05**	**64.61**	**3.30**	**21.10**	**106.24**	**127.34**
	Program unallocated	**2.22**		**2.22**	**0.83**		**2.54**		**2.54**
	IPSD + TL Unallocated					**2.00**			
34	WGEO		11.28	11.28	7.73			11.28	11.28
35	ODDG, incl. SPRSI				4.74	1.00			
36	IPSD OADG				1.93	0.39			
37	Global Thematic				1.83				
38	TL				3.82			0.50	0.50
39	Procurement				0.52				
40	IEU				1.28				
Program Front Offices Total		**12.74**		**12.74**	**14.12**	**1.39**	**12.74**	**0.50**	**13.24**
Programmatic Total		**32.84**	**54.45**	**87.29**	**87.29**	**4.69**	**36.38**	**70.78**	**107.16**
41	Office of the DDG				0.74				
42	Finance				1.70				
43	HR				1.80				
44	Technical Services				2.08				
45	Admin Services				1.02				
46	Legal				0.63				
47	Corp Services Center				5.30				
OED Total		**8.70**	**3.60**	**12.30**	**13.27**	**0.97**	**8.70**	**4.57**	**13.27**
48	Office of the DG				1.39				
49	Governance				1.87				
50	Strategy				1.92				
51	Partnership				1.18				
52	Communications				1.47				
53	GCF Liaison Unit				1.01				
54	Internal Audit & Integrity				1.06				
ODG Total		**7.02**	**2.44**	**9.46**	**9.91**	**0.45**	**7.02**	**2.89**	**9.91**
Non-programmatic Total		**15.72**	**6.04**	**21.76**	**23.18**	**1.41**	**15.72**	**7.46**	**23.18**
Capital Budget		2.00			2.00		2.00		
Corporate Contingency		1.84			0.43		5.30	0.40	
Grand Total		**52.40**	**60.49**	**112.89**	**112.90**		**59.40**	**78.24**	**137.64**

V. Introduction

1. The Global Green Growth Institute (GGGI) has achieved important success in demonstrating the value it adds in the current 2017-2018 biennium. In 2017, GGGI contributed to an adoption of 17 green growth polices; and generated additional green financing in a total amount of USD 524 million, tenfold of GGGI's own budget. This experience has enabled GGGI to accumulate provide unique expertise in its thematic areas of operation to Member and Partner countries and led to a solid basis for GGGI to pursue even stronger impact through green planning, policy reforms, and innovative and bold green investments. GGGI is well on its way to accomplish its 2018 target of generating additional green investments in the amount of $500 million and has a pipeline of some $700 million worth of investment proposals in progress. This together with the policy work of GGGI evidences its capacity to pursue and achieve a real impact and advancement in implementation of the global agreements to move to green economic growth. By Year 2020, GGGI aims to well-positioned as to lead the global transition toward a model of green growth that is both environmentally sustainable and socially inclusive.

2. The Work Program and Budget (WPB) 2019-2020 operationalizes GGGI's Refreshed Strategic Plan 2015–2020. It outlines a shift in GGGI's business model toward a greater reliance on earmarked resources and GGGI's staff in project implementation. These reforms aim at making GGGI a nimble organization, a go-to agency for stakeholders, a catalytic operation with a strong network of country representations and partnerships capable of implementing impactful projects, and a great place to work.

3. WPB 2019-2020 has five main sections. The first section narrates GGGI Theory of Change (TOC), its value chain, GGGI's operational role in the state of global green growth landscape and our achievements in the last biennium FY17-18. The second section illustrates GGGI's resource allocation in the base case and plus case financial projections in FY19-20. WPB 2019-2020 includes two scenarios for resource allocation based on the assumed levels of core and earmarked contributions for the biennium – a Base and a Plus Scenario. GGGI is confident that it will attain the level of operations defined in the base scenario, but aspires at country level to the plus scenario, particularly in terms of striving toward greater earmarked resources to balance its reliance more equally among core and earmarked funding of the program. GGGI also holds an ambition to increase its access to core resources up from their current level. The WPB 2019-2020 allocates resources to GGGI's programmatic areas through country and thematic envelopes, non-programmatic operations, and contingency and unallocated envelopes used to respectively to

address arising situations and opportunities and provide resources for new Member countries joining GGGI during the biennium.

4. Under a biennial envelope, section three details the plans and delivery of 'ONE GGGI' integrated offerings of technical services in programmatic areas including Sustainable Energy, Sustainable Landscapes, Water and Sanitation and Green Cities, Green Investment Services, Safeguards, poverty reduction and social inclusion, Thought Leadership and Knowledge. These programmatic areas are aligned with GGGI's six Strategic Outcomes (i) GHG emission reduction, (ii) creation of green jobs, (iii) increased access to sustainable services, such as clean affordable energy, sustainable public transport, improved sanitation, and sustainable waste management, (iv) improved air quality, (v) adequate supply of ecosystem services, and (vi) enhanced adaptation to climate change. Programmatic areas are integrated with GGGI corporate reporting framework, results-based management system and impact evaluation. In section four, WPB 2019-2020 narrates GGGI's reforms in strategic planning process, diagnostic assessments of country planning framework, country business plans and its project cycle management to improve organizational efficiency and quality. Values, behaviors and change communications supports employee engagement to achieve GGGI's shift towards a new operating model. In the fifth and last section, WPB 2019-2020 provides our plan in enabling services, governance and management to achieve stronger organizational effectiveness. Our biennium plan also addresses GGGI's approach to deliver value for money for stakeholders.

5. This WPB encapsulates important changes to GGGI's operational business model, which are aimed at improving GGGI's effectiveness, client responsiveness, flexibility and agility, and capacity to make tangible contributions in the context of the global climate and sustainable development compacts. It also incorporates an adjustment to its funding model, moving it toward a greater balance between core contributions and earmarked funding of its operations.

VI. Theory of Change and GGGI Value Chain

6. In response to the ever more pronounced global environmental and climate change challenges that are inflicting permanent damage to the planet and posing serious threats to human existence and survival, GGGI's paramount vision is to achieve a resilient world of strong, inclusive and sustainable growth. GGGI's objective is to achieve this through a global transition to a model of green growth, with core strategies relating to simultaneous efforts at poverty reduction, gender equality, social inclusion, environmental sustainability, and economic growth. These objectives are central to the global climate agreements such as the Paris Climate Agreement and the SDGs.

7. GGGI's Theory of Change (TOC) articulates a clear vision and ambition to ensure a resilient world of strong, inclusive and sustainable economic growth to be achieved through the transformational development of partner countries toward a green growth model. GGGI anchors its impact to six strategic outcomes, which capture the key elements of a partner countries' commitments to the global agreements and to green growth transformation, including poverty reduction, social inclusion, environmental sustainability and economic growth. Ultimately, the aim is to support and build the capacity of partner countries that:

i. create the enabling policy and regulatory environment for green growth;
ii. mobilize green investments to generate direct project benefits; and
iii. provide related supportive capacity building and knowledge sharing.

8. These key activity areas represent our intermediate outcomes. The outputs that GGGI will invest in at the country and global levels will concentrate on driving change in the four primary thematic areas, namely green cities, sustainable energy, sustainable landscapes, and water and sanitation. The thematic groups of experts at GGGI work in tandem with GGGI's country offices to provide advisory services and technical assistance and prepare investment projects that enable partner countries access additional investment resources for green growth projects.

9. TOC is expressed in GGGI's roadmap that visually shows how our work will lead to the desired vision of a resilient world of strong, inclusive and sustainable economic growth. It is also representation GGGI's Refreshed Strategic Plan 2015-2020, operational business model and evidence based-results and is, furthermore, embodied in what we refer to as GGGI's Value Chain and, finally, accentuated in our commitment to learning through GGGI's Results Based

Management (RBM) system.[2]

Figure 1. GGGI Value Chain

10. The RBM system drives implementation of our projects and results through the various process steps in GGGI's green growth value chain, leading ultimately to meeting our goals that link the project level outcomes and contributions to GGGI's strategic objectives and subsequently to the global climate compacts and SDGs. The value chain denotes ae sequence of our interventions, starting with country diagnostic analysis and green impact assessments followed by the incorporation of green strategies in broader development and sector strategies, identification of green reforms in policies and plans, and the preparation of bankable green growth projects for public and private sector financing. Each component of the value chain is followed by a systematic appraisal process that captures learning and sharing of lessons and experience to improve the quality of our processes and results. We engage with partner countries in the delivery of our programs through collaboration throughout the Institute under an integrated 'ONE GGGI' model.

11. The evidence from our 2017 corporate results and the programmatic content of the current biennium WPB 2017-2018 reflects GGGI's prioritized acceleration of green growth investment mobilization and a transformational shift on the ground with impacts and contributions to GHG emission reductions, green jobs, access to sustainable services, greater ecoservices, better air quality and improved resilience of communities in the developing and emerging countries. This signals a shift in our strategic emphasis towards the 'right side' of the value chain which will accelerate the transformational change of partner countries through greater visibility of green growth outcomes and impact.

[2] RBM serves as a strategic management tool that integrates and drives GGGI's value chain business process and services towards to achievement of higher level outcomes and impact which align with our partner countries NDC and SDG commitments and national development priorities.

VII. Global Green Growth and GGGI's Operational Role

12. While economic growth in the last two decades has dramatically reduced poverty, the conventional focus on growth alone is threatening the earth's life support systems, natural resource sustainability, exacerbating inequity and vulnerability. The green growth model, at the heart of GGGI's mandate, promises economic prosperity, and makes possible concurrent poverty eradication, socially inclusive development, and environmental sustainability.

13. Since the United Nations Conference on Sustainable Development in 2012 (Rio+ 20 Earth Summit), where GGGI was formally established as an international organization, many developing and emerging economies have embraced green growth as a vehicle for sustainable development. The momentum behind the adoption of green growth planning, green policies, and green investments – central to GGGI's mandate – has been reinforced with the global landmark agreements in the United Nations SDGs and country commitments in the NDCs under the Paris Climate Agreement.

14. The concept of green growth has grown in importance to many countries around the world. GGGI defines green growth as "a development approach that seeks to deliver economic growth that is both environmentally sustainable and socially inclusive. It seeks opportunities for economic growth that are low-carbon and climate resilient, prevent or remediate pollution, maintain healthy and productive ecosystems, and create green jobs, reduce poverty and enhance social inclusion. [3]

15. Globally, a number of developing and emerging countries are demonstrating significant progress toward achieving green growth, addressing environmental challenges, and promoting socially inclusive development. During the past 20 years, total global poverty levels, defined as the percentage of people living on less than USD 1.90 per day, fell from 35% to 10.7% between 1990 and 2013,[4] primarily as a result of poverty reduction campaigns in China, India, and other Asian countries.

16. Countries have also made significant strides in promoting access to sustainable services. As of 2016, 97% of the world's urban population had gained access to electricity, while the

[3] GGGI Refreshed Strategic Plan 2015-2020. pg. 11.

[4] http://www.worldbank.org/en/topic/poverty/overview

electrification of rural areas had increased from 56% to 76% since 1990.[5] As of 2015, 71% of the world population had access to clean and safely managed water services and 154 countries had achieved over 75% basic coverage in sanitation services.[6] Other positive developments include the dramatic drop in prices globally for solar and wind energy, which have reached price parity with conventional (fossil) fuel electricity generation in several markets. For the first time, in 2017,[7] the amount of investment in renewable energy exceeded that for conventional energy sources.

17. These initiatives are echoed by a much broader global effort to address a range of challenges related to green growth. As of 2018, 176 counties have ratified the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC), comprising 88% of total global greenhouse gas emissions, and 170 of these countries have submitted their first NDC commitments.[8] All GGGI countries have adopted intended NDCs or INDCs, and all but three have formally submitted NDCs to the UNFCCC Secretariat. Five are in the process of preparing, or have prepared, a long-term low emission development strategies (LEDS) that go to 2050, and 14 have adopted national green financing vehicles.[9]

18. Not only evidenced by the raging forest fires and extreme temperatures during 2018, significant challenges remain, particularly in developing and emerging countries. According to the World Bank Sustainable Energy for All database, 15% of the world's population, or approximately 1.1 billion people, lacked access to electricity in 2014, most of whom were concentrated in rural areas of Sub-Saharan African and South Asia. At the same time, more than 3 billion people, mostly concentrated in South Asia, East Asia, and the Pacific, lack access to clean cooking fuels and technology, contributing to serious health and environmental challenges.

19. Poor environmental management relates to significant health impacts. Most countries

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[5] Tracking SDG7, The Energy Progress Report, https://trackingsdg7.esmap.org/data/files/download-documents/chapter_2_electrification.pdf

[6] Progress on Drinking Water, Sanitation and Hygiene: 2017 Update and SDG Baselines, p23, Geneva: World Health Organization (WHO) and the United Nations Children's Fund (UNICEF), http://apps.who.int/iris/bitstream/handle/10665/258617/9789241512893-eng.pdf;jsessionid=4F938A520A7C35A945069A16EDEA6E13?sequence=1

[7] Insight of the Clean Trillion: Update on tan Expanding Landscape of Investor Opportunities, May 2018, Ceres, p14, https://www.ceres.org/sites/default/files/reports/2018-05/Ceres_In_Sight_Clean_Trillion_May10_2018.pdf

[8] http://www4.unfccc.int/ndcregistry/Pages/Home.aspx

[9] GGGI Green Investment Services, 2018.

experience high exposure to fine particulate matter pollution from industry, transport, and household uses of solid fuels, particularly across developing and emerging economies in Asia and Africa.[10] The World Bank estimated that outdoor air pollution in both cities and rural areas caused 4.2 million premature deaths worldwide per year in 2016, 91% of which were concentrated in East Asia and Southeast Asia.[11] Diseases related to unsafe water, sanitation, and hygiene result in an estimated 1.7 million deaths every year,[12] particularly among poor communities.[13] Ambient air pollution is also causing economic loss in South Asia and Sub-Saharan Africa, where labor income losses due to household and PM2.5 air pollution exceeds the equivalent of 1% of GDP.[14] As of 2015, 2.3 billion people still lacked basic sanitation services and 600 million people had limited sanitation services.[15]

20. Concerns also continue to grow regarding the global environment, which also affects people's livelihoods, especially the poor. World forest cover has declined between 1990 to 2015 due to significant declines in the 10 countries that account for 70% of the world's forest cover.[16] Severe land degradation has appeared in Sub-Saharan Africa and South America, threatening more than 50% of plant species and 25% of animal species around the globe.[17] Total global greenhouse gas (GHG) emissions continue to rise annually. Globally, carbon dioxide concentrations currently exceed 410 parts per million (ppm) and are expected to exceed 450 ppm, the level is considered "safe" to avoid severe global warming, within 20 years under business-as-usual scenarios.[18] Even with all

[10] 11. Sustainable Cities and Communities, http://datatopics.worldbank.org/sdgatlas/SDG-11-sustainable-cities-and-communities.html

[11] Ambient (outdoor) air quality and health, http://www.who.int/en/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health

[12] WHO, ed. The World Health Report 2002 : Reducing Risks, Promoting Healthy Life. Geneva, World Health Organization, 2002.

[13] 6. Clean water and sanitation, Atlas of Sustainable Development Goals 2017, World Bank, http://datatopics.worldbank.org/sdgatlas/SDG-06-clean-water-and-sanitation.html

[14] http://datatopics.worldbank.org/sdgatlas/SDG-11-sustainable-cities-and-communities.html

[15] Progress on Drinking Water, Sanitation and Hygiene: 2017 Update and SDG Baselines, p27, Geneva: World Health Organization (WHO) and the United Nations Children's Fund (UNICEF), http://apps.who.int/iris/bitstream/handle/10665/258617/9789241512893-eng.pdf;jsessionid=4F938A520A7C35A945069A16EDEA6E13?sequence=1

[16] 15. Life on Land, http://datatopics.worldbank.org/sdgatlas/SDG-15-life-on-land.html

[17] 15. Life on Land, http://datatopics.worldbank.org/sdgatlas/SDG-15-life-on-land.html

[18] Note, however, that many argue 2.0°C will have too many adverse impacts on the global climate, and CO_2 concentrations actually need to be kept below 350 ppm to prevent warming above 1.5°C above preindustrial

countries achieving their NDC pledges, the global temperature is expected to rise well above the goal of the Paris Agreement to keep well below 2.0°C above pre-industrial levels. The challenge is so great, in fact, that all countries will collectively need to take concrete steps to reduce their GHG emissions to net-zero or net-negative emissions by the years 2050-2060. Developing countries, particularly least-developed countries and small island developing states, are already feeling the effects of climate change in terms of reduced food security, rising sea levels, and increased risks of extreme weather, floods, droughts, and vulnerability—challenges that will only increase without significant action.

21. GGGI is working in developing and emerging economies to promote green growth programs and initiatives in 33 developing countries and emerging economies worldwide.[19] Among GGGI's Members and partners, green growth is a national priority in 16 countries and 13 countries have formally adopted national green growth strategies or plans. GGGI is currently supporting Lao PDR, Colombia and Burkina Faso develop national green growth strategies or policies.

22. The WPB 2019-2020 steers GGGI to operationalize its Refreshed Strategic Plan 2015-2020 in pursuit of real impact through advisory services that unleash the promise of green growth and through preparation of investment opportunities that contribute tangible advancement in: (i) GHG emission reduction, (ii) creation of green jobs, (iii) increased access to sustainable services, such as clean affordable energy, sustainable public transport, improved sanitation, and sustainable waste management, (iv) improved air quality, (v) adequate supply of ecosystem services, and (vi) enhanced adaptation to climate change– GGGI's six strategic outcomes.

levels). See https://www.theguardian.com/environment/2016/jun/13/carbon-dioxide-levels-in-atmosphere-forecast-to-shatter-milestone.

[19] See the list of countries in the Business Plan Compendium to the Work Program and Budget 2019-2020.

VIII. GGGI 2020 Targets and Building on Highlights of 2017 and 2018

23. In 2017, GGGI adopted its Refreshed Strategic Plan 2015-2020, with six Strategic Outcomes (SOs) that have direct links to the major SDGs and NDCs of its member and partner countries. In 2018, a project is initiated to develop country-specific SO targets that GGGI would contribute to through its planned and envisioned activities. To develop relevant evidence, dedicated works involving 10+ GGGI countries and external partners are initiated on green jobs assessment (with ILO), air quality estimations, and green growth readiness assessment (with AfDB), and will be completed in 2018. A technical guideline and SO country report cards with targets will be delivered by close of 2018.

24. In 2017, GGGI accelerated policy adoption and focused on green investment mobilization to achieve more visible green growth results. The green and climate finance commitments for bankable projects mobilized with GGGI's support increased to USD 524.6 million, up from USD 105 million in 2016. Of the finance mobilized in 2017, well over half (78.5%) came from the private sector, which demonstrates GGGI's growing capacity to help structure projects to be financed by private entities. GGGI also supported the adoption of 17 green growth policies by partner governments in 11 countries.[20] In 2018, GGGI is reaching beyond its stated target of $500 million in terms of additional green investment resources for its partner countries, and by the end of the decade and the WPB biennium, it is envisaged to have generated well over a $1billion additional commitments for green investments.

25. GGGI achieved key programmatic targets in 2017 and is on track to deliver further programmatic results in 2018. GGGI has improved its performance to allocate more core budget to Member and partner countries, reduced non-programmatic allocation, and executed a number of measures to improve efficiency of its non-programmatic activities. Coined as iGROW, GGGI has implemented a series of reforms to streamline its business processes, ensure efficient and effective service delivery, and to become a 'nimble' organization focused on innovation, results and impact in its Member and partner countries.

26. In 2018, GGGI supports 32 partner countries and their governments pursue green growth under

[20] GGGI Annual Report 2017. http://report.gggi.org/2017/

all phases of its value chain approach; from the initial scoping of green plans, to policy reform and implementation and preparation of full-fledged bankable projects for green investments. The programs continue to provide technical assistance to develop and strengthen green growth planning, financing and institutional frameworks at the national, sub-national and sectoral levels. GGGI' s green growth planning work is geared to support partner governments in mobilizing finance to achieve national development targets as well as NDCs and SDGs.

27. At the outset GGGI is engaged in planning and policy advocacy. Policy reform is central to enabling investments release their potential in terms of green growth outcomes. In 2018, GGGI continues its advocacy and leadership to deliver transformational change and green growth on the ground. During the year, GGGI aims to design 34 green growth policies at national and sub-national levels in the four GGGI thematic areas of Sustainable Energy, Sustainable Landscapes, Water and Sanitation and Green Cities.

28. Policy reform implementation requires effective implementation and enforcement, which in turn calls for, political buy-in and institutional capacity. During the year, GGGI will build capacity in its partner countries through technical assistance and knowledge events. In knowledge sharing, GGGI will capitalize on its partnerships and alliances among academia, development partners, and private sector. Building on the current country program achievements, GGGI will design regional programs in cooperation with the governments and active development partners. These programs will tackle common green growth challenges at a regional scale and facilitate knowledge sharing among the neighboring countries to result in a South-South and South-North-South exchange and learning.

IX. Resources and Allocation Scenarios and High-Level Budget

A. Operational Resources and Allocation Scenarios

29. The WPB 2019-2020 core resources reflect a reduction from their level in WPB 2017-2018. The *retained surplus* core resources approved for GGGI's operations in biennium 2017-2018 are expected to be consumed by the end of 2018.[21] These surplus core resources accumulated during GGGI's first operational years enabled a rapid scaling up of operations to their current level, which is higher than the normal level of annual core resources. As the operations have increased in volume under the WPB 2017-2018, these surplus resources are targeted to be fully utilized by the end of 2018 and are thus not available in 2019-2020. In the biennium 2019-2020, core resources are envisaged to stabilize at USD 52.4 million compared to USD 89.8 million in the WPB 2017-2018 biennium. However, a plus-case scenario has been prepared to demonstrate how additional resources would be allocated and utilized.

30. The core allocations to country and global projects will be made in the form of funding envelopes available for drawdown for the programs and are committed only with the Management approval of pertinent projects. The approval of projects will therefore be decoupled from the WPB 2019-2020. Preparation of the programs and projects becomes a continuous process, with projects continuing from the WPB 2017-2018 biennium, as well as coming on-stream as project and funding opportunities materialize. GGGI has developed and initiated a continuous project origination process for project ideation and review, and addition to the GGGI project pipeline.

31. Subsequently, maintenance of the current volume of operations will be subject to extensive efforts by GGGI to complement core resources with a greater volume of co-financing from counterpart and partner's earmarked funding. In accordance with the Council paper on Partnership and Resource Mobilization Action Plan: Issues Paper[22], earmarked funding is expected to increase to USD 20-30 million per annum in the 2019-2020 biennium. Through its objective of the institutional reforms implemented in 2018, GGGI has engaged the entire organization in supporting a successful effort to attain this volume of co-financing.

[21] Council Decisions C/2016/DC/8; and C/2017/DC/3.

[22] Partnership and Resource Mobilization Action Plan: Issues Paper. A/2017/2-C/2017/2. http://gggi.org/about/the-council.

32. With this change in GGGI' s business model, GGGI seeks to leverage its core resources with complementary resources so that total resources available for the GGGI strategic outcomes reach USD 50-55 million per annum, the current overall level of operations. Importantly, this means that staff salaries will be funded, in part, by core resources and, in part, recovered through services delivered under earmark-funded projects. This change in GGGI' s own funding strategy concurrently engages GGGI more deeply in its mandate to advocate and mobilize greater resources for green growth, greening of investments and infrastructure, and additional funding for partner countries' programs to achieve their NDCs and SDGs.

33. Allocation of the core resources will be made in alignment with the commitments and priorities in the Refreshed Strategic Plan 2015-2020, the findings of the annual portfolio and results review, and the forward programs discussed with the governments and donors at country level and identified in the Country Business Plans (CBPs). The following parameters have guided allocations in the scenarios presented to the Council. Annex 2 depicts the allocation Principles for WPB 2019-2020:

34. Core resources are allocated to Member and non-Member Least Developed Countries (LDCs) and Middle-Income Countries (MICs) per the targets defined in the Refreshed Strategic Plan 2015-2020. In keeping with its commitment to poverty reduction, GGGI allocates at least 50% of its programmable resources to the LDCs.

- GGGI has also adopted a new policy on its overhead costs or non-programmatic costs which encompass the costs of the Office of the Director General and the Operations Enabling Division.[23] The policy provides GGGI with a definition for its measurement and tracking its overheads costs, according to which GGGI will target of achieving a 15% overhead rate over its total expenditures by year 2023, down from 22% in 2017 and 36% in 2014[24]. To fund overhead costs, in addition to the core allocation, GGGI has established a pass-through earmarked rate or management cost of 7% for GGGI' s core donors, a 15% earmarked overhead rate, increase from 13%, for non-core donors, which would match the GGGI overhead for a full cost recovery and to adopt a new definition of overhead or non-

[23] Council Decision on GGGI Overhead, [C/2018/DC/6]. Overhead or non-programmatic costs at GGGI include the Office of the Director General (ODG) includes (1) Director-General' s office (2) Governance (3) Strategy, Partnership and Communications (SPC) and the (4) Green Climate Fund (GCF) Liaison Unit; and within the Operations Enabling Division (OED) (5) the Office of the Deputy Director-General (6) Legal (7) Finance (8) Human Resources (9) Administrative Services and (10) Technology Services.

[24] Council Decision on GGGI Overhead, [C/2018/DC/6]

programmatic cost as a share of total expenditures.

- A maximum of 8% and 5% of the programmatic resources are allocated to the non-Member LDCs and non-Member MICs, respectively.

- No core funding allocation is made to High Income countries (HICs), consistent with the 2017-2018 budget.

- The allocation of core resources within the groups of Member LDC, Member MIC, non-Member LDC and non-Member MICs will then be made based on the programmatic priorities and associated resources mobilization plans defined in the CBPs, which in turn, have been discussed with donors and country authorities in the partner countries.

- Global programmatic allocations are made to each of the four thematic priority areas, Green Investment Services, the Office of Thought Leadership and the Safeguards, Poverty Reduction and Social Inclusion Unit for the development of thematic country projects, bankable or investment projects, global Thought Leadership projects, and incorporation of safeguarding, poverty and social inclusion content in GGGI's operations, respectively.

- A small corporate contingency (5% of core resources) is allocated to serve as an operational reserve available for funding of unforeseen opportunities and needs during the WPB period.

35. Based on these criteria, two scenarios are provided in Annex 1 for the allocation of GGGI's core resources for the biennium 2019-2020. Both cases include committed earmarked resources for 2019-2020 and indicative earmarked resources based on the proposal pipeline as of March 2018.

(i) **BASE case – reflecting committed core resources and expected earmarked resources for 2019 and 2020:** In this scenario the core funding is confirmed at USD 52.4 million and the highly/likely earmarked funding at USD 60.49 million, the total biennial funding amounting to USD 112.89 million (USD 56.4 million per annum). Core resources or USD 32.84 million are allocated to the programs, including country and global programs, Thought Leadership, the Impact and Evaluation, and the Sustainability and Safeguards Unit.

(ii) **PLUS case – reflecting committed plus targeted core resources and expected plus targeted earmarked resources for 2019 and 2020:** In this scenario, the core funding

is USD 59.4 million and USD 78.24 earmarked funding. The country specific earmark-funding targets are aspirational and cannot all be expected to be realized. Therefore, the aggregation of these aspirational country targets is capped at 30% in addition to the base case, this level representing an assumed absorption capacity of the Institution without further growth in staffing. The total funding for the biennium under the Plus scenario amounts to USD 137.64 million, or USD 68.82 million per annum. Core resources of USD 36.38 would be available for the programmatic operations.

