Global Green Growth Institute

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

Concept Note on Development of GGGI Year 2030 Strategy

The purpose of this paper is to discuss a possible approach for the development of GGGI's 2030 Strategy.

Members are invited to provide guidance on a number of strategic questions:

1. Timeline
    - Do you agree with our recommended approach A timeline to complete 2030 (10-year vision) and 5-year strategic action plan by Oct 2019?
2. Scope
    - Have we covered the right topics in our approach? Is there global mega trend you would particularly emphasize as being important?

3. Stakeholder Groups
    - Who should we engage? Any recommendations to connect influential leaders, specialists and experts to provide insights.
    - How can we best engage them? Provide suggestions for engagement. Any opportunities to engage stakeholders at member/partner countries sustainability events between March to Aug 2019?

4. Resourcing
    - What should be the mix of internal versus external resourcing? Our initial view is to engage external expert/consultant to fast track the initial components and analysis of (a) the internal review; and (b) the external landscape review and materiality assessment/matrix and (c) facilitate visioning 2030 and internally, to restore vacant strategy specialist headcount for 2030 strategy development period or internal secondment for a 2-year period as strategy consultant to support global stakeholder engagement coordination, in-house analysis, data presentation and manage project progress.

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

I. Background and rationale

Growth