B. High Level Budget Transparency (Base and Plus Case)

36. GGGI' s budget is prepared under principles of economy, efficiency and effectiveness and is guided by the targets in the Refreshed Strategic Plan 2019-2020, the total resources available to GGGI, and the country business plans, thematic origination plans, and global business plans for Thought Leadership and the Safeguards, Poverty Reduction and Social Inclusion Unit. GGGI' s core budget of USD 52.4 million for the biennium is augmented by revenue from specific earmarked project funding from donors. While some of the earmark-funded projects have been approved by all parties, many are under a consideration or in a submission process. Thus, the volume of the total program remains indicative.

37. Total funding from core resources for the biennium 2019-2020 amounts to USD 52.4 million under the base case and the expected funding from earmarked resources under the base case amounts to USD 60.49 million. The total indicative funding of USD 112.89 million divides into non-programmatic budget of USD 21.76 million (comprising core resources and resources from the overhead charge on the earmarked resources), corporate contingency of USD 1.84 million and capital budget of USD 2.0 million; the rest, USD 87.29 million funding programmatic operations of GGGI. Of the total core resources of USD 52.4 million, USD 32.84 million are allocated to programmatic operations. GGGI Budget for 2019-2020 in the Base Case and Plus Case Scenarios are provided in Table 1, while GGGI 2019-2020 vs. 2017-2018 Core and Earmarked Comparison is provided in Table 2.

38. Core budget in the WPB 2019-2020 period is lower than the core resources approved for WPB 2017-2018 biennium due to the supplementary funding made available from surplus resources to GGGI in the WPB 2017-2018 period. As a result, GGGI faces a need to contract its services particularly in the non-programmatic areas. It has implemented measures to this effect and will

amplify use of IT to automate processes to ensure efficiency in the provision of all of its services. Overall, the budget reflects GGGI's commitment to generate Value for Money (VfM) outcomes across the services performed by non-programmatic and programmatic operations. Most importantly, VfM is facilitated by a change in GGGI's business model through which it is expanding its in-house capacity to reduce its reliance on consultants to implement its projects in the Member and partner countries.

39. GGGI's overhead operations are denoted as non-programmatic operations. These comprise, the operations of the Office of the Director General, including the Strategy, Partnership, Communications Department and the GCF Liaison Unit, the Office of the Integrity and Audit, and the Governance Unit; and the operations of the Operations Enabling Division (OED), including Finance, Human Resources, Administration Services, Legal, Technology Services, and the Corporate Share Costs. The current actual costs of these operations exceed the proposed allocation for the 2019-2020 biennium by some USD 3 million. While GGGI has begun a process to reduce its non-programmatic operations, it notes that a minimum support services are required to ensure prudent management of the Institute that has high growth potential and services in high demand as the call for green growth strategies gains force among the developing and emerging countries.

40. Importantly, however, GGGI's non-programmatic operations also serve the programs funded by the earmarked resources. As these resources are expected to grow and replace the reduced core funds, In a recent decision regarding its overhead expenditures. In addition, while the WPB has adopted an assumption of and average overhead charge of 10% on the earmarked resources based on its current experience, resources from the overhead charge are expected to grow as GGGI is moving to implement its new overhead charge for earmarked programs.

Table 1. Final WPB 2019-2020 Budget

Year 2019-2020 (USD mil)									
		A	B	C	D	E	F	J	K
		Base Case Funding					Plus Case Funding		
#	Countries	Core allocation	Highly/likely Earmarked	Base Case Total (A+B)	Expenditure allocated	Budget Support	Core Allocation	Expected Earmarked	Plus Case Total (F+J)
1	Colombia	0.45	2.17	2.62	2.62		0.53	2.64	3.17
2	Costa Rica	0.19	0.20	0.39	0.39		0.22	0.40	0.62
3	Guyana	0.19	0.85	1.04	1.04		0.22	0.85	1.07
4	Mexico	0.15	1.20	1.35	1.35		0.18	3.32	3.50
5	Carribean	0.16	0.25	0.41	0.41		0.19	0.80	0.99
6	Peru	0.80	0.20	1.00	1.20	0.20	0.94	1.55	2.49
7	Qatar	0.00	5.00	5.00	5.00		0.00	10.00	10.00
8	UAE	0.00	3.00	3.00	3.00		0.00	4.00	4.00
LAC & Middle East Total (i)		**1.94**	**12.87**	**14.81**	**15.01**	**0.20**	**2.29**	**23.56**	**25.85**
9	Burkina Faso	0.36	1.00	1.36	1.36		0.42	2.88	3.30
10	Ethiopia	1.50	0.60	2.10	2.45	0.35	1.77	2.45	4.22
11	Hungary	0.00	0.80	0.80	0.80		0.00	2.00	2.00
12	Jordan	0.90	0.45	1.35	1.35		1.06	2.19	3.25
13	Morocco	0.16	1.00	1.16	1.16		0.19	3.17	3.36
14	Mozambique	0.36	0.46	0.82	1.02	0.20	0.42	2.31	2.73
15	Rwanda	1.60	1.26	2.86	3.36	0.50	1.89	3.49	5.38
16	Senegal	1.30	1.20	2.50	2.50		1.53	2.75	4.28
17	Uganda	0.36	1.71	2.07	2.07		0.42	2.91	3.34
Africa & Europe Total (ii)		**6.54**	**8.48**	**15.02**	**16.07**	**1.05**	**7.72**	**24.15**	**31.87**
18	Cambodia	1.40	0.30	1.70	1.70		1.65	2.06	3.71
19	China	0.15	0.00	0.15	0.55	0.40	0.18	1.79	1.97
20	Fiji	1.00	1.18	2.18	2.40	0.22	1.18	7.77	8.95
21	India	0.15	0.10	0.25	0.60	0.35	0.18	1.44	1.62
22	Indonesia	0.15	7.04	7.19	7.19		0.18	12.17	12.35
23	Kiribati	0.36	0.00	0.36	0.36		0.42	0.19	0.61
24	Lao PDR	0.85	4.44	5.29	5.29		1.00	4.44	5.44
25	Mongolia	1.00	0.04	1.04	1.34	0.30	1.18	0.89	2.07
26	Myanmar	0.36	1.19	1.55	1.55		0.42	9.29	9.71
27	Nepal	0.35	0.95	1.30	1.50	0.20	0.41	2.45	2.86
28	Papua New Guinea	0.10	3.33	3.43	3.43		0.12	6.53	6.65
29	Philippines	1.00	1.57	2.57	2.57		1.18	5.21	6.39
30	Thailand	0.58	0.00	0.58	0.88	0.30	0.68	0.71	1.39
31	Tonga	0.15	0.00	0.15	0.19	0.04	0.18	0.00	0.18
32	Vanuatu	0.80	1.69	2.49	2.49		0.94	1.69	2.63
33	Viet Nam	1.00	0.00	1.00	1.50	0.50	1.18	1.90	3.08
Asia & Pacific Total (iii)		**9.40**	**21.82**	**31.22**	**33.53**	**2.05**	**11.09**	**58.53**	**69.62**
Global Total (i+ii+iii)		**17.88**	**43.17**	**61.05**	**64.61**	**3.30**	**21.10**	**106.24**	**127.34**
	Program unallocated	**2.22**		**2.22**	**0.83**		**2.54**		**2.54**
	IPSD + TL Unallocated					**2.00**			
34	WGEO		11.28	11.28	7.73			11.28	11.28
35	ODDG, incl. SPRSI				4.74	1.00			
36	IPSD OADG				1.93	0.39			
37	Global Thematic				1.83				
38	TL				3.82			0.50	0.50
39	Procurement				0.52				
40	IEU				1.28				
Program Front Offices Total		**12.74**		**12.74**	**14.12**	**1.39**	**12.74**	**0.50**	**13.24**
Programmatic Total		**32.84**	**54.45**	**87.29**	**87.29**	**4.69**	**36.38**	**70.78**	**107.16**
41	Office of the DDG				0.74				
42	Finance				1.70				
43	HR				1.80				
44	Technical Services				2.08				
45	Admin Services				1.02				
46	Legal				0.63				
47	Corp Services Center				5.30				
OED Total		**8.70**	**3.60**	**12.30**	**13.27**	**0.97**	**8.70**	**4.57**	**13.27**
48	Office of the DG				1.39				
49	Governance				1.87				
50	Strategy				1.92				
51	Partnership				1.18				
52	Communications				1.47				
53	GCF Liaison Unit				1.01				
54	Internal Audit & Integrity				1.06				
ODG Total		**7.02**	**2.44**	**9.46**	**9.91**	**0.45**	**7.02**	**2.89**	**9.91**
Non-programmatic Total		**15.72**	**6.04**	**21.76**	**23.18**	**1.41**	**15.72**	**7.46**	**23.18**
Capital Budget		2.00			2.00		2.00		
Corporate Contingency		1.84			0.43		5.30	0.40	
Grand Total		**52.40**	**60.49**	**112.89**	**112.90**		**59.40**	**78.24**	**137.64**

Table 2. WPB Core Budget 2017-2018 and 2019-2020 (Base Case) Comparison

		A	B	C	D	E	F	J	K
		Year 2019-2020 (USD mil), base case					2017-2018 (USD mil)		
#	Countries	Core allocation	Highly/likely Earmarked	Base Case Total (A+B)	Expenditure allocated	Budget Support	Core	Earmarked	Total (F+J)
1	Colombia	0.45	2.17	2.62	2.62		1.46	0.00	1.46
2	Costa Rica	0.19	0.20	0.39	0.39		0.00	0.00	0.00
3	Guyana	0.19	0.85	1.04	1.04		0.00	0.00	0.00
4	Mexico	0.15	1.20	1.35	1.35		1.04	0.00	1.04
5	Carribean	0.16	0.25	0.41	0.41		0.00	0.00	0.00
6	Peru	0.80	0.20	1.00	1.20	0.20	1.29	0.00	1.29
7	Qatar	0.00	5.00	5.00	5.00		0.00	0.00	0.00
8	UAE	0.00	3.00	3.00	3.00		0.00	3.49	3.49
LAC & Middle East Total (i)		**1.94**	**12.87**	**14.81**	**15.01**	**0.20**	**3.78**	**3.49**	**7.27**
9	Burkina Faso	0.36	1.00	1.36	1.36		0.00	0.00	0.00
10	Ethiopia	1.50	0.60	2.10	2.45	0.35	0.00	6.20	6.20
11	Hungary	0.00	0.80	0.80	0.80		0.00	0.00	0.00
12	Jordan	0.90	0.45	1.35	1.35		1.46	0.00	1.46
13	Morocco	0.16	1.00	1.16	1.16		0.00	0.82	0.82
14	Mozambique	0.36	0.46	0.82	1.02	0.20	1.67	0.00	1.67
15	Rwanda	1.60	1.26	2.86	3.36	0.50	4.78	0.00	4.78
16	Senegal	1.30	1.20	2.50	2.50		2.43	0.00	2.43
17	Uganda	0.36	1.71	2.07	2.07		2.61	0.00	2.61
Africa & Europe Total (ii)		**6.54**	**8.48**	**15.02**	**16.07**	**1.05**	**12.95**	**7.02**	**19.97**
18	Cambodia	1.40	0.30	1.70	1.70		3.12	0.00	3.12
19	China	0.15	0.00	0.15	0.55	0.40	1.50	0.00	1.50
20	Fiji	1.00	1.18	2.18	2.40	0.22	2.03	0.00	2.03
21	India	0.15	0.10	0.25	0.60	0.35	1.37	0.00	1.37
22	Indonesia	0.15	7.04	7.19	7.19		0.00	10.22	10.22
23	Kiribati	0.36	0.00	0.36	0.36		0.65	0.00	0.65
24	Lao PDR	0.85	4.44	5.29	5.29		1.67	0.00	1.67
25	Mongolia	1.00	0.04	1.04	1.34	0.30	2.17	0.00	2.17
26	Myanmar	0.36	1.19	1.55	1.55		1.26	0.00	1.26
27	Nepal	0.35	0.95	1.30	1.50	0.20	1.21	0.00	1.21
28	Papua New Guinea	0.10	3.33	3.43	3.43		0.00	0.00	0.00
29	Philippines	1.00	1.57	2.57	2.57		3.85	0.00	3.85
30	Thailand	0.58	0.00	0.58	0.88	0.30	0.61	0.67	1.27
31	Tonga	0.15	0.00	0.15	0.19	0.04	0.00	0.00	0.00
32	Vanuatu	0.80	1.69	2.49	2.49		2.00	0.00	2.00
33	Viet Nam	1.00	0.00	1.00	1.50	0.50	2.50	0.00	2.50
Asia & Pacific Total (iii)		**9.40**	**21.82**	**31.22**	**33.53**	**2.05**	**23.93**	**10.89**	**34.81**
Global Total (i+ii+iii)		**17.88**	**43.17**	**61.05**	**64.61**	**3.30**	**40.66**	**21.40**	**62.05**
	Program unallocated	**2.22**		**2.22**	**0.83**				**0.00**
	IPSD + TL Unallocated					**2.00**			**0.00**
34	WGEO		11.28	11.28	7.73				0.00
35	ODDG, incl. SPRSI				4.74	1.00	3.70	0.00	3.70
36	IPSD OADG				1.93	0.39	1.74	0.00	1.74
37	Global Thematic				1.83		5.70	0.67	6.37
38	TL				3.82		0.00	0.00	0.00
39	Procurement				0.52		0.69	0.00	0.69
40	IEU				1.28		1.31	0.00	1.31
Program Front Offices Total		**12.74**		**12.74**	**14.12**	**1.39**	**13.13**	**0.67**	**13.80**
Programmatic Total		**32.84**	**54.45**	**87.29**	**87.29**	**4.69**	**53.79**	**22.07**	**75.86**
41	Office of the DDG				0.74		1.66	0.00	1.66
42	Finance				1.70		2.37	0.00	2.37
43	HR				1.80		1.84	0.00	1.84
44	Technical Services				2.08		1.01	0.00	1.01
45	Admin Services				1.02		0.35	0.00	0.35
46	Legal				0.63		1.47	0.00	1.47
47	Corp Services Center				5.30		6.32	0.00	6.32
OED Total		**8.70**	**3.60**	**12.30**	**13.27**	**0.97**	**15.03**	**0.00**	**15.03**
48	Office of the DG				1.39		1.81	0.00	1.81
49	Governance				1.87		1.73	0.00	1.73
50	Strategy				1.92		3.04	0.00	3.04
51	Partnership				1.18		0.00	0.00	0.00
52	Communications				1.47		1.29	0.00	1.29
53	GCF Liaison Unit				1.01		0.00	0.00	0.00
54	Internal Audit & Integrity				1.06		1.03	0.00	1.03
ODG Total		**7.02**	**2.44**	**9.46**	**9.91**	**0.45**	**8.90**	**0.00**	**8.90**
Non-programmatic Total		**15.72**	**6.04**	**21.76**	**23.18**	**1.41**	**23.94**	**0.00**	**23.94**
Capital Budget		2.00			2.00		3.03		3.03
Corporate Contingency		1.84			0.43		0.00		0.00
Envelope Budget		0.00			0.00		9.00		9.00
Grand Total		**52.40**	**60.49**	**112.89**	**112.90**		**89.76**	**22.07**	**111.83**

X. Strategic Priorities – Deepening Operational Focus

41. Based on the lessons from the review of the GGGI Strategic Plan as well as the development needs of our Member and partner countries, GGGI adopted six long-term Strategic Outcomes (SOs) that it strives to achieve in its Member and partner countries (see Figure 2). GGGI recognizes green growth as a pathway to quality growth and long-term sustainable development. The SOs are chosen to capture the essence and linked dimensions of green growth - people, planet, and the economy – and to closely align with major goals set out in the Paris Climate Agreement and UN's Agenda 2030. The SOs serve as both GGGI's impact assessment framework and the guiding tool to plan country program activities for NDC and SDG implementation alignment. In 2018, GGGI is undertaking a series of internal reforms to ensure that our operations and activities are geared towards achievement of the six SOs.

42. Going forward, GGGI SO framework serves as the bridging link between in-house strategic analysis tools, such as Green Growth Index (GGI) and Green Growth Potential Assessment (GGPA) and are being used as the basis for NDC and SDG readiness assessment and monitoring projects in our Member and partner countries. SO-related data and analyses are enabling GGGI to develop bespoke policy advisory and advocacy – such as around green jobs, air quality, and adaptation - to position the organization in the global green growth discourse. The six adopted Strategic Outcomes are as follows:

- **Strategic Outcome 1: Greenhouse Gas (GHG) Emission Reduction:** Central to realizing the NDC commitments under the Paris Agreement and to achieving the SDGs, particularly SDG 13 on climate action, most economies would need to undergo deep decarbonization to meet the two degrees target set out in the Paris Climate Agreement. This would require countries to decouple their greenhouse gas emissions from economic growth, urbanization and population increase. Deep decarbonization will involve moving away from a fossil fuel-based to low emission and clean energy economies, using resources more efficiently, and minimizing deforestation. GGGI's program activities in the sustainable energy, green cities, and sustainable landscape thematic areas would primarily contribute to this outcome.

- **Strategic Outcome 2: Creation of Green Jobs:** Creating new economic opportunities and decent jobs for all is a crucial outcome of a green and just economic growth, and is essential for the political buy-in for a green growth paradigm. There is ample evidence that demonstrates that a locally-relevant green economic growth model can be net creator of employment. Decent

jobs from green growth, that directly contributed to SDG 8, can serve as a catalyst for poverty alleviation, minimizing youth unemployment and enhancing women' s participation in the economy, which could further grow the economy in the process. With gender-disaggregated estimates, this outcome would serve as a pragmatic proxy for the economic growth pillar of green growth as well as for women' s empowerment, social equity, and poverty reduction. Program activities in all thematic areas would contribute to creation of green jobs.

- **Strategic Outcome 3: Increased Access to Sustainable Services:** For green growth to be inclusive and transformative for all citizens, access to sustainable services - particularly (i) clean energy, (ii) improved sanitation, (iii) sustainable waste management, and (iv) public transportation – would need to be accessible and affordable to all. Currently, more than half of the global population lacks access to adequate waste collection services that highlights the importance of sustainable waste management. Approximately 1.1 billion people globally lack access to clean and affordable energy and more than 2.5 billion people alack access to clean sanitation. These have direct and disproportionate implications for the women and girls especially in poorer communities. Access to safe and affordable public transport enables upward social mobility for the poor, contributes to minimizing air pollution and GHG reduction, and enhances economic opportunities and urban resilience. With this, this outcome is directly aligned to achievement of SDG 6 (clean water and sanitation), SDG 7 (clean affordable energy), SDG 11 (sustainable cities and communities), SDG 12 (sustainable production and consumption) as well as SDG 13 (climate action). GGGI' s program activities in sustainable energy, green cities, and water management thematic areas would primarily contribute to this outcome.

- **Strategic Outcome 4: Improved Air Quality:** Air quality has links to key SDGs for its implications to human health, quality of life, and environmental protection in our Member and partner countries. Poor air quality, both indoor and outdoor, are ranked among top 10 risk factors for premature deaths worldwide**.** Globally, outdoor air pollution is estimated to be responsible for 4 million annual premature deaths, and the figure could double by 2050 with current growth pathways. Poor air quality impacts the poor and marginalized population disproportionally and is linked to major development issues such as child mortality in numerous countries. Along with reducing the burden on diseases and lost healthy life years, improvement in air quality increases the productivity of citizens, thereby enhancing the competitiveness of our cities and economies. State of outdoor air quality could be manifestation of national policies and actions in key sectors such as energy, transport, industry, agriculture, and construction. As such, GGGI' s energy, green cities, and sustainable landscape thematic areas would primarily

contribute to this outcome. Program activities could cover cleaner forms of energy generation and transport, energy efficiency, better management of traffic congestion, cleaner manufacturing, better agricultural and construction practices, and clean cooking solutions.

- **Strategic Outcome 5: Adequate Supply of Ecosystem Services:** Ecosystem degradation can slow economic growth, negatively impact human health and wellbeing, and trigger irreversible damage to biodiversity that underpins the essential ecosystem services supporting all living beings. Ecosystem services range from providing necessities, such as food production, clean water and clean air, to regulating climate, diseases, and floods. Ensuring adequate ecosystem services requires restoration of degraded ecosystems and prevention of loss of intact ecosystems. Adequate ecosystem services contribute to SDG 15 (protect and restore terrestrial ecosystems) and SDG 14 (sustainable use of oceans, seas and marine resources). As a key supplier of terrestrial ecosystem services with links to livelihoods, farmers and forest dependent communities in developing and emerging countries, forest coverage is a good proxy for this outcome. While GGGI's sustainable landscapes thematic areas activities directly support achievement of this outcome, sustainable energy, green cities and water management has links to this outcome as well.

- **Strategic Outcome 6: Enhanced Adaptation to Climate Change:** Unsustainable growth and climate change are posing adaptation challenges in the form of increased droughts, floods, land degradation, deforestation, and rising sea levels. These trends particularly impact poorer communities in coastal areas and countries vulnerable to rising sea levels, such as the small island states. Globally, around 200 million people could be displaced due to climate change. Without effective adaptation, poorer communities and countries with lesser resources to adapt could be pushed back into the poverty trap, undoing the development gains achieved in the past decades. While all of GGGI's thematic areas have adaptation integrated in their activities, the green cities and sustainable landscapes thematic area in particular would contribute to this outcome. Achievement of this outcome is directly linked to most countries' NDC commitments as well as achievement of SDG2 (sustainable food production), SDG11 (cities and human settlements with adaptation plans) and SDG13 (climate action).

Figure 2. Indicative Contributions of Thematic Focus Areas to Strategic Outcomes

Thematic Area	Thematic focus areas	Indicative contribution to Strategic Outcomes (SO)					
		SO1: GHG reduction	SO2: Green Jobs	SO3: Access to services	SO4: Air quality	SO5: Ecosystem services	SO6: Adaptation
Sustainable Energy	1. Expanded access to affordable and sustainable energy services	●	●	●	●		
	2. Improved sustainable energy generation mix	●	●		●		
	3. Enhancement and integration of energy efficiency	●	●		●		●
Green cities	1. Mainstreaming green growth into urban planning & management	●	●	●	●	●	●
	2. Resource efficient & low-carbon cities	●	●		●		●
	3. Solid waste management, managing waste as a resource		●	●			
	4. Decentralized sanitation & wastewater solutions		●	●			
	5. Sustainable transportation and mobility; connected & healthy cities	●		●	●		
Sustainable landscapes	1. Reducing deforestation & forest degradation	●	●		●	●	●
	2. Bio-economy innovations	●	●		●	●	●
	3. Financing ecosystem services	●	●		●	●	●
Water & Sanitation	1. Mainstreaming water resources management in green planning frameworks	●	●			●	●
	2. Decentralized sanitation and water quality investments		●	●			
	3. Innovation through bio-economy including climate resilient food systems		●	●			●
	4. Payment for ecosystem services	●	●			●	

XI. Integrated Offerings of Technical Services

43. The GGGI value chain sets out a planning and implementation approach which includes diagnosis, green impact assessments, policy and financial risk reduction and project preparation. Entry points may differ for countries depending on the needs, development stage, and progress with adopting green strategies and capacities. GGGI's technical service packaging will accommodate these diverse needs by tailoring its services to the specific conditions prevailing at country level. All services are followed by a systematic appraisal process that captures learning, sharing and application of experience and knowledge from programs, and ensures the robustness of GGGI's technical assistance. Across the value chain (see Section II), technical services are offered for the following thematic areas; sustainable energy, sustainable landscapes, water and sanitation, and green cities. These thematic areas are summarized in this section. Green Investment Services, Thought Leadership, and Safeguards Poverty Reduction and Social Inclusion are also offered throughout the value chain, summarized in section VIII. As mentioned earlier in the document, GGGI engages with partner countries in the delivery of our programs through the collaboration of all our divisions, departments and country offices using an integrated model 'ONE GGGI' service.

A. Sustainable Energy

44. GGGI's programs contribute to green economic growth that is both sustainable and inclusive. The energy sector is crucial in this regard and inseparable from the challenges of poverty and gender inclusion. An estimated 1.3 billion people lack access to electricity while 2.7 billion people still rely on hazardous open fires for cooking.[25] The energy divide runs between rich and poor countries, 95% of people in energy poverty live in sub-Saharan Africa and developing Asia. The divide also exists within countries between the rich and poor, and rural and urban populations. For example, an estimated 84% of those lacking electricity live in rural areas. The energy divide is also gendered, women and girls disproportionately hold the responsibility for labor intensive and time-consuming tasks such as biomass collection or manual food processing. These inequities impede opportunities to access education, employment and participate in social and political activities outside the household.[26]

[25] IEA (2011), Energy for All: Financing Access for the Poor.

[26] Danielsen, K (2012), "Gender equality, women's rights and access to energy services"

45. Thus, achieving the transition to a sustainable, clean energy system is a keystone for green growth, closely aligned with the SDGs and country NDCs. GGGI's Sustainable Energy thematic area supports its member governments to achieve this aim through targeted programs aligned to three outcome areas set out in the 'refreshed thematic strategy 2017-2020'. These are: (i) expanded access to affordable and sustainable energy services; (ii) improved sustainable and renewable generation mix; (iii) enhancement and integration of energy efficiency (EE).

46. These outcome areas contribute to five of GGGI's six corporate objectives, SO1: Greenhouse Gas (GHG) Reduction, SO2: Green Jobs, SO3: Access to Services, SO4: Air Quality, SO6: Adaptation. Creation of green jobs is central to GGGI's work in the energy sector with a focus on equality and enhanced opportunities for women in the sector. GGGI is committed to incorporate measures for environmental and social safeguards, poverty reduction, gender equality and social inclusion through expansion of sustainable energy services, particularly in under-serviced communities, where for example cleaner cook-stoves and off-grid technologies can transform livelihoods, welfare, and gender dynamics.

47. In 2017-2018 the Energy Unit provided strategic guidance and support to country programs at various stages of GGGI's value chain and led the development of comprehensive and innovative energy engagement that currently are under implementation. The Energy Unit also contributed to deepening, scaling up and replication of successful energy policy engagements. The Energy Unit expanded knowledge sharing and collaboration across GGGI through the establishment of the Energy Communities of Practice (ECP), and established partnerships through the development of regional and country energy proposals.

48. Eighteen of GGGI's Country Business Plans incorporate energy as a specific thematic area. The Global Energy Program 2019 – 2020 is aligned to GGGI's Energy Strategy (2017)[27] and aims to enhance knowledge exchange and innovation in GGGI's work. It also drives collaboration with strategic partners that complement GGGI's capacity to design and deliver effective energy engagements. The Program incorporates lessons learns from 2017-2018 and emphasizes origination and replication of comprehensive energy engagements and delivery of innovative business models and technologies. The Global Energy Program 2019–2020 comprises (i) origination of new energy sector engagements in collaboration with development partners and contributes to resource mobilization, and (ii) innovation and business development to enhance knowledge

[27] Link to the Strategy.

capacity and exchange. Successful implementation of the Global Energy Program will lead to improved donor coordination, expanded and more innovative and effective GGGI country programs and place GGGI as a preferred partner for regional and country energy engagements to scale up renewable energy and energy efficiency projects.

49. Thus far, GGGI's policy work in the energy sector has focused on energy efficiency and emerging needs to pave the way for the adoption of renewable energy. In 2019-2020, this work focuses on policies to incentivize and translate renewable energy and energy efficiency action plans into scalable and catalytic projects. In particular, GGGI will increase its attention on decentralized renewable energy supply options and on ensuring synergies between policy and investments, to pave the way for adoption of energy efficient and scalable renewable energy technologies. GGGI will support its partner countries capture benefits from the global price reductions in renewable technologies through transparent institutional arrangements and procurement processes as well as support network integration of decentralized renewable energy and mini-grids. Furthermore, in 2019-2020, GGGI's sustainable energy work prioritizes comprehensive and strategic energy engagements that utilize the policy work to leverage scale in investments to achieve sustainable and affordable access, renewable energy generation, and energy efficiency. GGGI will increasingly support the development of institutional, commercial and technical arrangements for sustainable access to energy services with integration of renewable energy.

50. The Global Energy Program 2019–2020 will expand partnerships established in 2017-2018 including the National Renewable Energy Laboratory and the ASEAN Center for Energy. The Program will seek to establish new partnerships that aims to complement GGGI's technical and outreach capacity as well as resource mobilization, particularly with philanthropy and regional institutions. Indicative GGGI Core resources allocated for 2019-2020: $0.360 million.

Box 1: Examples of projects in Sustainable Energy

Mongolia – Paving the way for energy efficiency: GGGI provided technical input to develop the Energy Regulatory Commission's (ERC) first National Energy Efficiency Action Plan (NEEAP), adopted by Mongolia's Cabinet in 2017. The NEEAP defines regulatory activities up to 2022 to create an enabling policy environment for energy efficiency. This is strategically important for strengthening the pipeline of projects for the National Financing Vehicle that GGGI is also developing in country. The success of the initial stage engagement led ERC to request continued support into the implementation phase of the NEEAP. GGGI is now positioned to expand this partnership to support implementation and scale up of energy efficiency in Mongolia.

Guyana – Catalyzing decentralized renewable energy: In late 2017. GGGI undertook a comprehensive sector assessment to identify opportunities to pave the way for scale-up of renewable energy. GGGI commenced a policy dialogue with Government of Guyana to address technical and policy barriers to facilitate investments in decentralized renewable energy. GGGI also initiated demand activation and introduced new business models to scale up decentralized renewable energy projects. Key policy barriers are expected to be removed in 2018 and technical barriers are being addressed through a partnership between GGGI and the National Renewable Energy Laboratory. This partnership will help transform the energy sector from a centralized model dependent on imported fossil fuels to a de-centralized model able to effectively absorb decentralized renewable energy generation.

Mozambique – Scaling up Pro-poor Renewable Energy: Following an MoU signed with the Ministry of Land, Environment and Rural Development (MITADER), the Ministry of Finance (MoF), and the Ministry of Natural

B. Sustainable Landscapes

51. GGGI supports Member and partner countries' economic growth, while protecting, restoring and using productive landscapes in an inclusive and sustainable way. The Sustainable Landscapes thematic area focuses on sustaining healthy and functioning forests, agrarian landscapes, waterways, coastal and marine ecosystems, that are in line with the SDGs and country NDCs. Solutions are devised in a way that simultaneously optimizes financial, environmental and social outcomes with an aim to deliver three returns on investments: financial returns, social returns and natural capital returns.

52. Resilient forests, peatlands, coastal and water-related ecosystems are important for food security. The associated ecosystem services underpin rural economies and are crucial to rural livelihoods, particularly for vulnerable communities living in the forested and marine ecosystems. Undervalued and unprotected natural capital leads to environmental loss with consequential economic and societal impacts. Degradation of ecosystems cost governments and land users trillions of dollars a year. Natural capital continues to deplete as nature's value is insufficiently

accounted for in current economic growth models. GGGI aims to support partner countries pursue economic growth and mobilize green investment while protecting, restoring, and using productive landscapes in ways that are inclusive and sustainable.

53. The Sustainable Landscapes thematic activities in partner countries are aimed to support nations transform and scale investments in a variety of sectors. Focus areas include (i) Forest based economies: timber, agro forestry, other non-wood and bio-based sectors; (ii) Inclusive bio-economies: deforestation free agriculture, livestock and horticulture commodities and value chains, fisheries, aquaculture value chains, high value bio-based and bioprocessing industries for food, feed, fiber and fuel; and (iii) Financing resilient natural infrastructure: recognizing carbon, water and/or other ecosystem services as an 'asset class' with financial value, can help to generate additional revenue flows and support de-risking and scaling of green business models. Examples include: carbon credits, biodiversity offsets, bond mechanisms, insurance schemes, government and private sector driven incentives, financing vehicles, payment and results-based instruments.

54. The Sustainable Landscapes thematic area activities will contribute to five of GGGI's six SOs (i) GHG emission reduction (SO1), (ii) creation of green jobs (SO2), (iii) improved air quality (SO3), (iv) adequate supply of ecosystem services (SO5), and (iv) enhanced adaptation to climate change (SO6). In addition, the activities will contribute to all SDGs with emphasis on SDG 1 (No Poverty), 2 (Zero Hunger), 5 (Gender Equality), 13 (Climate Action), 14 (Life Below Water) and 15 (Life on Land).

55. Technical services provided by the Sustainable Landscapes thematic area include the following:

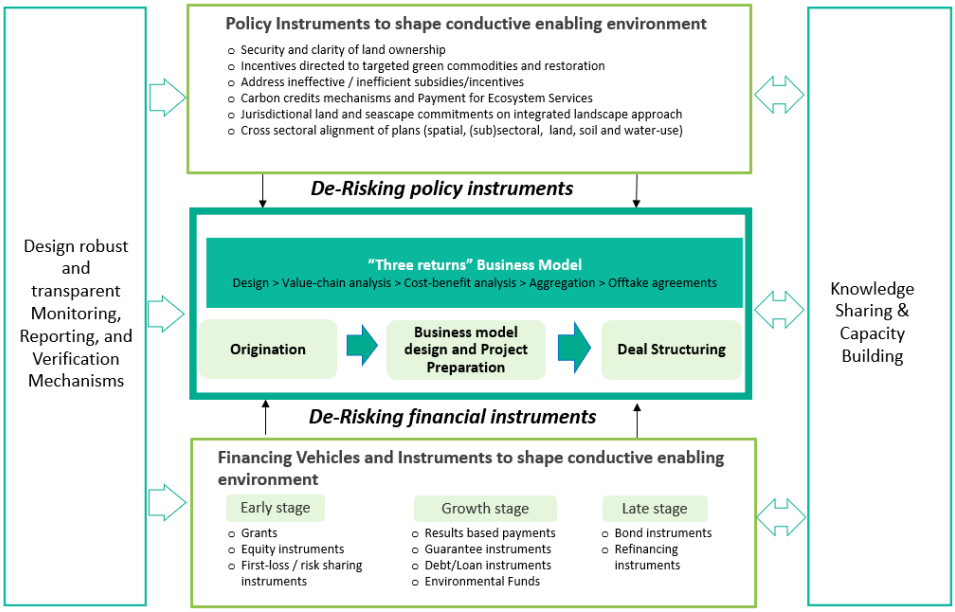
(i) De-risking and shaping a conducive enabling environment for the establishment, scaling and/or replication of inclusive green projects, through:
    a. Policy instruments (see Figure 3)
    b. Financing vehicles and instruments (see Figure 3)

(ii) Development of investment projects with triple returns includes project origination, project design and business model development leading to a project being bankable; one that creates three returns: financial, natural capital and social returns with impacts across and beyond the landscape.

(iii) Knowledge and Capacity Building – to exchange knowledge and information between and within GGGI member and partner countries that provide robust, scientific evidence on; (1) appropriate resource management and restoration approaches, methods and tools; (2) appropriate inclusive business models and investment plans for selected ecosystems or landscapes; (3) innovative financial mechanisms and structures that support green growth; and, (4) replication and scaling of demonstrated transformational solutions.

(iv) Robust and transparent Monitoring, Reporting and Verification (MRVs) mechanisms (including carbon related MRV) – to ensure that the interventions contained in business models are aligned with and contribute to national priorities, restoration, climate and development goals.

Figure 3. Sustainable Landscapes Technical Services



56. During the 2019-2020 biennium, GGGI will support 14 countries in developing Sustainable Landscapes' Programs. In brief, activities for the next biennium, range from planning, policy and project development related to Reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+) in Indonesia, Colombia, Peru, Ethiopia and other forested countries to climate resilient agriculture for food security in most of the African partner countries as well as MRV and capacity building across continents. Supporting countries like Rwanda, Ethiopia, Mexico with the preparation of national and subnational adaptation plans and scoping opportunities in blue carbon such as fisheries and aquaculture in the Asia-Pacific region positions GGGI well for adaptation, integrating climate resilience in climate sensitive sectors targeting the most vulnerable people. All projects at GGGI are developed in collaboration with in-country experts and technical experts from thematic units.

57. GGGI Regional Office in Ethiopia in 2018 will facilitate new opportunities to scale up the work of GGGI in these regions especially related to knowledge sharing and capacity development. At the global level, GGGI will continue to strengthen partnerships with development banks and financial institutions, private sector partners, partners and civil society active in Sustainable Landscapes as well as research groups, universities and technical specialists across the Consultative Group for

International Agricultural Research (CGIAR) network, AGRA and WOCAN.

Box 2: Examples of projects underway in Sustainable Landscapes

In Indonesia, as a member of the Global Peatlands Initiative (GPI), GGGI is in the process of designing an integrated jurisdiction-wide peatlands restoration project, involving business models for alternative – sustainable- commodities suitable for cultivation under wet conditions (paludiculture) and providing revenue flows as well as natural capital and social returns. This involves a pilot area of 107,000 ha (40,000 ha deep peat) with 56 villages and 4 companies, located in 2 provinces and 4 districts. The project is being designed to upscale the pilot to provincial level in Central Kalimantan, involving a jurisdictional platform and targeting over 2 million ha of peatlands. The pilot project may reduce emissions by over 2 million tCO2/yr, while the jurisdictional project in the longer term could reduce emissions by over 100 million t CO2 per annum. GGGI together with The Borneo Initiative, TNC, Earth Innovation Institute and USAID are also designing inclusive business plans for sustainable natural resource management in 16 million hectares of Forest Management Units, including business models for certified sustainable timber production and harvesting of non-timber forest products; and suitable business models for private sector investment in smallholder palm oil cooperatives. Social and gender inequality are addressed, and a diverse range of relevant stakeholders are engaged in a coordinated and participatory approach. All products are aimed to have a measurable impact at districts or provincial jurisdictional level in terms of commitment to sustainable responsible sourcing and contribute to SO1, 2, 3, 5 and 6.

GGGI has initiated engagement with the Government of Myanmar (GoM) to develop a sustainable landscapes projects as part of the newly established Myanmar country program. In partnership with GoM, GGGI aims to drive investment to coastal landscape restoration by recognizing the value of natural capital through its coastal mangrove forest (blue carbon assets) and opportunities in bio-based economies. GGGI aims to identify high value commodities and products, which generates returns without depleting natural capital instead restoring landscapes and their ecosystem functions. This will support the development of a bio-based economy founded on locally sourced and produced plant and waste derived materials from mangrove forests, waterbodies and surrounding agricultural areas. If successful, the products can be linked to industrial zones and can result in among others, an innovative cross thematic Green Cities and Sustainable Landscapes project. This effort contributes to SOs 1,2,5, and 6.

GGGI has recently been requested by the Government of Ethiopia (GoE) to support the development of its National Agriculture Investment Framework (NAIF). NAIF and the associated Agribusiness Strategy are intended to support the growth and transformation of Ethiopia' s agriculture sector to one of commercial status and improve the role of the private sector in its development. This work has now commenced and will shape the framework for a variety of policy and project interventions in the next biennium and beyond.

In Peru, GGGI collaborates with ICRAF and SPDA and supports the Government of Peru in strengthening policies to improve livelihoods of vulnerable, small-scale farmers living at the Amazon frontier. GGGI and partners are currently finalizing a proposal to NICFI which focus on implementing the Agroforestry Concession scheme (AfC), which would provide a contract for 40 years to thousands of untitled farmers currently encroaching the Peruvian Amazon. Detailed legal procedures and guidelines established in 2017 will be piloted in 3 regions and if successful, incentives will result in 125,000 smallholder families

transitioning from agricultural practices that drive deforestation to agroforestry systems and zero deforestation practices.

C. Water and Sanitation

58. GGGI aims to ensure a resilient world of strong, inclusive and sustainable economic growth achieved through a transformational development of partner countries towards a green growth model. Through its Water and Sanitation thematic area, GGGI supports sustainable and productive use of water, which will contribute to green, inclusive growth as a means to (i) Improve access to water services to all, thereby reaching the lives of the most vulnerable and the poorest and improving the health situation of the population (ii) Achieve sustainable inclusive growth, by a responsible management of its water resources (iii) Make businesses sustainable by using available water resources in a sustainable way.

59. The sustainable and productive use of water will feed in to long-run, greener growth in five ways. First, it will increase the available amount of water resources, water resources that are depleted in many countries by ineffective use caused by a price for water that is not reflected its economic costs hence its scarcity. Better managed water resources in countries where agriculture is an important economic sector, will ensure that limitations in water resources will not impede the economic growth potential. Second, it will increase productivity of water resources, i.e. it allows higher output per unit drop of water, which will ensure higher agricultural yield. Third, sustainable water use will ensure a preservation of vital eco-system services. Fourth, sustainable water management will create safeguards against the effects of climate change. Fifth, green growth will support the innovative application of technologies. This innovation will be a further driver of economic growth, as previous industrial revolutions have shown (IMF 2001, World Economic Outlook: The Information Technology Revolution). This is due to spillover effects of innovation across different sectors of the economy. Thus, by providing support on sustainable water management, GGGI indirectly promotes green growth that is both inclusive and sustainable and can be transformative through the spillover effects.

60. GGGI' s activities in the water and sanitation thematic area, will thus be framed under an inclusive, green growth framework which is pro-poor, supports livelihoods and transforms lives. This is particularly in the context of LDC needs and priorities, where access to water and sanitation remains a challenge for the poorest. Through its approaches, water and sanitation integrates pro-poor approaches to project ideation and development, for example in providing access to

sanitation through affordable means or providing cross-subsidies to ensure that all income levels are supported. It is committed, through its work, to supporting the transition of economies towards more sustainable and inclusive outcomes. Also central to GGGI's work on water is extension of sanitation to underserviced communities, particularly through decentralized approaches. GGGI is also working with stakeholders to promote equal work opportunities in related sectors, and recognition of the important role of women in natural resources management.

61. The Water and Sanitation thematic area activities will contribute to the following GGGI's strategic outcomes (i) Interventions incentivizing more resource efficient water use and re-use of water lead to reduced energy demand in water treatment and distribution and the related GHG emissions (SO1) (ii) Additional water investments generate green jobs (SO2) (iii) GGGI's water and sanitation activities contribute to increased access to sustainable services (SO3) (iv) Payment for Ecosystem Services (PES) and specifically water pricing contributes to sustaining ecosystem services through reducing overuse of water resources (SO5) (v) GGGI supports adaptation in the water sector through 'climate proofing' agriculture and food systems (SO6). The breadth of various water challenges and opportunities are reflected in SDG 6, which includes global targets that cover the entire water cycle including: provision of drinking water (target 6.1) and sanitation and hygiene services (6.2), treatment and reuse of wastewater and ambient water quality (6.3), water-use efficiency and scarcity (6.4), IWRM including through transboundary cooperation (6.5), protecting and restoring water-related ecosystems (6.6), international cooperation and capacity-building (6.a) and participation in water and sanitation management (6.b). Within the Water and Sanitation thematic area in GGGI, the key focus remains primarily on SDG target 6.2, 6.3, 6.4, 6.6 and 6.b, wherein interventions aim to foster the productive use of water as a driver of green growth, the provision of sanitation, the climate proofing agriculture and food systems, and the maintenance of water's key role in sustaining ecosystem services.

62. In 2017, GGGI's main achievements in the Water Sector were (i) Inclusion of Water and Sanitation as a thematic priority, and an output in 12 of the 26 Country Planning Frameworks; (ii) Active and operational water programs in 4 countries: Cambodia, Laos, Uganda and Rwanda. In Cambodia, for example, GGGI supported the government in the sanitation and wastewater sector and completed a pre-feasibility study for Decentralized Wastewater Treatment System (DEWATS) in peri-urban parts of Phnom Penh, successfully convinced the government to re-establish a Sub-Technical Working Group on Urban Wastewater and Sanitation. The Sub-Technical Working Group is important as a platform to discuss strategic issues, review policies and guidelines, share lessons learnt and coordinate efforts among the various donors and implementing agencies.

63. In 2019-2020, GGGI will emphasize synergies on developing policies, strategies and bankable projects with a view to combine economic growth with sustainable use of water resources. Activities will be linked and integrated with the other thematic areas. The focus within the water theme will be on (i) integration of sustainable or green water resources management and wastewater and sanitation policies in the national and sectoral planning frameworks, (ii) development of bankable projects to decentralize wastewater and sanitation services, (iii) enabling green growth and jobs related to the role of water in the bio-economy, including climate smart agriculture and food systems to promote food security and green economic growth, and (iv) development of Payment-for-Ecosystem-Services systems and national financing vehicles that promote and maintain water-related ecosystem services for sustainable landscapes, lakes, and coastal and marine ecosystems.

64. The water and sanitation priorities in 2019-2020, target development of bankable projects and include (i) developing decentralized wastewater treatment (DEWAT) activities, policy reform and sector strategies for these DEWAT activities, and national or regional financing vehicles for DEWATs (South-East Asian, Africa, and Latin America); (ii) solar PV for irrigation based on sustainable water management, wastewater treatment and valorization, reuse of wastewater and related policy reform (India and China); (iii) sustainable water resource use for climate-resilient agriculture, including through sustainable water management principles; and (iv) policies for payment for Ecosystem Services that promote or maintain water-related ecosystem services for sustainable landscapes, lakes, and coastal and marine ecosystems (Africa, Latin America).

65. The Water thematic area has developed its role in building further partnerships and engaging

Box 3: Examples of projects in Water & Sanitation

Within the Mekong region, GGGI is actively engaged in Cambodia and Laos, supporting decentralized wastewater treatment solutions. In Cambodia, since 2017, GGGI has been providing technical and advisory support to the Ministry of Public Works and Transport in the sanitation and wastewater sector, beginning with inputs on the sub-decree for wastewater and sewerage, which was approved in 2018. Moreover, by end of 2017, GGGI completed a pre-feasibility study for decentralized wastewater treatment systems (DEWATS) in peri-urban areas of Phnom Penh, as well as conducted scoping missions to secondary cities. In 2018, GGGI has taken this pre-feasibility further for design and financing, through submission of a full proposal to KOICA, wherein GGGI plans to mobilize financing for implementation of DEWATS, as well as development of a pro-poor, gender-sensitive national sanitation strategy for Cambodia and an implementation and replication plan for DEWATS for the entire city of Phnom Penh.

In Lao PDR, GGGI's Water and Green Cities thematic units have collaborated on green cities development. Under this project, the Green Cities team will concentrate on solid waste management while the Water team will focus wastewater collection and treatment systems in Pakse, one of Lao's secondary cities. Implementation of the feasibility study will take place in 2019 and financial close in 2020, through KOICA and GCF support. As part of this program, GGGI will also work on a wastewater management strategy for Pakse, which will include an options assessment for managing wastewater and sanitation as well as a strong evidence base that underpins our proposed strategy.

In Myanmar, GGGI has only recently engaged in the water sector, as the country program is newly formed. Based on consultations in the country, GGGI is providing support on green cities development as well as sustainable landscapes in the Ayeyarwady delta. In that regard, GGGI's Water and Sustainable Landscapes team have begun collaborating on the lower Ayeyarwady Delta to support mangrove conservation efforts alongside developing value chains that can generate revenues.

In Uganda, GGGI has secured financing by the Government of Hungary for sustainable energy-water solutions for medium to large scale irrigation of commercial farming. Under the project, a pre-feasibility study will be conducted in 10 potential sites and detailed business plans for 2 selected sites will be developed. The project is in line with the Ugandan Ministry of Water and Environment' priorities and based on urgent need to provide sustainable water solutions to Ugandan agriculture sector and increase climate resilience. The planned pre-feasibility study and business plans will be followed by bankable projects development in the following years.

in resource mobilization. It will develop the network with dedicated water institutes, such as UNESCO-IHE, World Resources Institute (WRI), 2030 WRG, SIWI, and water funds, like African Urban

Sanitation Fund (AUSF) and Sustainable Water Fund (SWF). Aim is two proposals with a private sector party, to SWF, and one to AUSF. The Water thematic area also works currently with three country teams on a regional proposal on sanitation for the Bill & Melinda Gates Foundation (BMGF) and we want to develop two more proposals for regional approaches for BMGF.

D. Green Cities

66. GGGI's thematic focus on green cities supports an integrated, cross-sectoral and scalable approach that responds to local, national, and global needs and commitments, including the 2030 Agenda for Sustainable Development, and localizes both the NDCs and SDGs through a Green Growth approach. GGGI plays a catalytic role in technical advisory in sustainable urban planning and linking green investment to green cities implementation. This includes an emphasis on helping cities transform so that they become more competitive, prosperous, inclusive, sustainable, resilient and bankable. GGGI's global focus on supporting green cities development is underpinned by approaches supporting co-benefits across GGGI's value chain from policy and planning to financing.[28] In delivering its work as one GGGI, Green Cities works with country teams – in providing locally-derived and tailored policy and technical advice and through its Seoul-based team – supporting through technical inputs, development of knowledge products, and global engagement in support of green cities.

67. The Green cities thematic interventions focus directly and positively contributes to reduced GHG emissions (SO1) through its focus on waste management, specifically in supporting alternatives to landfills, and low-carbon building materials development. GGGI's work in cleaner fuels, public transportation and walkability aims to reduce dangerous concentrations of air pollutants and specifically links transport policy with air quality (SO4) and related positive health outcomes. GGGI's focus areas address unmet needs in access to sustainable urban infrastructure and services in cities (SO3). GGGI focuses on pro-poor livelihood support and job creation in service provision (SO2). GGGI's work to support Ecosystem based Adaptation (EbA) in urban planning, links to ecosystem services (SO5) and enhanced adaption to climate change (SO6).

68. Over 2017-2018 GGGI played a catalytic role in technical advisory service in sustainable urban

[28] For GGGI, Green Cities theme involves integrated solutions that strive toward innovative and smart, resource-efficient and low carbon, climate smart and resilient; inclusive and pro-poor; healthy & liveable, and prosperous cities through policy reforms and bankable investments.

planning and linking green investment to green cities implementation in 11 countries. Green Cities will continue its efforts to support country teams to originate, develop, and implement projects, guided by the thematic strategy and the SOs. Green Cities is now widely represented across GGGI's global portfolio.

69. In 2019-2020 Green Cities will work with 17 countries (Cambodia, Rwanda, Morocco, Myanmar, Mexico, Jordan, Lao PDR, Philippines, India, Fiji, Senegal, Burkina Faso, Mongolia, Nepal, UAE, Viet Nam, Kiribati). In 2019-2020, GGGI's Green Cities approach and projects will provide both continuity with existing impact, leveraging ongoing work and partnerships, but also target additional opportunities. Notably, Green Cities will emphasize (i) mainstreaming and localizing green growth into urban planning and management; (ii) supporting low-carbon, smart and resilient cities; (iii) developing and investing in circular economy approaches building on its success in waste-to-resource approaches in solid waste management; and iv) green mobility and non-motorized transport, linked to clean urban transportation and improved air quality. The prioritized areas of work build on the momentum from current projects as well as strategic opportunities that arise. These areas of work will contribute directly to GGGI's Strategic Outcomes in reducing GHG emissions, creating green jobs, increasing access to sustainable services, improving air quality and enhancing adaptation to climate change.

70. To date Green Cities has had productive partnerships with New Climate Economy (NCE) (as an active partner in the Coalition for Urban Transitions); WRI Ross Center for Cities; C40; International Solid Waste Association, OECD Green Cities, AfDB in support of its African program. These partnerships span across the program of work and the value chain but broader partners will be identified to support the future program in line with GGGIs strategic objectives, such as the Clean Air Coalition and UN-Habitat (at the delivery level). For resource mobilization Green Cities has had success with GCF, KOICA, ADB and Luxembourg and established dialogue with AfDB and Caribbean Development Bank.

Figure 4. GGGI's Elements of a Green City

Note: Green Cities – an inclusive and environmentally healthy city, with closed resource loop, utilising renewable energy, accessible and multiple modes of transportation, with urban systems optimised through smart city management

71. Activities under the Green Cities thematic area will ensure investment through joint development of project proposals with international donors and designing innovative financing structure to address financing gaps. Through Country and Global Business Plans, policy and project proposals in emerging areas of thematic priorities such as green building materials, green industry, inclusive green economies and climate smart and resilient cities have been developed. In preparation for implementation of projects, GGGI will identify opportunities to optimize potential impact of local small and medium enterprises (SMEs) and informal sector actors in the value chain of provision of urban services as these efforts contribute to creating green jobs and improving poverty alleviation. In regions such as Africa and South Asia, where supporting employment creation and engagement with the informal sector and SMEs is essential to successful and sustainable green growth approaches. Additionally, Green Cities ensures local ownership and commitment to sustaining projects and policies, with GGGI providing capacity development support to actualize this approach.

Box 4: Realizing Green Cities in 2017/2018

Localising Green Growth in Cities in Cambodia, Nepal, Rwanda, and Uganda: GGGI has worked in Cambodia, Rwanda, Uganda, and Nepal on mainstreaming green growth concepts, and developing financeable projects, with a specific focus on *secondary cities*. Green Cities work has strengthened sub-national and local green growth planning, financing and institutional frameworks in support of improved green urban infrastructure and services for all. In **Rwanda**, GGGI collaborated with the Ministry of Infrastructure (MININFRA) to develop the National Roadmap for Green Secondary City Development (NR) which promotes balanced economic growth and poverty reduction while ensuring climate resilience of secondary cities. GGGI also supported the Rwanda government to develop Green Building Minimum Compliance Guidelines. In **Cambodia**, GGGI replicated the methodology for Green Urban Development Program (GUDP) Phase 1 in Phnom Penh and developed Sustainable City Strategic Planning Guidelines and established investment project pipelines for 7 selected secondary cities. In **Nepal** GGGI has completed Phase 1 of its Green Municipal Development Program through situational assessments of 7 new municipalities. These assessments identified the need for sustainable urban service delivery and planning and will form the basis of future policy and project development in 2019/20.

Waste Management and Sanitation in Lao PDR, Uganda and Senegal: GGGI has worked to valorize waste management systems to turn waste into a resource and provide livelihoods and social benefits. Innovative solutions which are financially sustainable, generate green jobs in support of waste-to-resource economies, and create healthier cities have resulted. In addressing unmet needs in waste management and sanitation GGGI has supported the development of viable business practices with a focus on appropriate technology, services, and job creation.

A comprehensive analysis of the solid waste value chain was done in partnership with the Government of **Uganda**, culminating in recommendations to support decentralised solutions and identify investment models, which included employment generation through private sector engagement. In **Lao PDR**, GGGI supported government to shift from a conventional model of "*Collect and Dump*" to "*Waste-to-Resource*", which includes: (i) Decentralized collection services with organization of micro-enterprises (ii) Deployment of waste banks, (iii) Decentralized composting facilities. Through an early engagement with KOICA, GGGI has jointly developed a 4-year project proposal on green cities development, worth 7 million USD with a focus on sustainable solid waste management and wastewater solutions. In **Senegal**, Green Cities supported the secondary city of Tivaouane to pilot a decentralized and sustainable low-cost sanitation system. GGGI provided advice on designing innovative institutional mechanisms and business models to support private operators to improve service quality and access to finance.

Resilience in the Pacific and the Eastern Caribbean: GGGI has undertaken work to support countries in linking urban development with the protection of ecosystem services to provide for climate change resilience and adaptation. This has focussed on disaster resilient decentralized green infrastructure and Ecosystem based Adaptation (EbA). In **Fiji**, GGGI worked with the government to draft the Low Emissions Development Strategy, including pathways to reduce greenhouse gas emissions from the waste sector. The strategy is expected to be adopted in Q4, 2018. In the Eastern Caribbean, GGGI is working with the Organization of Easter Caribbean States (OECS) on disaster resilient green infrastructure.

Sustainable transportation in Fiji, Mexico, Jordan and Lao PDR: GGGI is supporting cities and their regions in creating more connected and accessible cities in dealing with the challenges of transportation and mobility. This is resulting in healthier cities with improved air quality. In **Mexico** GGGI's approach is on integrated and green transport systems, with a focus on air quality. GGGI's transport work in **Fiji** and **Lao PDR** is directed towards the

co-benefits of healthier, connected and more accessible cities, including through e-mobility. In **Jordan**, GGGI provided technical support enabling the government to transition the fleet for Bus Rapid Transit (BRT) from diesel to electricity-powered buses. GGGI will further support through the design of innovative financing instruments to attract private investment for greening BRT in Amman.

E. Green Investment Services

72. GGGI works directly with its member countries to help design and implement programs and services to assist in developing and financing green growth in national economic development plans. Towards this end, GGGI works with investors and policymakers to develop bankable projects, build financial instruments and design National Financing Vehicles (NFVs). GGGI' s Green Investment Services (GIS) has developed a robust pipeline of green investment projects that help address the financing gap between green growth needs and investment, that are aligned with country NDCs and SDGs. GIS works closely with country and thematic teams, in the ONE GGGI structure, to originate pipelines and successfully bring them to finance.

73. Even without considering the need for green investment, the global economy requires by 2030 about USD 89 trillion in infrastructure investment across cities, land-use, and energy systems. The financing needs for energy systems alone are estimated to be in the hundreds of billions. Yet, availability of finance is not the bottleneck. Rather, there is a noticeable lack of well-designed projects and programs that meet the risk-reward profiles that investors seek. In the words of one MDB official, "there are simply not enough viable projects out there." [29] Furthermore, there is a need for appropriately structured financial vehicles that can blend public and private sources of finance, and international and domestic capital. The lack of clear actionable pipelines in developing countries and emerging markets is a reflection of the risks and issues that characterize these countries and markets.

74. GIS started operations in earnest in 2016 and added 8 new staff members to the Department in 2017. At this point, the team is fully staffed. Many new staff members have been assigned to country offices to bring investment team members closer to the stakeholders in the targeted sectors and markets. Early experiences confirm that in-country deal teams are better enabled to accelerate origination and project preparation.

75. In the 2017-18 Work Program and Budget, the focus was on developing a pipeline of green investment projects, designing risk mitigation instruments, and establishing national financing vehicles to help close the financing gap between financial institutions and projects and ultimately increase capital flows going towards green growth objectives. GIS has thus far demonstrated its

[29] Quoted in Aaron Bielenberg, Mike Kerlin, Jeremy Oppenheim, and Melissa Roberts, "Financing Change: How to Mobilize Private Sector Financing for Sustainable Infrastructure," p. 30. McKensey & Company. 2016.

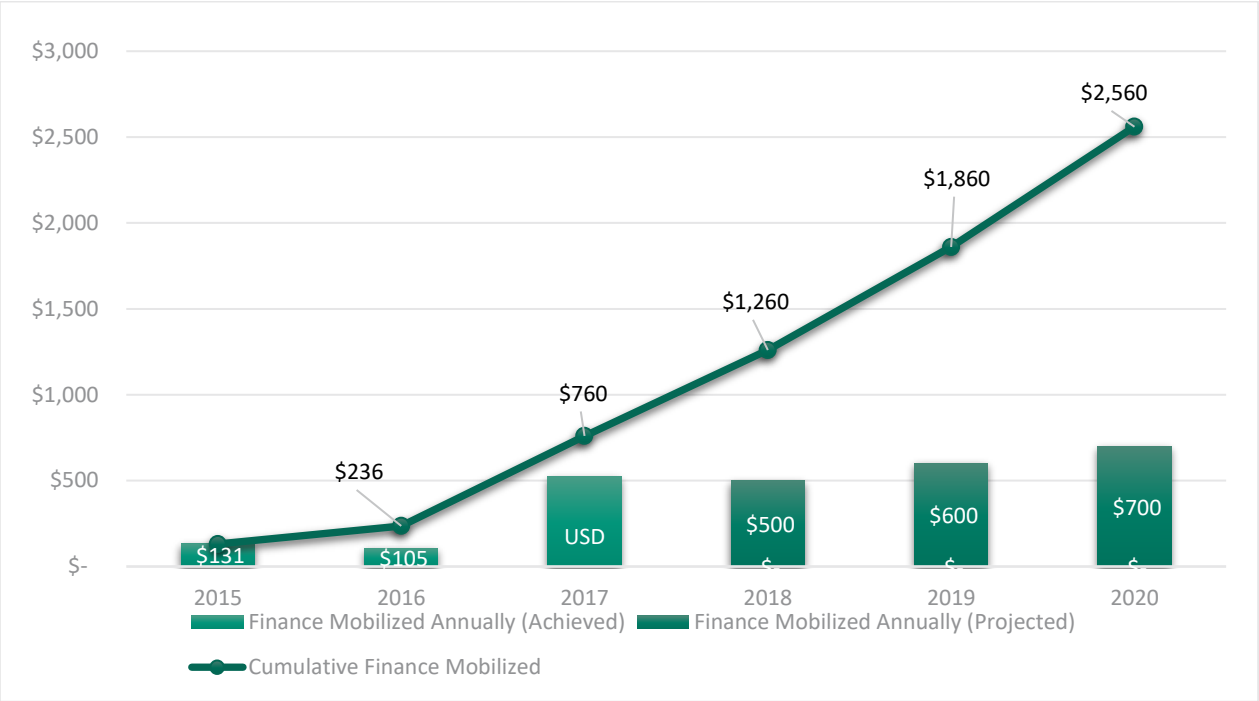
delivery capacity primarily in the areas of smaller-size renewables projects and establishment of NFVs. GGGI's value proposition means that it does not operate in commercially competive sectors and markets, yet because its mandate is to make projects bankable, the "sweet spot" is to occupy the sub-commercial space, across applicable interventions in the thematic areas.

76. In 2017, GIS successfully mobilized investor commitments for a total of 8 projects and operationalized 4 NFVs which integrate Nationally Determined Contributions (NDC) implementation, financing targets and national development priorities. The team mobilized private sector capital for investment opportunities that met the risk-reward appetite of private developers. The two first GCF readiness programs (worth approximately USD 0.7M) were prepared by the GIS team in 2017 and several others are being developed in 2018. GIS continues to put high priority on mobilizing investment for GGGI's projects and programs to meet the strategic objectives of the organization as mandated in the Refreshed Strategic Plan.

77. GGGI proactively partners with governments, non-governmental organizations, bilateral and multilateral banks, and the private sector. GGGI creates conditions for scaling up and replication of green growth solutions through identification of replicable investment opportunities and bundling of these into well-designed programs that attract financing at scale. GGGI also provides value addition through de-risking projects and by reducing fiduciary risks by setting up financing vehicles, funds or guarantee mechanisms. Being embedded in relevant ministries allows GGGI to develop innovative and informed projects that are aligned with government priorities and to support reforms of policies that may impede the viability of the green projects. GGGI develops sustainable and commercially viable projects that reflect a sound regulatory environment, with fair pricing mechanisms to instigate sustainable and commercially viable projects that generate revenue and create green jobs. In the current biennium, GGGI's green investment work has mobilized considerable additional green financial commitments. In the next biennium, GGGI aims to mobilize financial commitments for its bankable projects at greater volumes to leverage its role as an originator and arranger of green and climate finance (see Figure 5).

78. GGGI's investment work in developing countries and emerging markets is also focused on structuring and promoting financial vehicles and instruments that can reach underserviced communities, including women and the poor, and the provision of more inclusive finance. Approaches to this may include working with microfinance institutions, impact investors, and use of public funds as leverage to reach improved social gender and outcomes.

Figure 5. Financial Commitments Mobilized by GGGI 2015-2020 (USD million)



Source: GGGI.

79. The 2019-2020 Country Business Plans list a total of 51 investment projects. It should be noted that the numbers proposed by the country teams are very preliminary. Hence, they may change as conditions for those projects become clearer in 2019 and onwards. In terms of thematic sectors, Sustainable Energy tops the list with 16 projects, followed by 12 projects with Cross Cutting themes, and then 11 Green Cities. The number of Sustainable Energy, Green Cities and Cross cutting theme projects are in the double digits, whilst the proposed Sustainable Land-use and Water projects are in the single digits with 7 and 5 projects, respectively. Region-wise, Asia-Pacific has suggested the highest number, i.e., 23 projects in total; Africa and Europe propose 18 projects; and the total number of projects in the Latin America region is 10.

80. In 2019-2020, GIS activities will continue prioritizing development of near-commercial investment projects that fall into one of the three investment product categories -- i.e. bankable projects, NFVs and risk mitigation instruments. Strong emphasis will be placed on obtaining proven investor commitments (e.g., Letters of Intent) for GGGI designed projects and funds. GIS work will mainly produce investment outputs elaborated in country business plans in close collaboration with country teams and policy solutions teams. Implementation of these investment projects will result in achievement of minimum three of GGGI' s six Strategic Outcomes by increasing green investment flows in four thematic areas of GGGI intervention. For instance, arranging financing for

an e-mobility project would ultimately result in GHG emission reduction, improved air quality, increased access to sustainable public services and perhaps increase access to green affordable energy and create green jobs.

81. GIS will place high importance on PCM3 project idea review meetings to ensure development of a robust project pipeline that is bankable and to maintain a strategically balanced portfolio with opportunities for replication, scale and sectoral diversification. GIS will continue to develop innovative de-risking mechanisms and business models and structures that aim to achieve impact at scale. A couple of mechanisms and models will be tested and combined with project ideas and project structuring in 2020. In a related, parallel effort, GIS is planning to generate some policy project idea notes to tackle specific, concrete policy barriers identified as part of origination, market assessments, project preparation, and financial and legal analysis. GIS will innovate and implement models for bundling of smaller-size projects as a means to reduce transactions costs. Bundling will increase the overall 'ticket size' and make it possible to attract investors looking for larger-scale assets. Larger investors are unable to invest in small projects and also smaller investors may decide not to engage because of issues due to deal size limitations. GGGI will systematically seek opportunities for replication and, in doing so, will build on its track-record of scaling of solar PV projects and other small-scale assets such as waste-to-resource opportunities.

82. GIS will pursue a two-pronged strategy where possible in which GGGI simultaneously will help achieve policy improvements in a particular sector or in a particular market segment and mobilize investment in green growth project investments into that sector or market. By doing so, GGGI would demonstrate that significant economic benefits and advantages are achievable through removal of policy and regulatory impediments (e.g. import duties removal), use of "smart subsidies", feed-in-tariffs, etc. GGGI's strength as an international organization is its dual focus on both policy and investment aspects of green growth. Due to its nimble size, this approach to policy and regulatory issues will need to be surgical to be effective. In 2019-20, GIS will opt to significantly leverage the participation of country teams in origination and early-stage pipeline development through training and capacity building. Workshops, screening tools, manuals and documented GGGI project development experiences will be used to further enhance the origination capacity of country teams.

F. Safeguards, Poverty Reduction and Social Inclusion

83. GGGI's operations are committed to mainstreaming environmental and social safeguards,

poverty reduction, gender equality, and social inclusion (SPRSI) objectives as an integral component of green growth. GGGI's Sustainability and Safeguards Unit (SSU) ensures programs and projects identify and manage potential environmental and social risks while developing opportunities to maximize positive social inclusion and gender outcomes.

84. SSU has developed corporate rules and strategies for mainstreaming environmental and social safeguards, and strategic processes for ensuring pro-poor, inclusive green growth. These include the Sustainability and Safeguards Rules, Gender Equality Strategy 2016-2020 and key corporate program management procedures. Social and environmental accountability have also been strengthened by the availability of Rules for Engaging the Private Sector, Compliance Review Mechanism and GGGI's Accountability Framework, which focus on improving due diligence processes, internal accountability and governance. An organizational infrastructure has been built within the Country Planning Framework (CPF), Project Cycle Management (PCM), and bankable project and policy origination processes to ensure safeguards, gender and social issues are strategically and systematically incorporated into project design and management. New in 2019-2020 will be the introduction of the GGGI Gender Equality and Poverty Marker, which for gender is based on the OECD-DAC gender marker applied by OECD member countries s to quantify investments in gender equality and women's empowerment. In addition, GGGI will pilot a poverty marker throughout its program, which will enable a more systematic approach to social in design, implementation, and results monitoring and measurements.

85. GGGI is committed to addressing poverty reduction (SDG1), gender equality (SDG5), decent work (SDG8), and reduced inequalities (SDG10) through work in the thematic areas. Gender and social inclusion are particularly mentioned linked with SO2 on Job Creation, SO3 on Access to Sustainable Services, and SO6 on Adaptation. A theory of change has been developed for inclusive green growth, which outlines interlinked pathways towards positive social and gender outcomes in the transition towards green growth. The SSU works with Thematic and Country Teams to identify entry points within Green Growth policies and projects to promote: (i) inclusive governance, which ensures the broad stakeholder engagement and inter-sectoral synergies needed to ensure equitable benefits-sharing; (ii) improved livelihoods, rights and empowerment through enhanced access to sustainable services, decent jobs, knowledge and technology, land-rights for men and women, access credit, and meaningful participation in decision-making; (iii) inclusive finance which ensure broader access of women and the poor to financial services; and (iv) metrics for inclusive green growth across governments and non-government stakeholders, which support the effective implementation of the SDGs.

86. SPRSI will also be a consideration in resource mobilization efforts, and in proposals prepared for earmarked funding. SSU has formed partnerships with organizations driving thought-leadership and advocacy work for greener and more equitable economic transition. (See Attachment: Compendium of Business Plans)

Box 5: Examples of Safeguards, Poverty Reduction and Social Inclusion Components in GGGI projects:

Responding to the Increasing Risk of Drought: Building Gender-responsive Resilience of the Most Vulnerable Communities in Ethiopia. GGGI supported the Ministry of Finance and Economic Cooperation, a direct access entity in Ethiopia, to secure USD 45 million of grant funding from the Green Climate Fund. The proposal focused on positive gender outcomes and improved social inclusion as a key strategy for increasing climate resilience with over 50% of beneficiaries being women, and 30% of households being female-headed.

Gender equality and social inclusion at the center of National Green Energy Fund (NGEF) in Vanuatu. GGGI is working on the establishment of a NGEF to channel climate finance to achieve the country's goal of 100% renewable energy by 2030. Gender equality considerations have been mainstreamed into the fund design by aligning the fund strategy with the National Gender Policy and Sustainable Development Plan. This includes ensuring that gender equality, poverty reduction and inclusion are incorporated into funding criteria, and that

G. Thought Leadership and Knowledge

87. Thought leadership on green growth is instrumental to distilling GGGI's unique strategic value and operational priorities. The Office of Thought Leadership (TL) supports GGGI country programs through global projects and initiatives providing applied research and analysis, knowledge sharing, and capacity building that draws on GGGI's multi-country and cross-sectoral experience. While a number of TL staff and activities directly support GGGI country programs, the TL program overall provides important value added through analysis and insights in GGGI's global experiences, provides metrics-based tools that are available to all countries, and offers vehicles for sharing green growth knowledge across countries and at an international level. TL will implement the following programs during 2019-2020 biennium. (See Attachment: Compendium of Business Plans)

- **Applied Research and Analysis:** GGGI will continue its efforts in conducting research and analysis on priority topics in the areas of sustainable energy and electric and sustainable mobility to provide targeted technical and policy inputs to country programs and contribute to advancing global practice on green growth. In addition, GGGI will conduct macroeconomic analysis to capture impacts of its green growth interventions on the country's macroeconomic

factors such as GDP, employment, and investments. For this analytical work, TL will collaborate with national partners such as local universities and research institutions, and international organizations like OECD, UN Environment, the International Labor Organization (ILO), and other think tanks.

- **Green Growth Index:** GGGI will formally launch the annual Green Growth Index and Simulation Tool, including a web-accessible version, covering five dimensions and six thematic areas of green growth for at least 35 countries. The Index will contribute to the global dialogue on approaches to rapidly incorporate green growth models into partner countries plans and investments and will be published annually as part of the forthcoming GGGI State of Green Growth Report. Countries will directly benefit from the Index by directly understanding strengths and weaknesses in their green growth performance using some 40 indicators addressing resource efficiency, risk and resilience, economic opportunity, and social inclusion. They will be able to use the Simulation Tool to more effectively plan and predict the specific outcomes of green growth policies and investment actions.

- **Green Growth Potential Assessment (GGPA):** GGGI will continue to carry out an average of four GGPA analyses and consultation processes in its member and partner countries per year. Typically conducted in countries where GGGI is initiating or updating its country program portfolio, GGPAs allow partner countries to identify green growth programs with the highest priority and which have the strongest potential for impact. In addition to assessing country commitment, stage of development, and economic and technological feasibility, the GGPA process measures social inclusiveness of growth, such as income inequality, gender inequality, good governance and education to ensure that the interventions amplify sustainability and social-inclusivity in the designs of these initiatives. GGGI foresees including OCED and other partners in GGGI' s GGPA consultations during 2019-2020.

- **Green Growth Knowledge Platform (GGKP)**: During 2019-2020, GGGI plans to expand the GGKP, the world' s largest online knowledge base and partnership platform for green growth, to establish two new affiliate platforms that serve the industry and financial communities. The existing GGKP platform and additional platforms will provide a shared space to connect green growth partners in collaboration, including practitioners in GGGI member and partner countries. To promote gender, the GGKP plans to launch a Green Growth and Gender Working Group, adding to nine existing technical working groups focusing on a range of green growth issues. Databases and resources that will continue to expand include the Resource Library,

National Documents Database, Case Studies Database, Learning Database, and Data Explorer feature. Countries will continue to benefit directly from the extensive resources available through the GGKP web platform, and GGKP knowledge partners based in GGGI countries will directly engage in dialogue, debate, and research initiatives on green growth with GGGI and other global institutions and experts. National governments will also be directly served through GGKP's Expert Connect service, which matches green growth experts for leading international organizations with policy makers in developing countries.

- **Strategic Outcomes and Green Growth Readiness:** During 2019-2020, TL will work to enhance GGGI's ability to effectively report the impact of green growth activities at the country level and globally. TL will prepare assessments of its progress towards achieving its SOs for green jobs creation and air quality improvements, and position SOs as a development impact assessment framework for NDC and SDG implementation ("green growth readiness")., identify measures for GGGI's contributions to green jobs, building on the joint green growth readiness work initiated in Africa in 2018 with the African Development Bank. During the new biennium GGGI will pursue similar assessments in Asia and Latin America through co-financing with regional development partners and will partner with ILO to jointly implement a Green Growth and Employment Program that aims to provide green employment analytics and policy advisory work in GGGI countries.

- **State of Green Growth Report:** Starting in 2019, TL will synthesize its own analyses and the collective progress of GGGI's country programs to prepare and launch its new annual flagship report, the State of Green Growth. Serving as a highly visible, awareness-raising compendium on how the green growth agenda is put into practice, the Report will describe insights, innovations, best practices, and lessons learned from GGGI member and partner countries, provide a platform for publishing the annual results of the Green Growth Index, and provide a vehicle for initiating GGGI's Global Green Growth 2030 Campaign. The Report will benefit GGGI's country programs by sharing successes and experiences across countries and by highlighting effective and practical approaches to advance green growth policy, planning, and investment measures at the country level.

H. Results Monitoring and Impact Evaluation

1. Results Monitoring

88. The reporting of our results is important to demonstrate how GGGI has impacted the transformation of partner countries towards a green growth model. GGGI's performance in achieving the goals defined in its Refreshed Strategic Plan 2015-2020 will be measured annually by its programmatic and non-programmatic results against the revised CRF 2019-2020 (see Annex 4). The details of this process in fully explained in the PCM 5 manual. The programmatic results will be reported for each project through the Project Results Reports (PRRs). These results are annually aggregated in the Results Report for 2019 and 2020 and reported with the non-programmatic results in the Annual Report.

89. GGGI's RBM system integrates and drives our green growth value chain and PCM to ensure that our projects deliver quality results which, in turn, align with GGGI's partner countries' NDC and SDGs commitments and national development priorities. Since the introduction of the RBM in 2015, GGGI has made progress in managing its results and demonstrating the value GGGI adds to help its partner countries transformation to models of green growth. The RBM process aligns with the WPB 2019-2020 through the PCM and amplifies the quality of project design, implementation, monitoring, reporting and evaluation processes.

90. The PRRs and the Annual Report are part of GGGI's commitment to accountability, transparency and good governance and serve to (i) track and report on the organization's progress and results against its programmatic and strategic objectives; (ii) support continuous learning and improvement in project design, management, implementation, monitoring, and reporting; and (iii) support management, the MPSC and the Council with information on GGGI's operations for making informed decisions.

91. Drawing on lessons from the 2017 Results Report exercise, the CRF has been updated in line with Refreshed Strategic Plan 2015-2020 and streamlined and polished to be more aligned with the Department for International Development (DFID) agreement and moving towards more meaningful and impact related outcomes. The total indicators reduced to 24 compared to 25 in the CRF applied to 2017 and 2018 results. These changes are highlighted in Annex 4. The main changes include (i) dropping outcome indicator 3.3 and output indicators 4.2 and 6.4 because they are redundant and consolidating of output indicators 1.2, 2.2 and 3.2 into a single cross cutting output

indicator that specifically tracks the integration of SPRSI elements in all projects (ii) addition of outcome indicator 3.3 and output indicator 5.1 to better measure the quality of capacity building and knowledge products in supporting green growth elements and output indicators 7.3 to improve performance in organizational efficiency respectively. During 2019-2020, GGGI will pursue continuous improvement in its results monitoring and reporting through automation to enable more timely adjustments to projects with shortcomings, and thus more effective, efficient and timely results management and reporting. In addition, the indicators measuring the non-programmatic costs, or overheads of GGGI, have been adjusted to congruence with a decision to measure GGGI's non-programmatic costs as a share of its total resources, and core contributions and earmarked funded programs.

2. Impact and Evaluation

92. The Impact and Evaluation Unit (IEU) was established in 2016 with a mandate to strengthen GGGI's ability to achieve and demonstrate impact. IEU's work is mainly focused on two priority areas: designing and evaluating for impact. IEU develops and implements a range of services to the frontline units, with the collective aim of ensuring programs are well designed from the start to achieve impact. IEU also designs and commissions independent evaluations of GGGI programs, with the aim of assessing their performance and impact, and communicating its findings to key audiences, including the Council and MPSC.

93. In 2019-2020, IEU plans to scale up its work on its *designing for impact*-objective to meet the needs of increased resource mobilization efforts of GGGI. It aims to foster up-front setting of conditions in the designs of the programs for measurement of impact. IEU's support to such early activities include technical support to proposal preparation and clarifying the intended impacts, theory of change, and monitoring and evaluation arrangements for proposed programs, and (ii) systematically harnessing evidence from existing impact evaluation and research literature to improve the design of new projects. In the other priority area for the 2019-2020 biennium, *evaluating impact*, IEU will continue commissioning independent evaluations on selected countries and themes, and strengthen partnerships with institutions with complementary capabilities.

XII. A Stronger GGGI for Greater Impact

A. Strategy and Planning Process

94. Under the Establishment Agreement, the Director-General develops a biennial WPB, including budget allocations by the organizational units and programs for the consideration of the Council.[30] Thus, WPB is a key mechanism, through which GGGI allocates resources and operationalizes its priorities given in the GGGI Refreshed Strategic Plan 2015-2020. Since 2014, GGGI has implemented two biennial WPBs, covering the periods 2015-2016 and 2017-2018. These early WPB processes and the WPB documents catered for a high level of visibility and supervision of GGGI's programmatic and financial activities. In 2018, the Council approved GGGI's proposal to reform of the WPB to enable GGGI to deploy its resources more flexibly to achieve greater relevancy and focus on tangible benefits to its countries of operation[31]. The reform included the following measures:

- **Reform Area 1: Approach to allocating program budgets in the WPB document:** The reformed WPB allocates indicative planning figures - a budget envelope - for each country program. These encompass funding for one or more results-oriented projects involving green planning, policy reform, and preparation of investment projects. These are identified in the CBPs and combine services from all parts of GGGI. In the same vein, the Thematic Origination Plans provide project and policy origination services in the thematic areas, while Thought Leadership and SPRSI activities are provided in the Global Business Plans for these areas (See Attachment: Compendium of Business Plans).

- **Reform Area 2: Quality standards and approval processes for new programs:** The process of design and approval of new projects and programs for 2019-2020 is decoupled from WPB preparation and managed through a separate internal appraisal process. This process is governed by GGGI's PCM, which has been modified to ensure a robust quality assurance process to fosters coherency in GGGI's programs, whether funded by its core or additional earmarked resources. These changes will alleviate time pressures and rigidities created by

[30] GGGI Establishment Agreement - Article 8, Section 5(c).

[31] A/2017/3 – C/2017/3 REV. Proposed reforms to GGGI's Work Program & Budget process, Tenth Session of the Council and Sixth Session of the Assembly (Joint Session) October 19, 2017, Addis Ababa, Ethiopia.

confining the program design process to a one-off project preparation exercise in the context of the earlier WPB preparation; allowing for mid-course adjustments to the CBPs, underlining the value of the country relationships and partnerships; and enhancing the quality of projects through an enhanced attention to results in the project designs, as recommended by several recent external evaluations.

- **Reform Area 3: Internal allocation and management of staff resources:** GGGI is optimizing the allocation of staff time to program activities. This is important from an efficiency perspective since the majority of GGGI's budget is finances GGGI's staff costs (65% of the total budget in 2017). Greater focus on staff time allocation also improves targeting of resource mobilization in alignment with the country goals and GGGI's strategic outcomes and facilitates a stronger and more sustainable funding model that combines core and earmarked funding. Finally, the country-focused resource allocation responds to ensuring a "One-GGGI" operating model, including through tracking, deploying, and redeploying staff, ensuring staff motivation, updating of competencies in GGGI's workforce, building capacity to deliver, share, and disseminate knowledge, and extracting learning from GGGI's activities anywhere in the world, a strong comparative advantage of GGGI.

- **Reform Area 4: Transparency and accountability for programming decisions and results:** GGGI is adjusting its reporting and communication mechanisms to ensure that a summary of project details is shared with Members on an annual basis in the Annual Results Reports, but also on ongoing basis in the country pages of the GGGI's website. To ensure transparency and visibility of project decisions, the WPB will publish the CBPs. GGGI has launched a refreshed website with country pages, where all of its project decisions will be posted in the public domain with the respective CPFs and technical reports.

95. These reforms aim to result in (i) a more strategic WPB to enhance resource mobilization and allocation that provides a compelling view to planning of GGGI's activities and its business model, (ii) a greater focus on GGGI's results by concentrating on the medium-term green growth outcomes, leaving the shorter-term implementation details to project documentation, (iii) an enhanced attention to planning, design, efficiency and quality assurance of new projects for 2019-2020; (iv) an improved ability to allocate resources in a more flexible and timely manner; (v) capacity to respond to changing circumstances and emerging opportunities, (vi) strengthened integration among the organizational units within GGGI in the design and delivery of programs; (vii) an improved level of transparency and accountability regarding programming decisions and results;

and most importantly (viii) a greater capture of partnerships among resource and delivery donors and ownership of the government counterpart organizations—critical for enhancing resources for green growth and sustainability of programs under GGGI's operation.

Box 6: iGROW Reforms

November 2017, business process reform, internally branded iGROW, was launched with a view to position GGGI as a lead player promoting green growth and an organization that (i) is well-funded with a growing pipeline of projects; iii) delivers exciting projects actively supported by stakeholders; (iv) has strong partnerships and extended portfolios; (v) delivers products and services at optimum cost; (vi) is responsible and value-driven that is trusted; and (vi) is a great place to work. To achieve maximum results, the reform process is deploying approaches that capitalizes on the organizational values and strategy, policies, systems and processes, and the people of GGGI.

With regards to strategy and values, the Council approved a Refreshed GGGI Strategic Plan, 2015-2020, in October 2017. In the Strategic Plan, GGGI articulates five core values and six SOs. The SOs represent the long-term ambition of GGGI's contribution to assisting countries make a lasting transition to green growth.

In terms of policies, system and processes, within iGROW, GGGI launched a review of its core business processes, including processes for resource mobilization and project management. To support these processes, CRM system has been implemented. In relation to this approach, responsibility for resource mobilization has been transferred to GGGI's country offices, further positioning these as autonomous business units.

B. Diagnostic Assessments and Knowledge-based Operations

96. GGGI's country operations benefit from applied green growth research, analytical tools and methodologies, knowledge sharing, and multi-country and multi-thematic capacity building. These Thought Leadership and knowledge sharing outputs aim to effectively propel countries to proactively advance policies and investments that result in broader global adoption of green growth. From the next biennium, GGGI's knowledge leadership will promote recognition and adoption of the green growth model for development to a global audience through an annual State of Green Growth flagship report, part of GGGI's Global Green Growth 2030 Campaign (see Para. 87). The report will serve as a primary vehicle for publishing the data-driven results of GGGI's Green Growth Index and demonstrate successful country experiences and approaches in green growth across the entire GGGI value chain in its thematic areas.

97. GGGI's CPFs will be grounded in diagnostic analysis of the partner countries green growth

potential. GGPA ensures that the assessments are systematic, objective, and participatory. In the current biennium, 7 country assessments have been conducted for Cambodia, Colombia, the Lao PDR, Mozambique, Myanmar, Nepal and Peru. These have helped the national governments develop national green growth strategies and GGGI define its CPFs in these countries. In the 2019-2020 biennium, GGGI will conduct up to four GGPAs per year (see Para. 87).

C. Country Business Plans

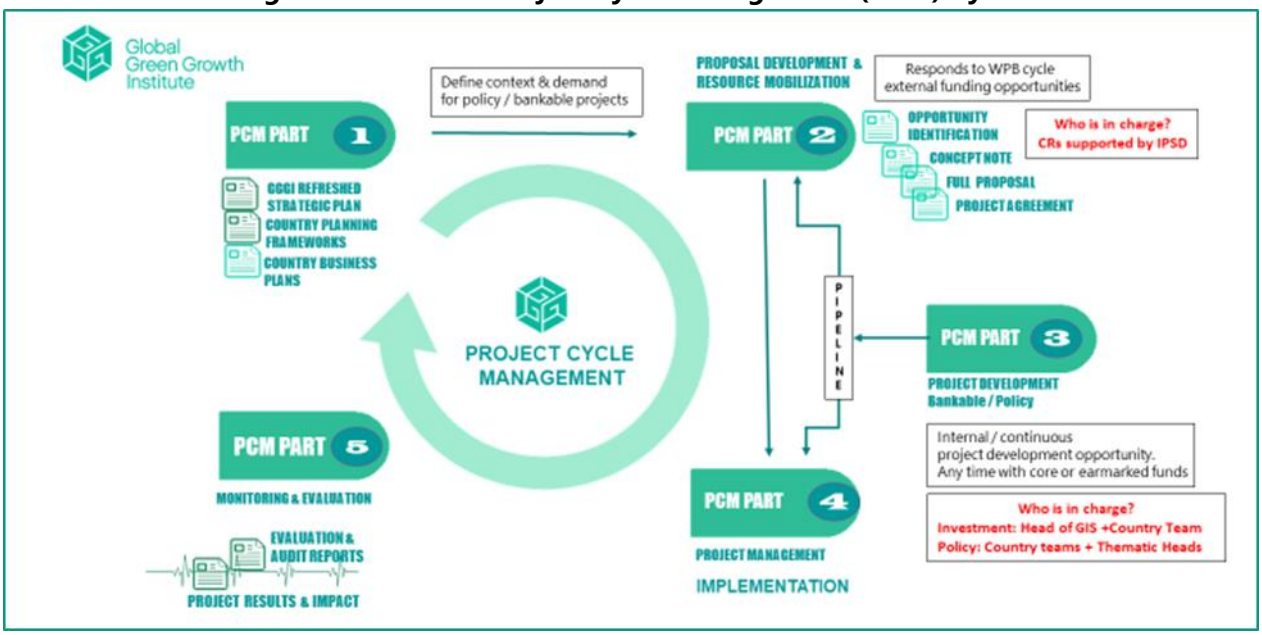
98. National priorities and specific country needs, and circumstances that are reflected in CPFs contextualize GGGI's engagements as its interventions seek to address the underlying objectives of economic growth, poverty reduction, environment sustainability and social inclusion as the key drivers of a transition to a model of green growth. CPFs are prepared in the context of the PCM-1, with an enhanced focus on an evidence-based theory of change, quantitative impact targets, and a political economy and risk analysis. To date, GGGI has completed CPFs in 13 countries and has a pipeline of an additional 14 CPFs expected to be completed by the end of 2019. GGGI has developed CPFs jointly with partner governments and will build on CBPs presented in WPB 2019-2020. GGGI's CBPs operationalize CPFs through projects built on shared objectives for the WPB period 2019-2020. Through its CBPs, GGGI provides technical assistance, involving GGGI country teams, its thematic leadership and investment services, and mobilizes finance for investment projects that promote clean energy, green cities, sustainable landscapes, and sustainable water use. The biennial CBPs provide an indicative resource allocation and a planning platform for discussing and monitoring specific projects with the governments, resource and delivery partners.

D. Project Cycle Management

99. GGGI has put in place a comprehensive system for its PCM defined in a 5-part manual to govern programming, design, implementation, and monitoring and evaluation of projects that focuses on results-based management. This system assures alignment of programming with GGGI's strategies, innovation in project design, efficiency and effectiveness of operations. It seeks to ensure that (i) decision-making criteria and procedures are well-defined under each phase with key information requirements and quality assessment criteria; and (ii) draws on the results monitoring and evaluation as a structured process of feedback and institutional learning. Through the five components of PCM, GGGI achieves a continuous project development process and a steady

stream of well-developed investment and policy projects aligned with GGGI's strategy and country requirements. Figure 4 presents the five components of GGGI's PCM.

Figure 6. GGGI's Project Cycle Management (PCM) Cycle



Notes: The processes and responsibilities set out in the five components of the PCM are interrelated and comprise: **PCM1**—Identifies a process for the country planning frameworks and business planning, defines the context and demand for policy and investment projects, and leads to the allocation of GGGI to country budget envelopes and identification of expectations of the earmarked resources to augment the total GGGI program in the country. **PCM2**—Earmarked proposal preparation process, with possible policy or investment interventions, defines the quality assurance and formal interactions with the identified donor. **PCM3**—A continuous project development process with a focus on preparation of an investment project or a policy project. **PCM4**—Defines GGGI's Project Management activities. **PCM5**—Defines GGGI's Project monitoring and evaluation activities.

- Country Programming – PCM 1: PCM Part 1 lays the foundation for GGGI's programming and budget. It includes (i) GGGI's Strategic Plan, (ii) CPFs, and (iii) CBPs, which build on each other to define country level priorities and targets. The Institute's work is guided by the Strategic Plan, which sets out a clear direction for the organization, defining the role, scope, and outcomes of GGGI's programs in our partner countries. Building on the Strategic Plan, each country defines their five-year in-country delivery strategy through a CPF, which responds to the country's national priorities, while aligning country-level strategic outcomes with international frameworks and commitments and GGGI's Strategic Plan. Lastly, CBPs define the direction for GGGI's Work Program and Budget, outlining the context, achievements, anticipated programs and resource opportunities. CBPs are developed based on an indicative planning figure and are used as a foundation for resource mobilization and project implementation throughout the biennium.
- Resource mobilization – PCM 2: In ensuring a conducive process for the preparation of high quality project proposals, GGGI has revised its resource mobilization process. The revised

process has reduced internal processing steps, made project preparation more innovative and enhanced their quality and helped GGGI enhance its efficiency and effectiveness. Taking note of evaluation recommendations,[32] GGGI's projects will encompass (i) clearer impact pathways and definition of exit point; (ii) thorough institutional analysis and political economy assessment, safeguards, poverty reduction and social inclusion; (iii) clearly defined contributions to the strategic outcomes, while remaining flexible on the means, enabling mid-course adjustments; and (iv) integration of knowledge, policy, and investment activities.

- Investment and Policy Projects – PCM 3: Outlines process steps for investment and policy projects with the aim to mobilize concessional, climate and/or commercial finance for GGGI Member countries to implement green growth initiatives or projects. Investment projects need to meet the expectations of investors for a financial return commensurate with the risk of the project. GGGI aims to make an identified investment opportunity bankable by employing de-risking, assured income, subsidy, and other instruments and strategies. They include investment projects, financial instruments, and national financing vehicles. Most investment projects are country-specific, but funds or instruments could be regional or global in scope.
- Project Management – PCM 4: GGGI project management process covers all aspects of project implementation: mobilization, inception, execution, stakeholder management, quality assurance, change control, monitoring, reporting and closure. The process is supported by a information technology solution that integrates project management to a single real-time information database. This will help reduce costs and support more effective project implementation, while improving monitoring, reporting, communications and evaluation with greater the accuracy, timeliness and consistency of project information.
- Monitoring and Evaluation – PCM 5: Outlines the responsibilities and process steps for GGGI's corporate results reporting and evaluation with the aim of tracking and improving project performance, and accounting for GGGI's annual aggregated results to donors and stakeholders. The Impact & Evaluation Unit undertakes country and thematic evaluation on a sample of projects each year to assess progress toward impact and support learning and continuous improvement. The annual corporate results reporting assesses the delivery of the Refreshed Strategic Plan 2015-2020 by measuring programmatic and non-programmatic results against the CRF. In addition, from 2018 GGGI is providing training in the development of results-oriented project proposals that demonstrate clear and measurable pathways to impact. Finally, GGGI is reviewing and automating its results measurement and monitoring processes to ensure robust results reporting.

[32] These include the 2nd and 3rd Joint Donor Reviews in 2013 and 2015; Denmark's appraisals of GGGI in 2014 and 2017; Norway Agency for Development Cooperation's (NORAD) mid-term and final evaluation of GGGI's Ethiopia country program in 2015 and 2017; IEU's evaluation of GGGI's progress against the Strategic Plan in 2017; and NORAD's Evaluation of GGGI's Programme in Indonesia (2012-2017), Final Report, 28 Feb 2018.

Partnerships and Resource Mobilization

100. GGGI will support program expansion in the short to medium term through increasing earmarked funding through a broader base of development partners. Moreover, to meet growing demands on its services, GGGI is changing its funding model. This change in GGGI's funding strategy concurrently engages GGGI more deeply in its mandate to advocate and mobilize greater resources for green growth, greening of investments and infrastructure, and additional funding for partner countries' programs to achieve their NDCs and SDGs.

101. GGGI has taken many initiatives to diversify and improve its earmarked income since 2017 and 2018, laying the foundation for the 2019-2020 biennium. GGGI has established strategic partnerships with the Green Climate Fund (GCF), Italian Ministry of Environment, Land, and Sea, Korean International Development Agency, Luxembourg Ministry of Sustainable Development and Infrastructure, and the Netherlands' Ministry of Foreign Affairs among others.

102. Under the CPF and CPB processes, country offices are developing functional and strong relations with all relevant donors and delivery agencies represented in the countries and the donor coordination mechanisms of the partner governments to ensure a comprehensive mapping of green growth funding possibilities and to mobilize additional resources for green growth. All country offices are similarly urged to liaise with the National Designated Authorities to assess their capacity to access resources from GCF and other climate funding sources and to broaden their relationships with all relevant agencies. More centrally, GGGI has been invited to undertake a Pillar Assessment to become an entrusted partner of the EU and has qualified as a Public International Organization for USAID. A growing confidence in GGGI was sealed with the A+ rating of the Department of International Development of the United Kingdom in its 2017 annual review of GGGI.

103. Working in partnerships with other delivery and knowledge partners is also central to GGGI's efforts for resource mobilization. Effective partnerships underpin GGGI's efforts to deliver on its mission of supporting Member and partners countries to move toward a model of green growth. GGGI will leverage its affiliation with organizations linked through various platforms, including the Green Growth Knowledge Platform – and new Green Industry and Green Finance Platforms – the NDC Partnership, Partnering for Green Growth and the Global Goals 2030 (P4G), and the Global Peatlands Initiative, among others. Bilateral arrangements are also being leveraged such as with

the African Development Bank, World Green Economy Organization, the United Nations Environment, the United Nations Economic and Social Commission for Asia and the Pacific, among others. This will be complemented by strategic review of its partnerships international networks to ensure they are active and providing value for Member countries.

104. In 2019-2020, GGGI will explore innovative funding sources to lay the foundation for funding its Refreshed Strategic Plan 2030, and longer-term financial sustainability such as a project preparation facility and replenishable fund. GGGI will proactively engage with a reactivated Donor Consultative Group to explore innovative options for GGGI's sustainability.

Enhancing In-House Capacity – People Planner and Charge-out Rates

105. GGGI has introduced a series of reforms to ensure that its business model is geared to deliver the outcomes of the Refreshed Strategic Plan 2015-2020, enabling GGGI to become a more nimble, flexible, efficient and innovative organization. In connection with its business process reforms, GGGI will optimize the engagement of its staff in the implementation of its projects. Under the new business model, GGGI will develop projects with carefully defined outputs and inputs, which are implemented by its internal talent in place of engaging consulting services. This will enable integration of learning from GGGI's operations across the world. To facilitate this shift, GGGI has designed its charge-out rates and staff-time management system, which will enable an efficient management of staff inputs against agreed outputs under the projects. These reforms will provide opportunities for staff to support countries programs across the world on the basis of demand for their expertise, for GGGI's units to operate as One GGGI with various divisions supporting specific projects, and for GGGI to reduce the need for external services.

106. One of the key objectives of the reform is to facilitate efficient project management and cost-effective resource allocation for the integrated delivery of GGGI WPB. To adapt to the changes, GGGI's People Planner and Charge-out Rates enable management of its in-house capacity. People Planner helps GGGI to deliver an accurate, detailed utilization of human resources, drive collaboration between Resource Managers and Project Manager, monitor, report and analyze the full utilization and optimization of resources, and most importantly, engage and include staff in the planning processes in a systematic way. Effective People Planner also allows GGGI to match rising technical capacity demands and available resources in a much more systematic and efficient way.

107. As part of the People Planner, a new set of charge-out rates for National and International Staff allow GGGI improve decision-making and accountability in budgeting inputs through a better

understanding of total costs to attain project outputs. These also enable consistency in developing output/outcome-based budgets of earmarked projects and programs. Aligned with GGGI's efforts to increase the internal capacity to mobilize earmarked funding, these rates allow enhanced ability and flexibility to negotiate and apply direct and indirect costs to earmarked funded projects.

E. Values, Behaviours, and Change Communications

108. At GGGI, how GGGI executes its Refreshed Strategic Plan 2015-2020 is as important as delivering on our targets. As we progress towards deepening GGGI's operational focus to deliver results and value to all our stakeholders, we recognize that values drive behavior. Our five core values shape the way we work together. Communications help us stay on course on our progress. In particular, open communications between leadership, management and staff have been an emphasis in 2017 to encourage openness and feedback. Going forward, internal communications will be further strengthened to enable organizational-wide and cross-department engagement.

Figure 7. GGGI's Core Values

Box 7. GGGI Culture

As a young organization, GGGI has a unique opportunity to deliberately shape its culture. The culture initiative is a broad-based movement of staff and managers dedicated to build GGGI as an accountable and effective organization, a reliable partner, and a great workplace.

Photo on left: GGGI staff worked as one team at football game in Spring 2018
Photo on right: GGGI fostered inclusiveness and celebrated diversity through global campaign #sheinspiresme on International Women's Day celebration 2018.

Throughout 2017, 107 staff participated in an Organizational Culture Assessment, which guided a participatory process to articulate GGGI's Core Values. Subsequently 23 Culture Change Circles involved nearly all staff globally to identify behaviors that underpin these values. In the 2019-20 biennium, the dedicated group of Culture Champions will continue to promote values in GGGI processes. The Initiative will work to further develop indicators for culture change to measure progress and promote accountability.

XIII. A More Effective GGGI – Enabling Services

109. OED is responsible for managing the corporate functions and systems, including project impact and evaluation that enable the programmatic areas to achieve their result more effectively and efficiently, and within GGGI's mandate. OED supports all parts of GGGI to deliver and demonstrate CPF and manages the following corporate and service functions: (i) legal services, (ii) and Impact and Evaluation, and (iii) administration, finance and procurement, human resources and technology. Key OED activities in 2019-2020 are:

- **Legal**: The Legal Unit provides legal advice and services to all divisions in GGGI, as well as its governance organs to support the respective operational and program objectives. It thus enables GGGI accomplish its strategic plan and mission, ensuring legality in the implementation of the its activities, safeguarding its reputation and institutional integrity, and aligning the legal risks with the organization's risk appetite. The Unit also aims to ensure a safe and respectful working environment honoring diversity, transparency and each staff Member's right to integrity aiming at the best practices and highest standards among international organizations. In 2019-2020, the Unit will put more focus on rolling out anti-money laundering and counter-terrorist financing (AML/CFT) policies and procedures and support on resource mobilization, while continuing to prioritize support work to Host Country Agreements.

- **Finance and Procurement Services:** The Finance and Procurement Unit focuses on provision of strategic financial information for management decision-making, financial governance and control through the adoption of International Financial Reporting Standards. The Unit manages GGGI's budgets and resource forecasts, and reports on the progress against these throughout the year. It manages GGGI's investments and cash flow, ensuring the investment returns are optimized and there are adequate funds available to meet the day-to-day payments. The e-Green Procurement Portal (e-GPP) was launched to make the tendering process easier for suppliers, reduce administration costs, enhance the recording of actions and correspondence and remove possible errors during the procurement process. Aligned to the e-GPP, GGGI revised its procurement contract templates to meet international standards, including improvements to clauses on anti-corruption and audit. In 2019-2020, the unit will prioritize (i) implementation of time sheet, cost pooling and charge-back systems to all country offices and Seoul and (ii) a thorough understanding of procurement process and contract management within GGGI, critical to GGGI's drive for VfM in all GGGI's procurement related activities. In 2019-2020, the Finance

and Procurement Unit will help GGGI reduce spending on non-programmatic activities and enhance financial management through improvements in automation within the Enterprise Resource Planning system.

- **Human Resources Services:** The Human Resources (HR) Unit focuses on ensuring support to business units and staff, providing accurate and on-time implementation of Staff Rules and Regulations, recruitment, compensation and benefits review payroll, employee relations, and learning and development. Throughout last year, it also has been focusing on employee experience, gender, mentoring, support staff engagement, culture change through widespread adoption of GGGI values via a number of new policies and HR activities as well as learning support to the iGROW reform process In 2019-2020, the Unit aims to (i) continue improving employee experience and support staff engagement by refreshing of the HR systems and policies, e.g. changes to performance management processes, , onboarding, diversity and inclusiveness , (ii) introduce increased opportunities for career opportunities and development to improve staff skills development and retention through internal job advertisements, job rotation, and a leadership program, and (iii) support resource utilization processes with reviews of job descriptions, competency mapping, and introduction of time sheets, iv) continue to develop new HR talent management and knowledge sharing activities. In 2019-2020, the HR Unit will help GGGI to pursue its aim to retain and optimize use of its staff resources, and enhance staff engagement through introduction of enabling services, such as design a new, a sound performance management system, improve staff mobility, decentralize common HR functions to regional offices and continue to promote a flexible and respectful working environment.

- **Administrative Services:** The Administrative Services Unit (ASU) was established in January 2017 to emphasize the importance of the work of administration in establishing a more connected, inclusive and collaborative GGGI culture. The Unit is committed to creating an *Enabling Environment* with a greater focus on enhancing GGGI's operations to be more environmentally sustainable across all GGGI offices. The Unit lead development of a Green Office Guide and Green Event Guide, procurement of eco-friendly office supplies, and launch of awareness-raising campaigns such as Green Office Month and publication of an internal magazine ("Greenism") which showcase individual and organizational efforts for a greener lifestyle. In 2019-2020, ASU aims to increase the connectivity between GGGI HQ and country offices and the transparency about GGGI's environmental and social commitments. ASU also plans to establish the headquarters building for long term sustainability.

- **Technology Services:** The Technology Services Unit (TSU) is responsible for managing corporate technological infrastructure, business solutions and provision of information technology (IT) services to support GGGI's departments and units in achieving their goals and objectives. The Information and Communication Technology (ICT) Strategic Program 2017-2020 governs its investment program. In 2019-2020, TSU will focus on (i) development of tools and platforms to support business process reforms, including through implementing CRM, Document Management System (DMS), and further automating the ERP system and (ii) ensuring stabilize technology infrastructure, cloud-based network services, and efficient conferencing facilities, including by GGGI's country offices. TSU manages GGGI's capital budget relating to information technology investments. Furthermore, Project Management System (NGO Online) is expected to be implemented by the end of 2018 to enable robust, results-based project management, aligned to the CRM and integrated with the existing ERP system.

- **Impact and Evaluation:** The work of GGGI's IEU supports VfM agenda by providing feedback to programs on ways to strengthen results for the given investment by donors and Members. Evaluations also highlight areas in GGGI's operations where there are opportunities to further streamline or simplify corporate policies and processes. IEU's recommendations to improve the GGGI's projects and initiatives are discussed and adopted by GGGI's management. Evaluations of country programs in Mexico and Thailand were completed to provide actionable recommendations for improvements in the delivery of results and operational processes and enhance transparency and accountability to members and funders. In addition, evaluations of the Peru country program and the impact of GGGI's Green City Strategies developed in Cambodia, Rwanda and Senegal are expected to be completed by the end of 2018.

XIV. Governance and Management

110. The Office of Director-General (ODG) is responsible for directing strategic planning, providing advisory support to the Director-General (DG). ODG plays a catalytic role in securing GGGI's sustainability through coordinated resource mobilization and donor relations, strengthening GGGI's global brand by ensuring relevant programs, visibility of results and strategic networking, and ensuring effective decision-making and accountability by supporting management and operational coordination among divisions. ODG is comprised of two departments: (i) Governance and (ii) Strategy, Partnership, Communications and GCF Liaison.

- **Governance Department** is responsible for effective and efficient functioning of GGGI's Governance Organs, including the Assembly of Members, its Council, and the MPSC. It also functions as the Office of the President of the Assembly and Chair of the Council and maintains a portfolio of specific outreach targets for some countries including the Host Country, the Republic of Korea. In 2019-2020, the Governance Department will ensure the continuance and administration of the Governance Organs through timely election of the bureau and officers; effective engagement of Members on policy discussions and decision-making processes in an open, transparent and timely manner; and that meetings of the Governance Organ are well-managed to facilitate effective engagement of participants. In 2019-2020, the Governance Department will engage key stakeholders in its portfolio of outreach targets, within Korea, the Japan and United States of America to generate stronger support within these countries and pave the way for eventual accession by the latter two. Some engagement activities with key stakeholders include:
    - **(with KOREA) Participation in the** 2019 International Renewable Energy Conference (IREC 2019), Green Roundtable series with Ministry of Foreign Affairs; holding workshops and events with ROK National Assembly, special workshop with the International Conference of Asian Political Parties (ICAPP); working together with theI nter-Korean Cooperation Fund with EXIM Bank, projects with Korea University, the Peace Forest Initiative (PFI) with the Korea Forest Service, the Coalition for Our Common Future
    - **(with Japan)** Facilitation of the China-Japan-Korea Initiative; holding joint workshops with Member missions, joint workshops with our members (especially "Seoul Club") in Tokyo, participation in RE/climate change conferences hosted by the Government of Japan

- **(with the United States)** Holding workshops with the Center for Strategic and International Studies (CSIS), the Pew Trust, and other think tanks; engagement activities with the USAID and U.S. Department of State; and convening of numerous bilateral meetings between the Governance Department and officials and experts in Korea, Japan and the U.S.

In addition, the Governance Department provides strategic and substantive support to the President and Chair in his efforts to engage Members and stakeholders at the political level, and engagement activities already confirmed and being planned include the Abu Dhabi Sustainability Week and the World Government Summit, as well as numerous bilateral meetings with heads of states and other leadership of Members and stakeholders.

- **Strategic, Partnership and Communications** (SPC) Department supports the DG with strategy, partnership, results, change management, and communications services. Since 2017, it's partnership operations were augmented with the addition of the GCF Liaison unit, which facilitates resource mobilization and strengthens of GGGI's strategic collaboration with the GCF in addition to other partner and donor entities to enhance GGGI's Member and partner countries' access to climate finance. As the front office of the DG, the SPC is both internally facing in that it supports GGGI as whole in fulfilling its strategic vision, and externally facing in that it supports the DG in developing and maintaining relationships with external parties and in mobilizing resources.

- **Strategy**: The Strategy Unit, within the SPC, leads the development of the strategic directions of the organization, and defines the CRF accordingly, including identification of indicators and targets to reflect its Refreshed Strategic Plan 2015-2020 and recommendations from its membership. In 2019-2020, the Strategy Unit, as a custodian of the WPB, monitors and ensures its implementation. SPC plans and implements processes for the preparation of the Strategy 2030, which will involve eminent persons groups and broad consultations of Member and partner countries and stakeholders as well as the Donor Consultative Group.

- **Partnership**: The Partnership Unit advices the DG and GGGI more broadly on the opportunities to expand GGGI's financing possibilities with the support of additional earmarked funding and serves as a custodian of the PCM – Part 2 focused on resource mobilization. Partnership Unit is also responsible for the management of new membership processes and design and implementation of GGGI's strategies to expand its membership. In 2019-2020, the Partnership Unit will maximize utilization of the CRM tool, support planning for Strategy 2030 with

secretarial services to the Donor Consultative Group, and harness earmarked resources for GGGI's operations thus leveraging its core funded program for stronger green growth impacts.

- **Communications**: The Communications Unit ensures that GGGI's target audiences, internal and external, have a clear understanding of GGGI as an organization, its vision, mission, objectives, and GGGI's programs in pursuit of these goals. Over 2019-2020, the Unit will contribute to the implementation of the Refreshed Strategic Plan 2015-2020 by enhancing awareness of GGGI's mandate and programs, and how GGGI helps its Member and partner countries move to models of green growth and helps professionalize GGGI by improving the communications processes and tools used. Also, it will focus on Implementing the Green Growth Campaign – promoting and socializing the findings and recommendations of the Thought Leadership project related to the Green Growth Index and the State of Green Growth Flagship Report.

- **Green Climate Fund (GCF) Liaison**: The GCF Liaison Unit (GLU) supports resource mobilization efforts to strengthen GGGI's funding and portfolio management and strengthen GGGI's strategic collaboration with the GCF in addition to other organizations, such as the European Union, to enhance GGGI's Member and partner countries' access to climate finance. In 2019-2020, GLU aims to mobilize USD 20 million of GCF Readiness support to strengthen country capacity to develop a USD 500 million portfolio of GCF projects by 2020, enable GGGI partner countries' access to financing to support mitigation and adaptation initiatives and help create sustainable technical and institutional capacity through tailored capacity development programs for government counterparts to access climate finance.

XV. Value for Money

A. Efficiency

111. The GGGI is committed to optimal use of resources to achieve its strategic outcomes. The Refreshed Strategic Plan 2015-2020 highlights a priority of delivering more for less and VfM approach is espoused in the CRF with indicators to demonstrate how GGGI is maximizing VfM. Concrete measures have been already implemented to enhance VfM at GGGI, including an e-Green Procurement Portal launched in 2018 to improve the efficiency of tender processes. Building on this momentum, GGGI will institutionalize VfM in the design of its projects through setting targets with baseline measures for its theories of change, improve results-based planning and budgeting, proactive management of risks, dedicated resources for monitoring progress, and demonstrating how projects make good use of resources relative to alternatives. Institution-wide, much is being accomplished through automation and integration of data management. The following actions will drive VfM throughout the Institute in the 2019-2020 biennium:

- **Administration**: Implementation of a VfM in GGGI' s administrative systems has decreased operational costs[33] per staff by 37% in 2017 from 2016. GGGI will continue its focus on globally greening in-house operations and ensuring that GGGI positions itself as a green international organization. Through the biennium, e-green procurement application will minimize resource costs in procurement activities; revisions to the Enterprise Resource Planner (ERP) will reduce steps in travel authorization and claims, and optimized linkages in the project monitoring and results monitoring will reduce manual data collections, expediting management decisions on mid-course adjustments and reporting to our Members and donors.

- **Human Resources:** Redeployment of staff resources to right-size operations and optimize skills-mix throughout the Institute, will support GGGI' s operational business model transformation toward enhanced in-house capacity in project implementation and reduce response time to meet country needs, and subsequently provide VfM for our Members and donors; and efficient use of internship resources enabling a rich on-the-job experience with capacity improving outputs for GGGI; and career development initiatives, rotation and talent

[33] Operational costs include: (i) printing expenses, (ii) office utilities expenses, (iii) office supplies and (iv) office maintenance and security.

management, contribute to staff attraction and retention, and engagement with broad VfM benefits for the Institute.

- **Communications:** A lean Communications Unit has geared its operations through a trained network of internal communications focal points, whose functions are specified in service level agreements, complemented by international media retainers, and external graphical and production support. These are further expected to be enhanced through a network of communicators in Member and partner countries focal ministries and first-hand relationships with international media outlets and journalists who share GGGI' s messaging to their respective networks. These facets enable GGGI to raise its external profile, including at top-tier global conferences. Automation of client relations under CRM enables the small Communications Unit to coordinate GGGI' s participation in global events, maximizing impact from the communications activities to broadest audiences. Learning tools and regular roll out of communication material and central design of publication formats engender VfM benefits far beyond the limitations of the current in-house capacity.

- **Country Programs:** At country level, advance planning in the country business plans to enable GGGI to ensure partner governments and donor partners' ownership and commitment, crucial for succeeding with the novel project and initiatives pursued by GGGI. The results frameworks enable early identification of benefits (outputs and outcomes) and beneficiaries in quantitative terms, risks to the envisaged outputs, defining leading indicators to measure achievement of the benefits, and recording performance against baseline will generate stronger credibility in GGGI' s programs and enable effective monitoring and evaluation. Advance indication of clear delivery plans and expected costs, inclusion of awareness building and communication plans, capacity building and knowledge sharing will support sustainability of the results and thus drive VfM during and after project implementation.

- **Thematic work**: VfM measures in the thematic work include placing importance on defining the value addition of projects to GGGI' s strategic outcomes and their scalability; prudent at-entry scrutiny of proposals with regard to unique pioneering role of GGGI to ensure unique catalytic, demonstration and replication effect of its operations vis a vis the market opportunities; leveraging of GGGI' s country network for producing green planning, regulatory, and investment results, reducing need for travel; well-defined, integrated, and inclusive engagements combining policy, technology, and capacity development elements involving private, public, and beneficiary participants and clear and measurable output

expectations under terms of reference, contract specifications will help achieve the timely high-caliber products and services; and optimal use of partnerships and alliance to extend GGGI's impact and set a high bar for results, engendering VfM for GGGI's partner governments and donors.

- **Thought Leadership**: The Office of Thought Leadership centralizes technical expertise, capacity building, and knowledge sharing for the use of GGGI operations and demonstrates GGGI's leadership in green growth at an international level. Its Green Growth Potential Assessment and Green Growth Index tools support in-depth analysis to guide partner countries in green growth policy and investment decisions and ensure focus on VfM. In addition to maintaining the Green Growth Knowledge Platform, a global platform network for knowledge sharing, Thought Leadership undertakes strategic research, technical assistance for capacity building, and climate diplomacy to advance partner countries opportunities to achieve NDCs and SDGs.

- **Information Technology**: Migration of core systems to the cloud, improved connectivity, strengthened security and operational efficiencies, strategic partnership with UN International Computer Center (UNICC), and implementation of Single Sign On enable GGGI to implement efficient document management practices in everyday operations, with significant economies of scale and VfM benefits in terms of minimized data loss, duplication of processes, and maximizing automation and e-functions across the Institute during the biennium. GGGI is taking significant steps in the renewal of an IT framework in the context of an IT Action Plan.

112. Efficiency and effectiveness in resource allocation is measured by targets identified in GGGI's Refreshed Strategic Plan 2015-2020 as provided in Table 3.

Table 3. Progress in achieving the Targets in the Strategic Plan (in %)

Target in the Strategic Plan	2015 (actual)	2016 (actual)	2017 (actual)	2018 (target)	2019 (target)	2020 (target)
% of core country program budget allocated to Member LDCs	28	26	35	32	42	42
% of core country budget allocated to LDCs	37	39	53	52	50	50
% of core country budget allocated to MICs	63	59	46	48	50	50
% of core country budget allocated to Member LDCs and MICs	63	67	72	87	87	87
%of spending on non-programmatic cost	41	36	30	30	15	15

Source: GGGI Results Report 2016, GGGI Results Report 2017, and GGGI Refreshed Strategic Plan 2015-2020, Council Decision on GGGI Overhead, [C/2018/DC/6].

113. GGGI's Impact and Evaluation Unit (IEU) deploys a systematic focus on VfM through the evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability. These aim at strengthening GGGI's focus on efficiency, economy, and effectiveness and inherently examine the program design and delivery the intended return, or the value in VfM on investment by donors and Members. IEU's recommendations to improve the GGGI's projects and initiatives are discussed and adopted by GGGI's management.

B. Overheads

114. As GGGI transitions from an operational model that is predominantly funded through core resources to one with a higher percentage of earmarked resources, the Institute has initiated a change in its overhead structure. The aim is for GGGI to move to a situation where the real total non-programmatic expenditure – the overhead costs – equaled the amount charged to earmarked project donors, that is, full cost-recovery, or no subsidy of earmarked projects by core funds. In lieu of this, analysis was conducted to compare overheads definitions with other international

organizations and the results were presented to MPSC for their concurrence. In September 2018, GGGI Council approved:

a) a pass-through earmarked rate or management cost of 7% for GGGI's core donors;

b) an overhead rate of 15% on earmarked contributions from donors who are not a GGGI core donor;

c) a new definition of overhead or non-programmatic costs, namely, as a share of GGGI's total expenditures; and

Calls upon the Institute to reach a target of 15% overhead, as a percentage of total expenditures, by year 2023.

C. Risk Management

115. In 2017, GGGI adopted a Risk Management Framework (RMF)[34], which consolidates GGGI's risk awareness and risk management culture, establishes a risk registry and mitigation measures, and provides a monitoring framework for risk management. GGGI's risk appetite is endorsed by its Council and Assembly and recognizes that GGGI's mandate empowers it to develop business models that are conventionally considered risky and impacted by changes in technology, market and political conditions that affect their successful applications. GGGI works in sub-commercial sectors where need for de-risking is central to GGGI's mandate. It also needs to take forerunning positions where possible and engages in the design of high-risk, innovative models of green growth, and thus acknowledges a higher project failure rate may that experienced by conventional development agencies. Such a heightened risk appetite places additional emphasis on strong corporate risk management practices, with prudent business processes, and efficient and effective resource management.

116. Risks at GGGI are managed using a Risk Management Matrix, a tool for internal assessment of risks and mitigation measures, which, in turn, are monitored through daily operations of GGGI by assigned accountable staff. GGGI fosters a robust culture of risk awareness and risk management in its corporate management. Relating to risk management in its internal governance, GGGI has adopted various policies to ensure robust administrative and corporate management, through the RMF. GGGI also implements a zero-tolerance policy with respect to fraud, corruption, coercion, and collusion, and assures staff rights to a work environment free of discrimination and harassment.

[34] http://gggi.org/risk-management-framework/

D. Accountability and Transparency

117. GGGI has implemented a series of good governance policies in line with international best practice from the outset. Considering recent years' increased attention on accountability in international development, GGGI reiterates its commitment to an organizational culture based on core values. To further strengthen strategic oversight, management, and leadership on accountability, GGGI adopted its Accountability Framework in 2018. The Framework consolidates its governance policies, including transparency, program quality, safeguards, and integrity.

118. Policies under the GGGI Accountability Framework are designed to safeguard staff and people in contact with GGGI's operations and to promote sound and efficient management of assets and financial resources. This includes Staff Code of Conduct, Staff Regulations and Rules, Program Level Sustainability and Safeguards Rules, Procurement Rules, Private Sector Engagement Rules, Anti-corruption Policy as well as whistleblower and grievance procedures.

119. GGGI has plans to further strengthen accountability and transparency in the 2019-2020 biennium on several fronts. In 2018, GGGI will strengthen its financial management by adopting a due diligence process t that compiles with internationally recognized principles on establishing a policy on anti-money laundering and combatting financing of terrorism. This will be complemented by additional training and awareness raising for staff on integrity and anti-corruption work.

120. Particularly on transparency, GGGI's Disclosure Policy[35] favors a default to publish information on its decisions and activities on timely basis to foster transparency and accountability. The policy provides a fundamental basis for GGGI's success in advocating green growth models in its partner countries plans, policies, and investments. The policy defines its accountability for publication of its documents and identifies the isolated incidences, when publication is exceptionally imprudent due to privileged information held within these documents. To ensure that its disclosure standards meet international benchmark in the next biennium 2019-2020, GGGI has reviewed it against comparators disclosure standards and will submit a revised policy to the Council within 2018.

121. From 2018 onwards and throughout the biennium, GGGI will report its data in the

[35] http://gggi.org/site/assets/uploads/2017/11/Disclosure-Policy_19-June-2014.pdf.

International Aid Transparency Initiative. In 2019, GGGI will move to quarterly reporting, which will enable its amalgamation in the global ODA statistics and rating of its efforts to enhance its transparency.

E. Internal Audit and Integrity

122. Since its establishment in 2013, the Office of Internal Audit and Integrity (OIAI) provides assurance services to assess whether GGGI's programs and plans are implemented effectively, strategic management information is reliable and generated accurately and efficiently, and continuous improvements are fostered in methods and procedures to enhance the quality of GGGI's operations. In addition, through its assurance engagements, OIAI identifies major risks for GGGI and proposes remedial actions to the Management and the Audit Contact Point within the MPSC to minimize GGGI's exposure to the risks.

123. In accordance with the International Standards for the Professional Practice of Internal Auditing (the Standards), in 2019-2020, OIAI will continue to provide GGGI with an independent and objective internal oversight with the focus on improving GGGI's internal operations and assessing that the organizational goals and objectives are achieved effectively. In accordance with the Standards and the Internal Audit Charter, OIAI will perform annual risk assessments in 2018 and 2019 to develop risk-based work plans for 2019 and 2020 to identify GGGI's key risk themes and prioritize risks based on their assessed impact and severity. These assessments ensure that OIAI audits subjects of highest risk to the achievement of GGGI's strategic targets.

XVI. Conclusion and Implementation

124. GGGI's WPB 2019-2020 is an organization-wide effort that has engaged its staff, its Member and partner country authorities, and collaborating organizations. This WPB 2019-2020 has been guided by the Planning Directions for the WPB 2019-2020, which received a review and endorsement of the MPSC in April, the associated funding envelope, and country-level discussions on the country and thematic business plans that harness client and donor agency consultations. The WPB operationalize GGGI's Refreshed Strategic Plan 2015-2020 approved in 2017 with six strategic outcomes that anchor all GGGI's activities for it to foster advancement in greenhouse gas emission reductions, green jobs, sustainable and equitable social services, ecoservices, improved air quality and greater resilience among communities in its partner countries to climate change impacts. These outcomes have sharpened GGGI's resolve and actions at global and local country level and cemented its relevance in global advocacy with the objective to pursue green economies and enhance its partner governments capacity to attain their commitments and progress toward a more resilient and sustainable world.

125. GGGI will embark on the new biennium armed with confidence. Its performance in 2017 has been rated "A+" by DFID. It has received PIO accreditation by USAID and been invited to submit a so-called "pillar assessment" by the European Commission, to name but a few important organizational milestones. It has also developed new strategic partnerships with a number of bilateral and multilateral partners from GCF to KOICA to several UN-Agencies (UNDP, UN Environment, UNHLRLLS and UN ESCAP particularly). It has become better known through its global advocacy work, more visible and familiar in its Member and partner countries, and more involved in the policy contexts of its many clients across the world.

126. This WPB encapsulates important changes to GGGI's operational business model, which are aimed at improving GGGI's effectiveness, client responsiveness, flexibility and agility, and capacity to make tangible contributions in the context of the global climate and sustainable development compacts. It also incorporates an adjustment to its funding model, moving it toward a greater balance between core contributions and earmarked funding of its operations. Coined as iGROW, GGGI implemented a series of reforms to reduce its internal bureaucracy and ensure efficient and streamlined processes, and to present an attractive alternative for donors through which they can fund results-oriented earmarked projects, and to nurture a dynamic and high caliber staff complement with prudent internal management frameworks and skills.

Annex 1: Assumptions in the Allocation Scenarios for Work Program and Budget 2019-2020

The two scenarios presented represent a snapshot in time as of 7 September 2018. They represent a low case (base case) under which the Institute has firm expectation of the core contributions and high expectations to reach the earmarked resources which combine committed resources and submitted plans for earmarked funding. Nevertheless, both the firm core contribution and the highly likely earmarked funding contain an element uncertainty which is unavoidable due to variance in fiscal conditions, exchange rates, and counterpart agency mandates. However, GGGI maintains a reasonable degree of confidence in the Base Case.

In the Base Case, the total funding for GGGI would fall short of the current overall budget of USD 58.05 million per annum for the 2017-2018 biennium. Importantly, in the current biennium, regular resources were augmented with spending down of the Retained Surplus of USD 24 million and expenditures thus exceed revenues. Under the Base Case, and without such additional funding, GGGI will inevitably face need for reductions in some areas of operations, most acutely in the non-programmatic areas, where earmarked funding can only replace core resources to the extent overhead is recovered. These savings are being accounted for in GGGI' s planning.

In the Plus case, uncertainty increases under both variables, targeted core contributions and targeted earmarked funding. The country-level targeted earmarked funding levels are aspirational, and cannot, therefore be aggregated to a total volume. These are affected by timing and success probabilities and thus lend themselves as objectives for the country and partnership teams to achieve. However, for planning purposes, the Plus case represents success level in earmarked funding which would move GGGI toward its overall strategic objective of balancing its reliance on core resources to earmarked funding from the current 80:20 ratio to 50:50 ratio. In the presentation, the earmarked funding has been capped at 30% in the aggregation.

The Plus case would enable GGGI to maintain its current operational level. Nevertheless, it requires moving to a different funding model and thus important adjustment in the operating model. Such transformation is under implementation through the business process review and reform to the project cycle management, particularly through enhancement of the in-house capacity to implement projects, i.e. to make maximum use of the internal staff resources and staff in implementation of the earmarked projects in place of engagement of contracted parties for their delivery.

In both scenarios, earmarked resources are based on earmarked resources committed and those in the pipeline, i.e. plans for submission of proposals in addition to those already submitted for donors' consideration. These are inserted on the basis of the committed and expected amounts and assumed to be disbursed during the biennium. While this is a broad-brush assumption, estimating detailed disbursement curves at this early stage will be premature and complicate the assessment unnecessarily.

Both scenarios assume an overhead charge on earmarked resources has been assumed at an average value of 10%, which has been directed to finance non-operational direct and indirect services required for the institutional operations of GGGI. However, to reflect more realistically the cost of the Institute's contributions to earmark-funded project management, GGGI is implementing a practice of charging a pass-through earmarked rate or management cost of 7% for GGGI's core donors and an overhead rate of 15% on earmarked contributions for donors who are not GGGI core donors

In Annex 1, Table 1 and 2. Base Case Core Funding and Allocations according to Strategic Parameters, the allocation scenarios provide:

- Projected core funding
- Projected earmarked funding
- Capital
- Deduction of non-programmatic core allocation based on GGGI's definition of overhead[36]
- Total programmatic allocation as follows:
    - Corporate contingency for country programs
    - Allocation for global programs: thematic origination and green investment
    - Allocation to Program and Investment and Policy Solutions Management, Procurement, Impact Evaluation and Thought Leadership

      Allocation to Country Programs, based on application of the Refreshed Strategic Plan to provide the minimum and maximum amounts programmable in Member Least Developed Countries (LDCs), Member Middle Income Countries (MICs), Non-Member LDCs and Non-Member MICs.

[36] Overhead or non-programmatic costs at GGGI include the Office of the Director General (ODG) includes (1) Director-General's office (2) Governance (3) Strategy, Partnership and Communications (SPC) and the (4) Green Climate Fund (GCF) Liaison Unit; and within the Operations Enabling Division (OED) (5) the Office of the Deputy Director-General (6) Legal (7) Finance (8) Human Resources (9) Administrative Services and (10) Technology Services.

Annex 1, Table 1. Base Case Core Funding and Allocations according to Strategic Parameters

Projected core funding and allocations according to Strategic Parameters		
All figures in USD, and are biennial figures for 2019-2020		
2017-2018 budget figures as per the WPB 2017-2018 Mid-term Review		
Scenario:	Base case	
Strategic Parameters	Value	Source
Amount of GGGI's core resource for country programs that will go directly to LDCs	50%	GGGI Refreshed Strategic Plan 2015-2020 pp24
Amount of GGGI's core resources directed to Member LDCs and MICs combined	87%	GGGI Refreshed Strategic Plan 2015-2020 pp 24
Overheads rate of total expenditures	15%	by Year 2023. Refer to 'Decision on GGGI Overhead"C/2018/DC/6
Amount of GGGI's core resource for country programs that will go directly to Member LDCs	42%	GGGI Revised Corporate Results Framework 2015-2020
Maximum allocation to Non-Member countries	13%	Calculation
Possible allocation to non-Member LDCs	8%	Calculation
Maximum allocation to non-Member MICs	5%	Calculation
Percentage of earmarked funding to non-programmatic	10%	Assumption
% of Programmatic allocation to Global Programs	5%	WPB Reform Paper
% of Programmatic allocation of core to Contingency	5%	WPB Reform Paper

	2019-2020 value (USD)	**Note**
Core Funding projected	52,400,000	projected on 5 September 2018
Earmarked Funding projected	60,490,000	projected on 5 September 2018
Total funding projected	**112,890,000**	
Capital	2,000,000	Information Technology
Maximum core spending on Management and Administration	8,700,000	Includes Operations Enabling Division (OED) (Office of the DDG, Finance, Human Resouces, Technology Services, Administrative Services, Legal Counsel) and Corporate Shared Cost
Maximimum other non-programmatic spending	7,020,000	Includes Office of the Director General (ODG) (Governance, Strategy, Partnerships, GCF Liaison Unit, Communications, Office of Internal Audit (OIAI)
Total non-programmatic	15,720,000	
Minimum programmatic allocation of core	32,840,000	
Global Programs: Thematic Origination and Green Investment	1,642,000	
Contingency for Country Programs	1,642,000	
Office of Deputy Director General (ODDG) GGPI, SPRSI	1,869,450	Office of the Assistant Director General (OADG) GGPI at 75% of 2017-18 budget
Office of the Assistant Director General (OADG), IPSD	1,757,051	75% of 2017-2018 budget
Procurement	516,944	75% of 2017-2018 budget
Impact & Evaluation Unit (IEU)	1,282,803	75% of 2017-2018 budget
Office of Thought Leadership (TL)	3,824,060	80% of 2017-2018 budget
Programmable core resource	20,305,692	Programmatic allocation less Global Programs, Contingency, ODDG GGPI and OADG IPSD, SPRSI, Procurement, IEU and TL
Minimum core allocation to Members	17,665,952	
Minimum core allocation to LDCs	10,152,846	
Minimum core allocation to Member LDCs	8,528,391	
Maximum core allocation to MICs	10,152,846	
Maximum core allocation to Non-Member MICs	1,015,285	
Maximum core allocation to Non-Member LDCs	1,624,455	

Annex 1, Table 2. Plus Case Core Funding and Allocations

Projected core funding and allocations according to Strategic Parameters

All figures in USD, and are biennial figures for 2019-2020

2017-2018 budget figures as per the WPB 2017-2018 Mid-term Review

Scenario: Plus case

Strategic Parameters	Value	Source
Amount of GGGI's core resource for country programs that will go directly to LDCs	50%	GGGI Refreshed Strategic Plan 2015-2020 pp24
Amount of GGGI's core resources directed to Member LDCs and MICs combined	87%	GGGI Refreshed Strategic Plan 2015-2020 pp 24
Overheads rate of total expenditures	15%	by Year 2023. Refer to 'Decision on GGGI Overhead"C/2018/DC/6
Amount of GGGI's core resource for country programs that will go directly to Member LDCs	42%	GGGI Revised Corporate Results Framework 2015-2020
Maximum allocation to Non-Member countries	13%	Calculation
Possible allocation to non-Member LDCs	8%	Calculation
Maximum allocation to non-Member MICs	5%	Calculation
Percentage of earmarked funding to non-programmatic	10%	Assumption
% of Programmatic allocation to Global Programs	5%	WPB Reform Paper
% of Programmatic allocation of core to Contingency	5%	WPB Reform Paper

	2019-2020 value (USD)	**Note**
Core Funding projected	59,400,000	Projected on 5 September 2018
Earmarked Funding projected	78,240,000	Projected on 5 September 2018
Total funding projected	**137,640,000**	
Capital	2,000,000	Information Technology
Maximum core spending on Management and Administration	8,700,000	Includes Operations Enabling Division (OED) (Office of the DDG, Finance, Human Resouces, Technology Services, Administrative Services, Legal Counsel) and Corporate Shared Cost
Maximum other non-programmatic spending	7,020,000	Includes Office of the Director General (ODG) (Governance, Strategy, Partnerships, GCF Liaison Unit, Communications, Office of Internal Audit (OIAI)
Total non-programmatic	15,720,000	
Minimum programmatic allocation of core	36,380,000	
Global Programs: Thematic Origination and Green Investment	1,819,000	
Contingency for Country Programs	1,819,000	
Office of Deputy Director General (ODDG) GGPI, SPRSI	1,869,450	Office of the Assistant Director General (OADG) GGPI at 75% of 2017-18 budget
Office of the Assistant Director General (OADG), IPSD	1,757,051	75% of 2017-2018 budget
Procurement	516,944	75% of 2017-2018 budget
Impact & Evaluation Unit (IEU)	1,282,803	75% of 2017-2018 budget
Office of Thought Leadership (TL)	3,824,060	80% of 2017-2018 budget
Programmable core resource	23,491,692	Programmatic allocation less Global Programs, Contingency, ODDG GGPI and OADG IPSD, SPRSI, Procurement, IEU and TL
Minimum core allocation to Members	20,437,772	
Minimum core allocation to LDCs	11,745,846	
Minimum core allocation to Member LDCs	9,866,511	
Maximum core allocation to MICs	11,745,846	
Maximum core allocation to Non-Member MICs	1,174,585	
Maximum core allocation to Non-Member LDCs	1,879,335	

Annex 1, Table 3. Expected 2019-2020 Unrestricted Contributions (USD Million)

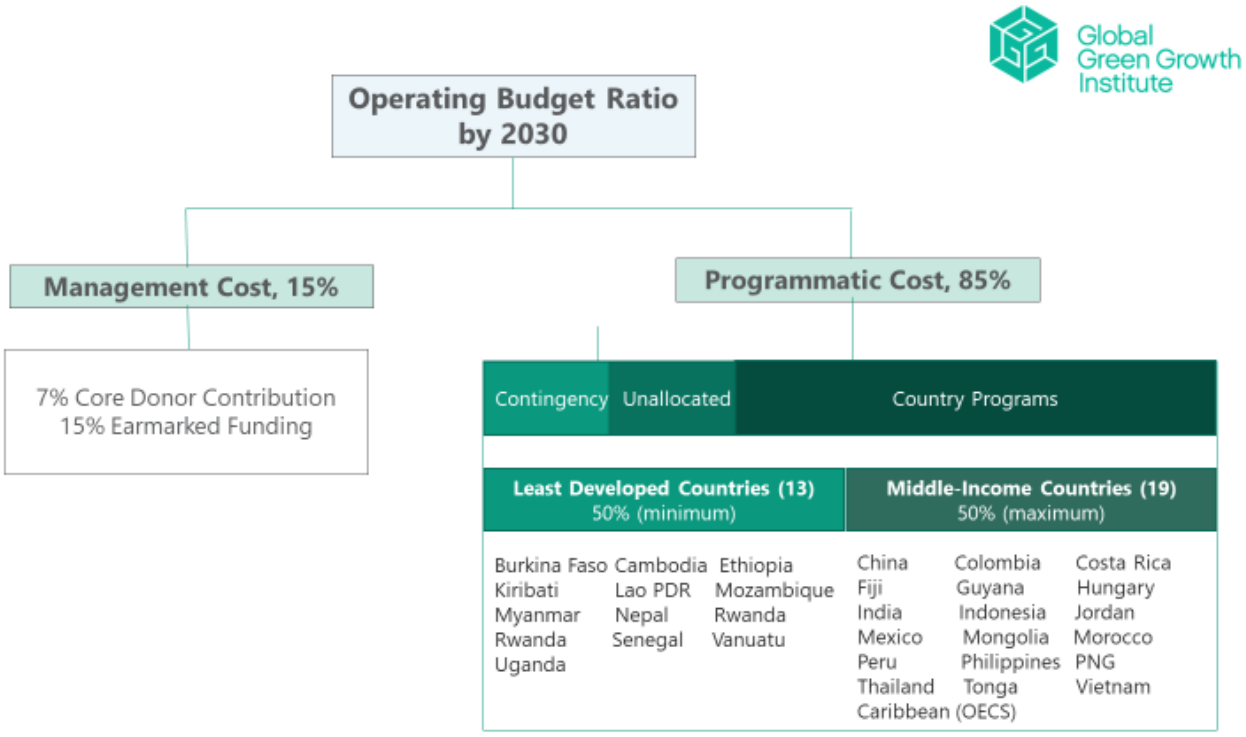
Core Contributors	Base case contribution		
	2019	2020	Total biennium
Australia	8	5	13
Denmark	2.7	2.7	5.4
Indonesia	0	0	0
Korea	10	10	20
Norway	2	2	4
Qatar	0	0	0
UK	5	5	10
Unspent 2018 rolled forward	0	0	0
Total	**27.7**	**24.7**	**52.4**

Annex 1, Table 4. 2019-2020 Earmarked Donors (USD Million)

Earmarked Donors	Base case contribution		
	2019	2020	Total biennium
Green Climate Fund (GCF)	2,916,834	0	2,916,834
Hungary: Ministry of National Development	154,755	0	154,755
Italy: Ministry of the Environment, Land, and Sea (IMELS) – Rwanda Young professional (Ethiopia YP concluded)	9,917	0	9,917
Luxembourg: Ministry of Sustainable Development and Infrastructure (MDDI) – Vanuatu project	1,005,718	0	1,005,718
Netherlands: Ministry of Foreign Affairs – Uganda Project	390,113	152,939	543,052
Norway: Embassy in Colombia	1,371,159	0	1,371,159
World Green Economy Organization (WGEO) – Phase 1	280,948	0	280,948
World Green Economy Organization (WGEO) – Based on PINS	6,000,000	6,000,000	12,000,000

Note: earmarked donors list is based on signed agreements

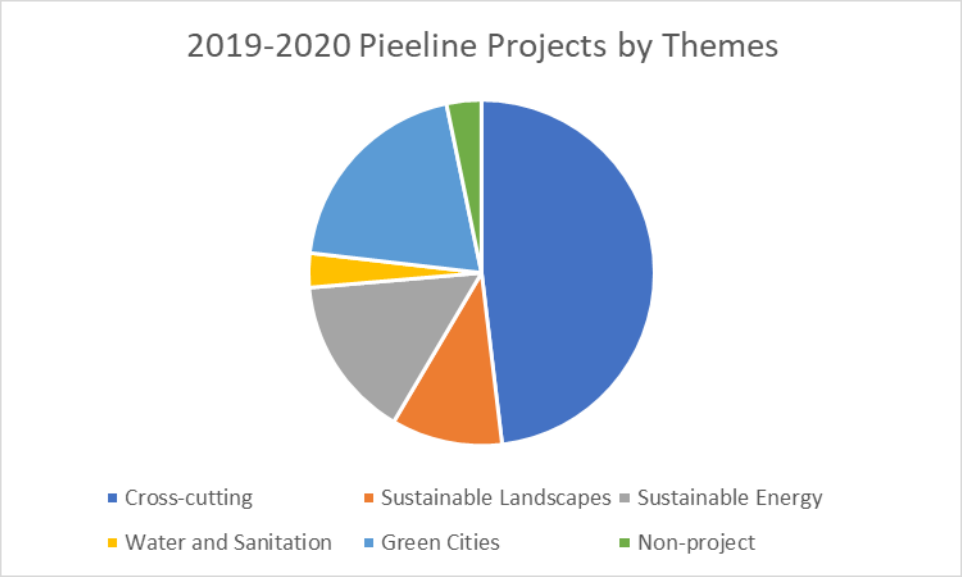
Annex 2: Resource Allocation Principles

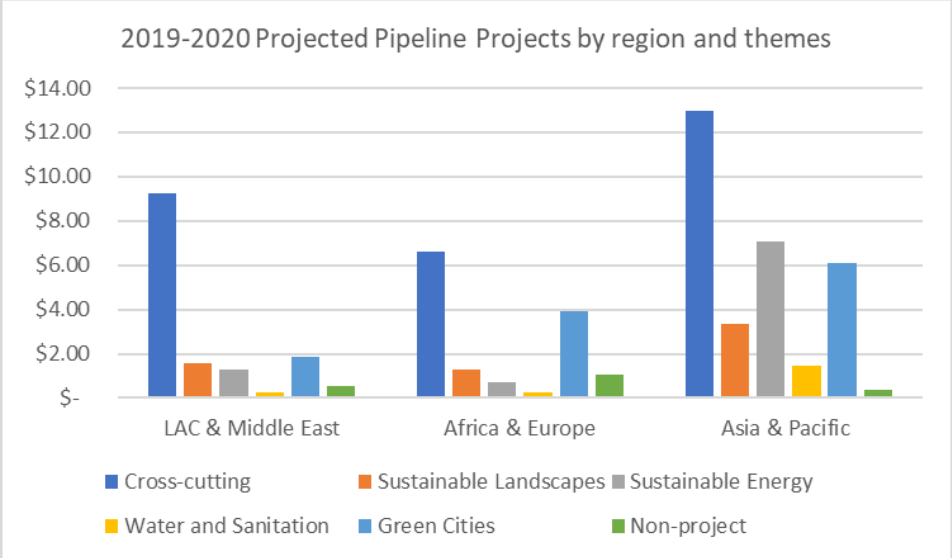


Annex 3: Pipeline Projects 2019-2020 (Base Case)

Region	Country	Core Allocation	Highly/likely Earmarked	Total Funding (Base)	Theme	Project Name	Core Funding Amt (USD mil)	Earmarked Funding Amt (USD Mil)	Earmarked Donor Name
LAC & Middle East	Peru	0.80	0.20	1.00	Sustainable Landscapes	Reducing deforestation through formalization of smallholders	0.25	0	
LAC & Middle East	Peru				Water and Sanitation	Upscaling investment for ecosystem services for water	0.25	0	
LAC & Middle East	Peru				Green Cities	GHG reduction through upscaling use of electric vehicles	0.3	0	
LAC & Middle East	Peru				Sustainable Landscapes	Training program: Green investment development in ecosystem service and biodiversity business projects	0	0.2	KOICA
LAC & Middle East	Colombia	0.45	2.17	2.62	Cross-cutting	Mainstream inclusive green growth in Colombia's key policy frameworks	0.1	0.2	Norway (until 2019)
LAC & Middle East	Colombia				Sustainable Landscapes	Mainstream SL approach in the context of national, sub-national, post-conflict areas development	0.3	0.6	Norway (until 2019)
LAC & Middle East	Colombia				Sustainable Energy	Promote non-conventional renewable energy projects	0.05	0.3	K-Exim Bank
LAC & Middle East	Colombia				Cross-cutting	Norway 2nd Phase	0	1.07	Noway (under discussion as part of the 2nd phase)
LAC & Middle East	Mexico	0.15	1.20	1.35	Cross-cutting	Implementation of Sonora Green Growth Strategy	0.05	0.1	State of Sonora
LAC & Middle East	Mexico							0.18	UK BEIS TAP
LAC & Middle East	Mexico				Cross-cutting	Sub-national Green Growth Strategies in an additional state	0	0.42	Government of Mexico
LAC & Middle East	Mexico							0.2	UK BEIS TAP
LAC & Middle East	Mexico				Green Cities	Regional level - Accelerate the Electrification of Transport	0.05	0.2	Government of Mexico
LAC & Middle East	Mexico				Sustainable Landscapes	Improved multi-directional knowledge sharing on sustainable forest management in the Mesoamerican Region	0.05	0.1	Government of Mexico
LAC & Middle East	UAE	0.00	3.00	3.00	Green Cities	Air Quality Strategy	0	1.2	UAE
LAC & Middle East	UAE				Cross-cutting	National Climate Change Adaptation Program	0	1.2	UAE
LAC & Middle East	UAE				Cross-cutting	Green Jobs	0	0.5	UAE
LAC & Middle East	UAE				Cross-cutting	Green Growth Youth and Entrepreneurship Program	0	0.1	UAE
LAC & Middle East	Qatar	0.00	5.00	5.00	Cross-cutting	Food security	0	2.5	Qatar
LAC & Middle East	Qatar				Cross-cutting	Green growth planning	0	0.5	Qatar
LAC & Middle East	Qatar				Cross-cutting	GHG MRV	0	0.5	Qatar
LAC & Middle East	Qatar				Cross-cutting	Financing / Bankable project	0	0.5	Qatar
LAC & Middle East	Qatar				Cross-cutting	Capacity building and knowledge sharing	0	0.5	Qatar
LAC & Middle East	Qatar				Non-project	Funding for Proposal Preparation/Other	0	0.5	Qatar
LAC & Middle East	Caribbean	0.16	0.25	0.41	Cross-cutting	Green growth planning for NDC implementation	0.08	0.15	Republic of Korea
LAC & Middle East	Caribbean				Cross-cutting	Financing NDC implementation	0.08	0.1	OECS
LAC & Middle East	Guyana	0.19	0.85	1.04	Sustainable Energy	Enhancing Guyana's Access to GCF to Transition to Renewable Energy (Phase I and II)	0.1	0.85	GCF
LAC & Middle East	Guyana				Cross-cutting	Implementation of Guyana Green State Development Strategy	0.09	0	
LAC & Middle East	Costa Rica	0.19	0.20	0.39	Green Cities	Zero-carbon transportation planning and project	0.06	0.06	Costa Rica
LAC & Middle East	Costa Rica				Cross-cutting	NDC implementation	0.03	0.04	Costa Rica
LAC & Middle East	Costa Rica				Sustainable Landscapes	Revitalization of Costa Rica's timber industry through value chain finance	0.03	0.03	Costa Rica
LAC & Middle East	Costa Rica				Cross-cutting	Regional low-carbon development	0.03	0.04	Costa Rica
LAC & Middle East	Costa Rica				Non-project	Country Planning Framework	0.04	0.03	Costa Rica
LAC & Middle East Total		1.94	12.87	14.81			1.94	12.87	14.81
Africa & Europe	Burkina Faso	0.36	1.00	1.36	Green Cities	Enhancing capacities for planning & financing of green secondary cities development	0.15	0.25	Luxembourg/USAID
Africa & Europe	Burkina Faso				Sustainable Landscapes	Enhancing resilience to climate change through Eco-villages and national adaptation planning	0.1	0.25	Sweden/Luxembourg
Africa & Europe	Burkina Faso				Cross-cutting	Developing capacities and Mobilizing finance NDCs	0.05	0.5	GCF
Africa & Europe	Burkina Faso				Non-project	Funding for Proposal Preparation/Other	0.06	0	
Africa & Europe	Ethiopia	1.50	0.60	2.10	Cross-cutting	NIE capacity and readiness	0	0.6	GCF
Africa & Europe	Ethiopia				Cross-cutting	Green Growth in Ethiopia Accelerated	1.3	0	
Africa & Europe	Ethiopia				Water and Sanitation	Sustainable water management practices	0.1	0	
Africa & Europe	Ethiopia				Non-project	Funding for Proposal Preparation/Other	0.1	0	
Africa & Europe	Hungary	0.00	0.80	0.80	Cross-cutting	Develop Bankable Projects in Eastern Europe to Support NDCs and Green Growth	0	0.8	GCF/Hungary
Africa & Europe	Jordan	0.90	0.45	1.35	Cross-cutting	Jordan GCF Readiness Programme	0	0.45	GCF
Africa & Europe	Jordan				Cross-cutting	Phase II: Implementation of the NGGP	0.26		
Africa & Europe	Jordan				Green Cities	Technology and knowledge transfer facility for private sector investment in smart urban development (China for Others)	0.12		
Africa & Europe	Jordan				Green Cities	Scaling up access to sustainable transportation and mobility services in Jordan	0.27		
Africa & Europe	Jordan				Non-project	Funding for Proposal Preparation/Other	0.25		
Africa & Europe	Morocco	0.16	1.00	1.16	Cross-cutting	Mobilizing finance for NSDS and NDC green growth projects	0.02	0.15	GCF
Africa & Europe	Morocco				Green Cities	Improved national transport/mobility access and transition to green transport/ mobility	0.02	0.15	GCF
Africa & Europe	Morocco				Cross-cutting	Accelerating inclusive green territories development and green growth finance	0.02	0.7	UAE
Africa & Europe	Morocco				Non-project	Funding for Proposal Preparation/Other	0.1	0	
Africa & Europe	Mozambique	0.36	0.46	0.82		Implementing the NDCs to Promote Low-Carbon Inclusive Growth in Mozambique	0.2	0.46	GCF
Africa & Europe	Mozambique				Non-project	Funding for Proposal Preparation/Other	0.16	0	
Africa & Europe	Rwanda	1.60	1.26	2.86	Green Cities	Climate Resilient Green Cities (phase 2)	1.036	0.3	K-Exim Bank
Africa & Europe	Rwanda				Sustainable Landscapes	Developing the Agri-Business Value chain	0.072	0.5	GCF
Africa & Europe	Rwanda				Cross-cutting	Mobilizing Investment Finance for Green Projects	0.286	0.16	GCF
Africa & Europe	Rwanda							0.3	NAMA
Africa & Europe	Rwanda				Non-project	Funding for Proposal Preparation/Other	0.206	0	
Africa & Europe	Senegal	1.30	1.20	2.50	Green Cities	Scaling-up of Senegalese secondary cities' transition toward green growth pathways	0.3	0	
Africa & Europe	Senegal				Green Cities	Sustainable and inclusive business models for the Management of Plastic wastes, WEEE & City-Wide Inclusive	0	1.05	Luxembourg/BMGF
Africa & Europe	Senegal				Green Cities	Promotion of Green building/infrastructures design	0.2	0	
Africa & Europe	Senegal				Sustainable Landscapes	Partnership for Food security: promotion of climate smart agriculture & sustainable climate-resilient agribusiness supply chains	0.2	0	
Africa & Europe	Senegal				Sustainable Energy	Sustainable business models for promotion of Wastes-2-Resources & RE4PU opportunities for private sector	0.13	0	
Africa & Europe	Senegal				Sustainable Landscapes	Scaling-up of the Modular Kiosk & Platform concept for increased access of Women & Youth into the opportunities of the Milk value chain in the pastoral regions	0.1	0	
Africa & Europe	Senegal				Cross-cutting	Roll-out of Least Developed Countries Universities Consortium Initiative for sustainable and long-term capacity-	0.1	0	
Africa & Europe	Senegal				Cross-cutting	National Financing Vehicle(s) development as innovative funding mechanisms	0.15	0.15	GCF/Sweden/AfDB/AFD
Africa & Europe	Senegal				Non-project	Funding for Proposal Preparation/Other	0.12		
Africa & Europe	Uganda	0.36	1.71	2.07	Sustainable Energy	Solar Home Systems Project	0	0.5	Netherlands
Africa & Europe	Uganda				Cross-cutting	National fund, Bankable Projects for UGGDS	0	0.85	GCF
Africa & Europe	Uganda				Sustainable Energy	Renewable Energy Roadmap, Energy Efficiency Plan and bankable projects and Implement the SHS project.	0.07	0	
Africa & Europe	Uganda				Green Cities	Enhanced physical planning, sustainable services and Bankable projects	0.07	0	
Africa & Europe	Uganda				Water and Sanitation	Bankable projects in water/wastewater and climate-resilient irrigation	0.07	0.06	BMGF
Africa & Europe	Uganda							0.3	K-Exim Bank
Africa & Europe	Uganda				Cross-cutting	Policy Solutions for Green Jobs creation and Private Sector Engagement	0.04	0	
Africa & Europe	Uganda				Sustainable Landscapes	Climate resilient agricultural and Natural Infrastructure	0.07	0	
Africa & Europe	Uganda				Non-project	Funding for Proposal Preparation/Other	0.04	0	

Africa & Europe Total		**6.54**	**8.48**	**15.02**			**6.54**	**8.48**	**15.02**
Asia & Pacific	China	**0.15**	**0.00**	**0.15**	Cross-cutting	China Regional Knowledge Sharing	0.15	0	
Asia & Pacific	Cambodia	**1.40**	**0.30**	**1.70**	Green Cities	Green Urban Development Phase III	0.4	0.3	GEI
Asia & Pacific	Cambodia				Sustainable Energy	Energy Efficiency Promotion Program	1	0	
Asia & Pacific	India	**0.15**	**0.10**	**0.25**	Cross-cutting	Catalyzing climate finance	0.04	0.03	GCF, KfW, KEA, GIZ, WGEO
Asia & Pacific	India				Sustainable Landscapes	Greening landscapes for sustained ecosystem services & livelihoods	0.03	0.08	GIZ, Commodity Boards, USAID
Asia & Pacific	India				Water and Sanitation	Bringing climate resilience around water	0.04	0.05	World Bank GIZ
Asia & Pacific	India				Cross-cutting	Partnership on SDGs	0.04	0	
Asia & Pacific	Indonesia	**0.15**	**7.04**	**7.19**	Sustainable Energy	Indonesia GGP Phase II - energy	0	1.38	Norway (until 2019)
Asia & Pacific	Indonesia				Cross-cutting	Indonesia GGP Phase II - Special Economic Zones	0	1.43	Norway (until 2019)
Asia & Pacific	Indonesia				Sustainable Landscapes	Indonesia GGP Phase II - Sustainable Landscapes	0	3.13	Norway (until 2019)
Asia & Pacific	Indonesia				Cross-cutting	Indonesia GGP Phase II - Knowledge and Capacity Building	0	0.53	Norway (until 2019)
Asia & Pacific	Indonesia				Cross-cutting	GCF Readiness	0	0.57	GCF
Asia & Pacific	Indonesia				Non-project	Donor Mapping and Funding Mechanism	0.15	0	
Asia & Pacific	Fiji	**1.00**	**1.18**	**2.18**	Sustainable Energy	Mobilizing finance to implement Fiji's NDC in the energy	0.4	0	
Asia & Pacific	Fiji				Green Cities	Low carbon development in towns and peri-urban areas	0.27	0.04	Fiji ESCAP
Asia & Pacific	Fiji				Sustainable Energy	Capacity building for renewable energy for rural energy access in Four Melanesian countries	0.2	1.14	KOICA
Asia & Pacific	Fiji				Cross-cutting	Implementing and enhancing the Pacific NDCs and LEDS	0.1	0	
Asia & Pacific	Fiji				Non-project	Funding for Proposal Preparation/Other	0.03	0	
Asia & Pacific	Kiribati	**0.36**	**0.00**	**0.36**	Cross-cutting	Green and Climate Resilient Island Development – Phase 2	0.20	0	
Asia & Pacific	Kiribati				Green Cities	Waste management for small islands	0.10	0	
Asia & Pacific	Kiribati				Cross-cutting	Green cities, sustainable energy and green entrepreneurship	0.05	0	
Asia & Pacific	Kiribati				Non-project	Funding for Proposal Preparation/other	0.01	0	
Asia & Pacific	Lao PDR	**0.85**	**4.44**	**5.29**	Cross-cutting	Planning, financing and budgeting for Green Growth	0.68	1	Luxembourg
Asia & Pacific	Lao PDR				Green Cities	Green Cities Development	0.14	3.09	KOICA, GCF, K-Exim
Asia & Pacific	Lao PDR				Non-project	Funding for Proposal Preparation/	0.03	0	
Asia & Pacific	Mongolia	**1.00**	**0.04**	**1.04**	Green Cities	Inclusive green and gender-sensitive cities and green infrastructure investments	0.39	0	
Asia & Pacific	Mongolia				Green Cities	Improved energy efficiency and access to cleaner energy against air pollution	0.39	0	
Asia & Pacific	Mongolia				Water and Sanitation	Improved water management and access to water and sanitation	0.20	0.4	KOICA
Asia & Pacific	Mongolia				Non-project	Funding for proposal preparation/other	0.02	0	
Asia & Pacific	Myanmar	**0.36**	**1.19**	**1.55**	Cross-cutting	MRV Masterplan Operationalization	0.12	0.336	CBIT
Asia & Pacific	Myanmar				Sustainable Landscapes	Green investments for coastal landscape restoration in Myanmar	0.12	0	
Asia & Pacific	Myanmar				Cross-cutting	GCF Green Cities Investment + DAE nomination	0.12	0.83	GCF
Asia & Pacific	Nepal	**0.35**	**0.95**	**1.30**	Green Cities	Green Municipal Development II	0.1	0	
Asia & Pacific	Nepal				Water and Sanitation	Sanitation Markets	0	0.75	BMGF
Asia & Pacific	Nepal				Green Cities	Electric Mobility II	0.25	0.2	K-Exim Bank
Asia & Pacific	Philippines	**1.00**	**1.57**	**2.57**	Cross-cutting	Green Growth 3 P's (Planning, Policy, and Projects) for Resilient and Inclusive Communities	1	1.57	KOICA
Asia & Pacific	PNG	**0.10**	**3.33**	**3.43**	Cross-cutting	Climate Resilient Green Growth for PNG	0.1	3	DFAT
Asia & Pacific	PNG				Cross-cutting	Readiness Support to Strengthen PNG's Engagement with the GCF	0	0.33	KOICA, GCF
Asia & Pacific	Thailand	**0.58**	**0.00**	**0.58**	Cross-cutting	Bridging Gaps for NDC Implementation: Industry	0.32	0	
Asia & Pacific	Thailand				Green Cities	Bridging Gaps for NDC Implementation: Green Cities	0.22	0	
Asia & Pacific	Thailand				Non-project	Funding for proposal preparation/other	0.05	0	
Asia & Pacific	Tonga	**0.15**	**0.00**	**0.15**	Sustainable Energy	Mobilizing Finance for green, inclusive and sustainable energy for households and businesses	0.05	0	
Asia & Pacific	Tonga				Sustainable Energy	Promoting Energy Efficiency within the transport sector	0.05	0	
Asia & Pacific	Tonga				Green Cities	Supporting the implementation of waste management	0.04	0	
Asia & Pacific	Tonga				Non-project	Funding for Proposal Preparation/ Other	0.01	0	
Asia & Pacific	Vanuatu	**0.80**	**1.69**	**2.49**	Sustainable Energy	Mobilizing Finance for Green Energy Projects (continued from 2018-2017)	0.57	1.69	Luxembourg
Asia & Pacific	Vanuatu				Sustainable Energy	Promoting inclusive sustainable energy systems in tourism and industry	0.2	0	
Asia & Pacific	Vanuatu				Non-project	Funding for Proposal Preparation/ Other	0.03	0	
Asia & Pacific	Viet Nam	**1.00**	**0.00**	**1.00**	Cross-cutting	Creating enabling policies to Increase access to green finance	0.40	0	
Asia & Pacific	Viet Nam				Sustainable Energy	Increasing sustainable energy deployment in Viet Nam	0.39	0	
Asia & Pacific	Viet Nam				Green Cities	Accelerating green city development in Viet Nam	0.19	0	
Asia & Pacific	Viet Nam				Non-project	Funding for Proposal Preparation/Other	0.02	0	
Asia & Pacific Total		**9.40**	**21.82**	**31.22**			**9.41**	**21.876**	**31.286**
	Grand Total	**17.88**	**43.17**	**61.05**			**17.89**	**43.23**	**61.12**


2019-2020 Pieeline Projects by Themes
Cross-cutting
Sustainable Landscapes
Sustainable Energy
Water and Sanitation
Green Cities
Non-project


2019-2020 Projected Pipeline Projects by region and themes
$14.00
$12.00
$10.00
$8.00
$6.00
$4.00
$2.00
$-
LAC & Middle East
Africa & Europe
Asia & Pacific
Cross-cutting
Sustainable Landscapes
Sustainable Energy
Water and Sanitation
Green Cities
Non-project

Annex 4: GGGI Corporate Results Framework (CRF): 2019-2020

GGGI CORPORATE RESULTS FRAMEWORK (CRF): 2019-2020					
Impact	**GGGI countries move towards a model of green growth that simultaneously achieves poverty reduction, social inclusion, environmental sustainability and economic growth**				
Strategic Outcomes (SOs)	**SO 1 GHG emission reduction**				
	1.1 GHG emissions reduction from business as usual (MtCO2e)				
	SO 2 Creation of green jobs				
	2.1 Number of green jobs created (millions)				
	SO 3 Increased access to sustainable services				
	SO3.1 Access to clean affordable energy				
	SO3.2 Access to improved sanitation				
	SO3.3 Access to sustainable waste management				
	SO3.4 Access to sustainable public transport				
	3.11-4 (millions of people who gained access to each service)				
	SO4 Improved air quality				
	4.1 Number of days above 'Orange' Air Quality (in major cities)				
	SO5 Adequate supply of ecosystem services ensured				
	5.1 Area of deforestation avoided and/or reforested (million-ha)				
	SO6 Enhance adaptation to climate change				
	6.1 Number of people supported to cope with climate change (millions)				
Interim Indicator	Proportion of projects which report a material contribution to each Strategic Outcome				
Intermediate Outcomes (IOs)	IO1. Strengthened national, sub-national and local green growth planning, financing and institutional frameworks	IO2. Increased green growth investment flows which enable partner governments to implement green growth policies		IO3. Improved multi-directional knowledge sharing and learning to empower local and external agents necessary to drive green growth processes in partner governments.	
Indicators	1.1 Number of green growth policies adopted by governments with GGGI's support. Target (2017): 1 Result (2017): 17 Target (2018): 38 Target (2019): 20 Target (2020): 20	2.1 Total volume of green growth financing catalyzed with GGGI's support, disaggregated by public and private investment. Target (2017): USD 64m Result (2017): USD 525m Target (2018): USD 500m Target (2019): USD 600m Target (2020): USD 700m		3.1 Number of partner countries with capacity to develop and implement green growth policies and investments that are directly strengthened through GGGI capacity development activities (to be assessed based on a random sample of 10 activities using a 5-point scale balanced scorecard with a maximum score of 10). Target (2019): 6+ countries Target (2020): 6+ countries	
	1.2 Extent to which green growth policies adopted by governments are likely to lead to transformational change. To be assessed on a 4-point scale balanced scorecard with a maximum score of 4. Target (2019): 2+ Target (2020): 2+	2.2 Number of instances where member countries successfully gain new access to financing sources (e.g. GCF Fund) with GGGI's support. Target (2017): 4 Result (2017): 5 Target (2018): 4 Target (2019): 5 Target (2020): 5		3.2 Number of green growth policies adopted or investments made that have benefitted from shared experiences and lessons from other countries. Tracked	
	1.3 Extent to which green growth policies adopted by governments are aligned with the four elements of green growth (to be assessed based on a 4-point balanced scorecard with a maximum score of 4) Target (2019): 2+ average score Target (2020): 2+ average score	2.3 Extent to which green growth investments supported by GGGI are aligned with the four elements of green growth (to be assessed based on a 4-point balanced scorecard with a maximum score of 4) Target (2019): 2+ average score Target (2020): 2+ average score		3.3 Extent to which knowledge products produced and disseminated by GGGI are aligned with the four elements of green growth and have a quality impact (to be assessed based on a random sample of 10 knowledge products will assessed on a 6-point balanced scorecard with a maximum score of 6). Target (2019): 3+ average score Target (2020): 3+ average score	
Outputs	1. Demand driven technical advisory, knowledge development and private sector solutions offered on the ground for pro-poor and environmentally sustainable green growth interventions.	2. Inclusive green growth plans, strategies and investment plans are converted into implementable actions	3. Support provided in creating an enabling environment for public and private sector investment in green growth	4. Global institutional relationships, partnerships and knowledge networks formed and leveraged	5. Capacity building activities to support green growth implementation and knowledge products generated to contribute to international discussion on green growth and support GGGI operations

<table>
<tr><td>Indicators</td><td colspan="2">1.1 Number of completed advisory outputs that inform the development of government green growth policies.
Target (2017): 33
Result (2017): 21
Target (2018: 58
Target (2019): 30
Target (2020): 30</td><td>2.1 Number of completed advisory outputs that inform decisions on green growth investments.
Target (2017):12
Result (2017): 9
Target (2018): 48
Target (2019): 25
Target (2020): 25</td><td>3.1 Number of completed advisory outputs that aim to improve the enabling environment for green growth investments.
Target (2017): 6
Result (2017): 10
Target (2018): 14
Target (2019): 10
Target (2020): 10</td><td>4.1 Proportion of capacity development activities that share experiences and lessons from GGGI countries.
Target (2017): 55%
Result (2017): 37%
Target (2018): 55%
Target (2019): 55%
Target (2020): 55%

4.2 Number of new countries joining GGGI as members.
Result (2017): 1
Target (2018): 2
Target (2019): 2
Target (2020): 2

4.3 Number of projects where country needs are being met through a range of partnerships brokered by GGGI.
Target (2017):
Result (2017): 17
Target (2018): 6
Target (2019): 10
Target (2020): 10</td><td>5.1 Number of knowledge products produced to improve understanding of green growth and support GGGI operations.
Target (2017): 20
Result (2017): 60
Target (2018): 65
Target (2019): 70
Target (2020): 70

5.2 Number of capacity building activities that align with IO 1 and IO2.
Tracked</td></tr>
<tr><td>Cross-cutting Output</td><td colspan="5">6. All new projects implemented by GGGI have adequately identified and addressed SPRSI elements in their design in support of social safeguards, poverty reduction and social inclusion including gender.</td></tr>
<tr><td></td><td colspan="5">6.1 Number of new projects implemented by GGGI that have identified and addressed one or more SPRSI elements relating to social safeguards, poverty reduction and social inclusion including gender.
Tracked</td></tr>
<tr><td>Business Management Outputs</td><td colspan="5">7. Better value for money – maximizing institutional effectiveness and efficiency</td></tr>
<tr><td rowspan="2">Indicators</td><td>Economy</td><td>Efficiency</td><td colspan="2">Equity</td><td colspan="2">Effectiveness</td></tr>
<tr><td>7.1 -% of total budget spent on non-programmatic activities, calculated as a share of total resources (core contributions and earmarked funding)</td><td>7.2 -% of total budget disbursed</td><td>7.3 -% of total budget allocated to LDCs</td><td>7.4 -% of total budget allocated to member LDCs & MICs combined</td><td>7.5 – Effective and timely communication of results</td><td>7.6 – Increase in GGG core and earmarked funding</td></tr>
<tr><td></td><td>Baseline (2014): 36%
Result (2017): 22%
Target (2020): 21%
Target (2023): 15%</td><td>Baseline (2017): 82%
Target (2019): 100%
Target (2020): 100%</td><td>Baseline (2014): 14% of core budget allocated to LDCs.
Target (2020): minimum of 50%</td><td>Baseline (2014): 57% of core budget allocated to Member LDCs and MICs combined.
Target (2020): minimum of 87%</td><td>Target (annual): GGGI Annual Report outlining progress against WPB and CRF is published no later than end of June each year.</td><td>Baseline (2014): USD 29.8m in core funding and USD 12.1 million in earmarked funding.
Target (2020): USD 26m in core funding and USD 22m in earmarked funding.</td></tr>
</table>

GUIDELINE AND DESCRIPTIONS OF THE CRF

Indicator	Description
STRATEGIC OUTCOMES	
Strategic Outcome 1: GHG emissions reductions	
1.1 GHG emissions reduction from business as usual ($MtCO_2e$)	This indicator measures the reduction of anthropogenic CO_2-equivalent emissions (CO_2e) below business-as-usual (reference) level in a target year. CO_2e provides a measure of greenhouse gas emissions that is based on the equivalent amount of CO_2 that would be emitted as determined by the total radiative forcing (global warming potential) of those gases. Proposed basis for setting targets: Latest national and sectoral reduction targets available from government strategy/policy documents, reduction projections based on current/upcoming policies by reputed entities, as well as Nationally Determined Contributions. Biennial Update Reports, Biennial Reports, and national communications submitted to the UNFCCC.
Strategic Outcome 2: Creation of green jobs	
2.1 Number of green jobs created (millions)	This indicator measures the change in the number of full-time equivalent jobs in a target year compared to the base year value, which results from the green economy transition. The scope includes new jobs created (including from the formalization of informal sectors e.g. informal waste-picking transformed into a recycling business) and existing jobs that are "greened" (e.g. as a result of moving from coal mining to renewable energy related work). Additional green jobs created over the base year are included. Current definitions by the ILO (2016) and UNEP (2008) are used to define the scope of this indicator. Green jobs are jobs that "contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or inn new, emerging green sectors such as renewable energy and energy efficiency" (ILO 2016). Green jobs include decent jobs with "work in agriculture, industry, services and administration that contribute to preserving or restoring the quality of the environment" (UNEP, 2008). Proposed basis for setting targets: Government targets, or reputable projections based on major methodologies, such as inventories and surveys, employment factors, input-output analysis and computational general equilibrium methods.
Strategic Outcome 3: Increased access to sustainable services	
3.1 Access to clean affordable energy 3.1.1 Number of people who gained access to electricity (millions)	Refers to change in the national-level access to cleaner forms of energy sources in a target year compared to the base year value. The main indicator is access to electricity. Sub-indicators for this outcome are access to renewable electricity and access to clean fuels and technology for cooking.
3.2 Access to improved sanitation 3.2.1 Number of people who gained access to improved sanitation (millions)	Refers to change in access to improved sanitation facilities in a target year compared to the base year. Improved sanitation facilities refer to facilities that "are likely to ensure hygienic separation of human excreta from human contact. They include flush/pour flush (to piped sewer system, septic tank, pit latrine), ventilated improved pit latrine, pit latrine with slab, and compositing toilet" (WHO/UNICEF)
3.3 Access to sustainable waste management 3.3.1 Number of people who gained access to waste management services (millions)	Refers to change in the access to solid waste management collection services in a target year compared to the base year. The scope is limited to urban areas.
3.4 Access to sustainable public transport 3.4.1 Number of people who gained access to public transport (millions)	Refers to the change in the access to public transport services in a target year compared to the base year in urban areas or the cities. Public transport services are shared passenger-transport services used by the general public that operate in fixed routes and often at regular times, and include city buses, trolleybuses, trams, rapid transit (subway, metro etc.), passenger trains and ferries. Public transportation services can be operated by government or private corporations. Private taxies are not included.
Proposed basis for setting targets: Government targets in relevant SDGs	
Strategic Outcome 4: Improved air quality	
4.1 Number of days above 'orange' Air Quality Index (in major cities, days)	This indicator measures the improvement in the outdoor air pollution level in major urban areas or cities. Days above 'orange' Air Quality Index (AQI), calculated according to US Environmental Protection Agency and based on concentration of major pollutants, is used as the indicator. Where AQI estimates are current not available, 24-hour mean of PM2.5 above 35.5 µg/m3 is used as a substitute to determine days above 'Orange' AQI level ('Orange AQI corresponds to a 24-hour mean of PM2.5 in the range 35.5 – 55.4 µg/m3

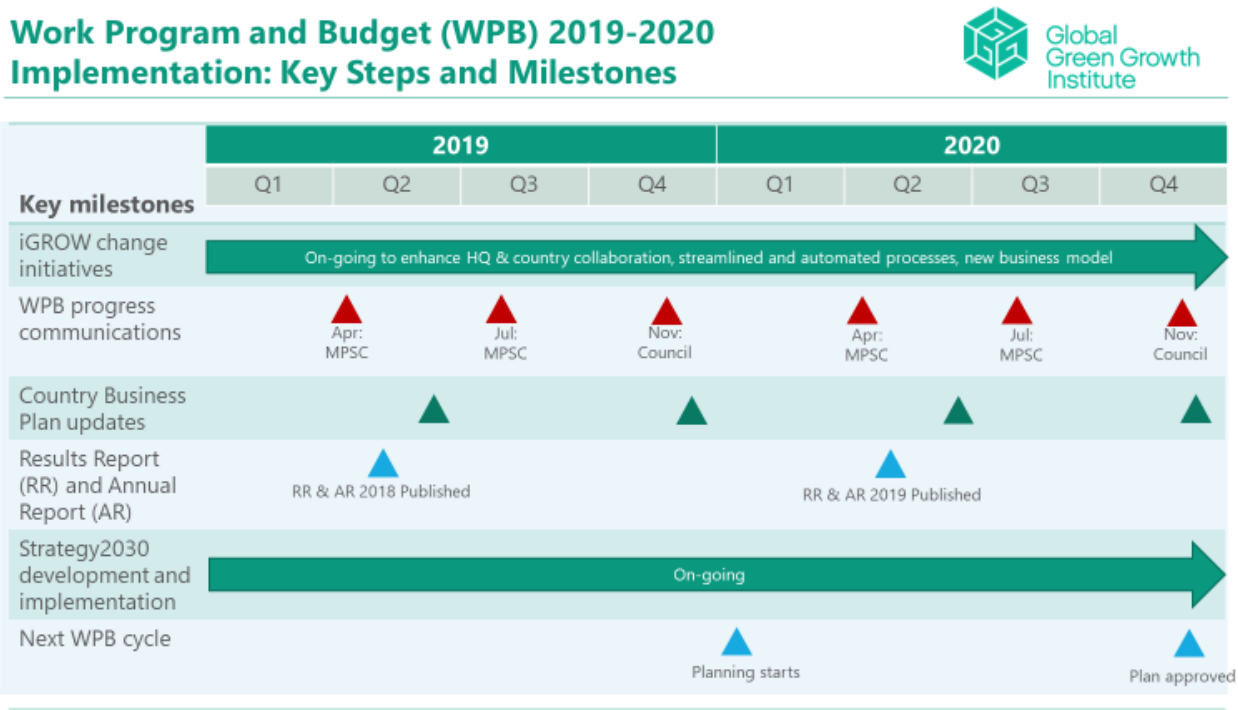
	Proposed basis for setting targets: the government target or standard for air quality
Strategic Outcome 5: Adequate supply of ecosystem services ensured	
5.1 Area of deforestation avoided and/or reforested (million-ha)	This indicator measures the area of deforestation avoided and/or re-forested in a target year compared to the base year. As a key supplier of number of terrestrial ecosystem services (and its close links to livelihoods in many developing nations), forests are used as the pragmatic proxy for providing adequate supply of ecosystem services. Ecosystem services range from providing necessities such as a food, clean water and clean air, to regulating climate, diseases, and flood. Ensuring an adequate supply of ecosystem services requires that degraded ecosystems be restored, and loss of intact ecosystems be prevented. Proposed basis for setting targets: Government targets and projections by reputable entities based on current/upcoming policies etc.
Strategic Outcome 6: Enhanced adaptation to climate change	
6.1 Number of people supported to cope with climate change	This indicator measures the change in the number of people supported to cope with climate change related impacts in a target year compared to the base year. Support to cope with climate change related impacts includes adaptation measures in all economic sectors covering populations exposed to adverse impacts of climate change. Adverse impacts of climate change result from climate variability and extremes, and include droughts, floods, storm surges, heat waves, sea level rise etc. Examples of populations supported might include populations covered by early warning systems, farmers equipped with climate smart agriculture practices, populations covered by improved flood protection/prevention measures, and population covered with climate insurance etc. Proposed basis for setting targets: Government adaptation plans, and targets may be the basis for setting targets.
Interim Indicator: Proportion of projects which report a material contribution to each Strategic Outcome	GGGI is in the process of preparing baselines and methodologies to fully report against the newly adopted Strategic Outcomes. In the interim period, GGGI will report the proportion of each of its projects which report a material contribution to each Strategic Outcome to provide evidence of GGGI's impact and of the alignment of its projects with its Strategic Outcomes.
INTERMEDIATE OUTCOMES AND OUTPUTS	
Intermediate Outcome 1: Strengthened national, sub-national local green growth planning, financing and institutional frameworks	
1.1 Number of green growth policies adopted by governments with GGGI's support.	This indicator reflects the extent to which the policy advice and recommendations GGGI has delivered under IO 1 are being adopted by partner governments. Green growth policies encompass any formal government strategies, plans, or policies; sectoral strategies; plans or policies; and changes to existing laws or administrative rules. The adoption of green growth policies by governments may also be evidenced by government budget allocation or project investment decisions and new or changed institutional arrangements.
1.2 Extent to which policies adopted by governments with GGGI's support are likely to lead to transformational change.	This qualitative indicator describes the extent to which green growth has been embedded into partner government policies and policy processes under Outcome 1.1 and the likelihood of these policies leading to transformational change. It will measure the extent to which green growth policies adopted by governments with GGGI's support are likely to lead to transformational change, using a 4-point scale balance scorecard to assess the following elements: i. Are the policy objectives aligned with 1 or more of the green growth elements, namely: economic growth, poverty reduction, environmental sustainability and social inclusion? ii. Were resources allocated by government for the policy's implementation? iii. Are there clear arrangements established or mapped out for the policy's implementation? iv. Were specific actions or investments identified and prioritized under the policy? These 4 questions are simply answered 'yes' for a score of 1 and 'no' for a score of 0 with a maximum score of 4. This indicator will be tracked with no set target.

1.3 Extent to which policies adopted by governments with GGGI support are aligned with the elements of green growth namely, economic growth, environmental sustainability, poverty reduction and social inclusion.	It will measure the extent to which green growth policies adopted by governments with GGGI's support are aligned with the four elements of green growth, using a 4-point scale balance scorecard to assess the following: i. Will the policy support the generation of an economic activity or economic growth? ii. Does the policy have specific design measures that support poverty reduction? iii. Will the policy promote environmental sustainability or climate change mitigation? iv. Does the policy have design measures that support social inclusion including gender? These 4 questions are simply answered 'yes' for a score of 1 and 'no' for a score of 0 with a maximum score of 4.
Output 1: Demand driven technical advisory, knowledge development and private sector solutions offered on the ground for pro-poor green growth interventions	
1.1 Number of completed advisory outputs produced that inform the development of government green growth policies.	This is a quantitative indicator that counts the number of completed advisory outputs. An advisory output is a final product, produced at the request or for the benefit of a partner government. Advisory outputs include technical studies, analytical tools, strategies, plans, roadmaps and feasibility studies if they are registered as a final output in the ERP project logframe. Pre-feasibility studies are not a final product and therefore do not qualify as advisory outputs. This indicator will be assessed by aggregating all relevant outputs identified in approved project log-frames which were successfully delivered during the reporting period.
Intermediate Outcome 2: Increased green investment flows which enable partner governments to implement green growth policies	
2.1 Total volume of green growth financing catalyzed with GGGI support disaggregated by public and private investment.	This indicator reports on the amount of investment catalyzed towards green growth projects in partner countries, which GGGI contributed to. The indicator result will be disaggregated by public and private finance. Targets are cumulative and measured from a baseline year of 2014. Private finance refers to non-public sources such as banks (excluding MDBs or RDBs), private companies, private or company pension funds, NGO money, CDM financing, voluntary carbon credit market, insurance companies, private savings, family money, entrepreneurs' own capital and sovereign wealth funds. It includes all types such as equity, debt and guarantees. Public finance refers to financial resources from donors and partner governments, development agencies, MDBs and RDBs. It excludes Sovereign Wealth Funds, private banks and other private finance defined in 'private finance'. Finance is catalyzed when the use of funds for a specific green growth objective leads to additional funds to be applied for that objective than would otherwise have been the case. Catalyzed resources could be: upfront co-financing (i.e. resources committed to the project from the private sector at the time of project approval); subsequent co-financing (i.e. resources committed after the project has been approved or commenced implementation). Evidence of GGGI support of catalyzed funds may be drawn from Letters of Intent, Memorandums of Understanding or Ministerial letters of gratitude.
2.2 Number of instances where member countries successfully gain new access to financing sources (e.g. Green Climate Fund) with GGGI's support.	This indicator measures how successful GGGI has been in facilitating access to finance for green growth investments. (Outcome 2.1). This could be the result of different types of assistance provided by GGGI, such as: (i) assistance with development of bankable projects which are then funded by the private or multilateral development banks; (ii) development of domestic financing mechanisms for green growth, such as the People's Survival Fund in the Philippines or the Climate Resilient Green Economy mechanism in Ethiopia; (iii) support to access international sources of financing, such as the Green Climate Fund; and (iv) development of green growth policies which result in budget appropriations for implementation through partner government budget processes.
2.3 Extent to which green growth investments supported by GGGI are aligned with the four elements of green growth namely, economic growth, environmental sustainability, poverty reduction and social inclusion	This indicator assesses the extent to which green growth investments raised by governments advance the achievement of green growth model espoused in the Strategic Plan. It will measure the extent to which green growth investments in partner countries supported by GGGI are aligned with the four elements of green growth, using a 4-point scale balanced scorecard to assess the following: i. Will the investment lead to the generation of an economic activity or economic growth? ii. Does the investment support poverty reduction directly or indirectly? iii. Will the investment support environmental sustainability or climate change mitigation? iv. Will the investment support social inclusion or promote gender equality? These 4 questions are simply answered 'yes' for a score of 1 and 'no' for a score of 0 with a maximum score of 4.
Output 2: Inclusive green growth plans, strategies and investment plans are converted into implementable actions	
2.1 Number of completed advisory outputs developed that inform decisions on green growth investments.	This is a quantitative indicator than measures the number of completed advisory outputs that inform government decisions on green growth investments. Advisory outputs include those that are expected to lead directly to the mobilization of finance for green growth projects. Examples include investment proposals, bankable projects, development of national financing mechanisms and feasibility studies where it is a final end product – fully meeting the requirements of a partner

	government. The indicator will be assessed by aggregating all relevant outputs identified in approved project log frames which were successfully delivered during the reporting period.
Output 3: Support provided in creating an enabling environment for public and private sector investment in green growth	
3.1 Number of completed advisory outputs that aim to improve the enabling environment for green growth investments.	This is a quantitative indicator that measures the number of completed advisory outputs that aim to improve the enabling environment for green growth investments. Outputs include those that are expected to indirectly lead to increased mobilization of finance by improving the enabling environment for green growth investment. Examples include development of de-risking tools and instruments and legal frameworks. The indicator will be assessed by aggregating all relevant outputs identified in approved project log-frames which were successfully delivered during the reporting period.
Intermediate Outcome 3: Improved multi-directional knowledge sharing and learning to empower local and external agents necessary to drive green growth change processes in partner countries.	
3.1 Extent to which GGGI's capacity development and knowledge sharing activities have directly strengthened partner countries capacity to develop and implement green growth policies and investments (results disaggregated by gender)	A key purpose of GGGI's capacity development and knowledge sharing activities is to build capacity of partner governments and local agents to support the development and implementation of green growth policies and investments. This indicator focuses on capacity building activities that support IO 1 and IO 2 and have led to improvement in participants' knowledge or skills and how they have directly applied it to advancing partner countries green growth agenda. It measures the extent to which GGGI's capacity development activities have strengthened partner countries capacity to implement green growth policies and investments. The impact of a random sample of 10 activities will be reviewed using a 5-point scale balanced scorecard to assess the following questions: i. In this country, did GGGI conduct capacity building activities related to green growth and climate change for government counterparts and local development agents (individuals)? ii. In this country, how many government counterparts and other participants attended the capacity building event? How many were men and how many were women? iii. In this country, have those participants including government counterparts who attended the capacity building event demonstrated a gain in knowledge and skills from their training and learning? iv. In this country, did government counterparts and other participants use the knowledge gained to implement green growth or climate change policies, budgets or programs? v. In this country, did GGGI's implemented capacity building activities clearly align with the country specific objectives set out in the WPB 2017-2018? These 5 questions are simply answered 'yes' for a score of 2, 'partially' for a score of 1 or 'no' for a score of 0 with a maximum score of 10.
3.2 Number of green growth policies adopted, or investments made that benefited from experiences and lessons from other countries	Another key purpose of GGGI's knowledge sharing activities is to help inform policy and investment decisions. This indicator estimates how often GGGI has successfully harnessed lessons from other countries to help inform green growth policies or investments. This indicator will be measured by identifying the subset of green growth policies adopted (Outcome 1.1) or access gained to green growth financing sources (Outcome 2.2) that drew on lessons from other countries. These could include lessons from GGGI projects in other countries or from other sources such as GGKP or GGBP.
3.3 Extent to which knowledge products disseminated by GGGI are aligned with the elements of green growth, namely economic growth, environmental sustainability, poverty reduction and social inclusion and have a high-quality impact.	This indicator will measure the extent to which knowledge products produced by GGGI under IO 3 (Output 5.1) are aligned with the four elements of green growth, describe implementable actions, and have a high value impact. The impact of a random sample of at least 10 knowledge products will be assessed using a 6-point balanced scorecard to assess the following questions: i. Is the knowledge product aligned with any of the four elements of green growth, namely economic growth, poverty reduction, environmental, sustainability and social inclusion? ii. Does the knowledge product draw from credible sources of data and employ robust analytical methods and approaches? iii. Is the knowledge product coherent, i.e., is the content presented in a way that is easy for audiences to understand? iv. Is the knowledge product produced with quality assurance, i.e., has the product been peer-reviewed or otherwise gone through an expert review process? v. Is the knowledge product actionable and implementable, i.e., does it contain clear conclusions and recommendations that are actionable? vi. Is the knowledge product relevant in supporting partner countries' transformation toward an inclusive green growth model? These 6 questions are simply answered 'yes' for a score of 1 and 'no' for a score of 0 with a maximum score of 6. ***This is under review by the IO3 working group**

Output 4: Global institutional relationships, partnerships, and knowledge networks formed and leveraged	
4.1 Proportion of capacity development activities that share experiences and lessons from GGGI countries	This indicator aims to assess the extent to which GGGI is harnessing lessons from other countries and incorporating these into its capacity development efforts. The indicator will measure the percentage of all capacity development activities that explicitly include cross-country knowledge sharing elements. Examples include the use of case studies from other countries, involvement of participants from different countries in knowledge exchange, and study-tours.
4.2 Number of new countries joining GGGI as members	Expansion of membership contributes to IO 3 as it increases the number of countries where green growth initiatives can be implemented with GGGI support, and lessons shared with others. It also enhances the ability of member countries to advocate green growth agenda more broadly, by expanding GGGI an alliance of likeminded countries that support the model. Data for this indicator will be drawn from ODG's Governance Department and SPC.
4.3 Number of new projects where country needs are being met through a range of partnerships brokered by GGGI.	This indicator highlights the importance of partnerships and collaboration between GGGI and other stakeholders other than partner countries to implement and scale up green growth interventions. Partners include NGOs, private sector, donors, other funding agencies, research bodies and universities, other environmental organizations, etc. It will indicate if a project meets a country needs through partnership and what type of partnership.
Output 5: Knowledge products generated to contribute to the international discussion on green growth and support GGGI operations	
5.1 Number of knowledge products produced to improve understanding of green growth and support GGGI operations	This is a quantitative indicator that reports on the number of knowledge products produced by GGGI annually to support and advance its green growth agenda and goals. Knowledge products include published technical reports, guidelines, insight briefs, and peer reviewed papers.
5.2 Number of capacity building activities that align with IO 1 and IO 2.	This indicator aims to assess and determine the extent to which GGGI's capacity building activities are closely aligned and support the implementation of IO1 and IO 2.
Output 6 -Cross-cutting Output: All new projects implemented by GGGI have adequately identified and addressed SPRSI elements in their design in support of social safeguards, poverty reduction and social inclusion including gender.	
6.1 Number of new projects approved by GGGI for implementation that have identified and addressed one or more SPRSI elements relating to social safeguards, poverty reduction and social inclusion including gender.	This indicator will measure the number of new projects approved by GGGI for implementation that have identified and included design measures based on SPRSI elements, namely social safeguards, poverty reduction and social inclusion and gender.
7. Business Management Outcome: Better value for money - maximizing institutional effectiveness and efficiency	
Economy	
7.1 % of total budget spent on non-programmatic activities	This indicator will track the proportion of GGGI's annual total budget resources allocated to non-programmatic activities. The non-programmatic amount is the sum of OED (all units but excluding IEU and Procurement) + Corporate Shared Costs (CSC) + ODG (including OIAI, SPC and Governance) – capital. This indicator serves as a proxy for organizational efficiency and value for money. GGGI has set a 2020 target of spending 21% of its budget on non-programmatic activities and 15% in 2023.
Efficiency	
7.2 % of budget disbursed	This indicator measures the percentage of actual disbursement of GGGI's annual revised budget. It demonstrates GGGI's capacity to fully utilize available resources.
Equity	
7.3 % of budget allocated to Member LDCs	GGGI has committed to increase the percentage of its total budget allocated to member LDCs to 50% by 2020. This indicator tracks progress towards this target.
7.4 % of budget allocated to Member LDCs and MICs combined	GGGI has committed to increase the percentage of total budget allocated to member countries (LDCs and MICs combined) to 87% by 2020. This indicator tracks progress towards this target.
Effectiveness	
7.5 Effective and timely communication of results	This indicator is a proxy for GGGI's results-based management and corporate results reporting. It tracks the timely completion and publication of GGGI's Annual Report.
7.6 Increase in GGGI core and earmarked funding	This indicator tracks GGGI's annual progress towards its set annual targets for raising core and earmarked funding to finance its budget.

Annex 5: Key Milestones for Implementing WPB 2019-2020



Global Green Growth Institute

Global Green Growth Institute
Seventh Session of the Assembly &
Eleventh Session of the Council (Joint Session)
October 31, 2018; Seoul, Republic of Korea

[DRAFT] Decision on the Work Program and Budget for the Period January 1, 2019 – December 31, 2020

The Council,

Recalling Articles 2 and 4 of the Agreement on the Establishment of the Global Green Growth Institute (GGGI), regarding the objectives and activities of the Global Green Growth Institute (GGGI);

Recalling the Decision of the Council on the GGGI Corporate Results Framework for 2015-2020 [C/8/DC/1 Annex 2], adopted at its Eighth Session on November 19, 2015;

Recalling the GGGI Refreshed Strategic Plan for 2015-2020 [MPSC/2017/28/REV2], approved by the Council at its Tenth Session held on October 19, 2018[1];

Recalling Article 8(5)(c) of the Agreement on the Establishment of the GGGI, that the functions of the Council include approving the annual work program and budget (WPB);

Recalling Regulation 3.2 of the Financial Regulations [C/8/DC/5], adopted at the Fourth Session of the Assembly and Eighth Session of the Council (Joint Session) on November 19, 2016, regarding the presentation, content, and methodology of the WPB, including that the budget estimates should cover a financial period of two calendar years;

Recalling Regulation 3.4 of the Financial Regulations [C/8/DC/5] regarding the preparation and submission of the WPB, including that the Management and Program Sub-Committee (MPSC) shall report to the Council on the draft WPB estimates proposed by the Director-General;

Further recalling the Decision of the Council on GGGI Overhead [C/2018/DC/6], approving a new definition of overhead or non-programmatic costs, as a share of GGGI's total expenditures;

[1] Summary of the Sixth Session of the Assembly and Tenth Session of the Council (Joint Session) [A/2017/DC/5 – C/2017/DC/11].

Consistent with GGGI's Disclosure Policy [C/5/DC/2], this document's classification will be changed from "Official Use" to "General Distribution" and it will be disclosed on the GGGI Website upon its approval by the Council.

Taking note of the Proposed Reforms to the GGGI's Work Program and Budget process [A/2017/3 – C/2017/3], presented to the Council at its Tenth Session held on October 19, 2017 and the revised document circulated to the Members of the Council on February 22, 2018;

Further noting the recommendations of the MPSC regarding the draft Work Program and Budget for the period January 1, 2019 - December 31, 2020, following the discussions at its Seventh Meeting held on April 24-25, 2018 [MPSC/2018/18] and the Eighth Meeting held on July 5, 2018 [MPSC/2018/22];

Approves the Work Program and Budget for the period January 1, 2019 - December 31, 2020, as attached in the Annex.

/End

Annex

Insert document A/2018/10 – C/2018/10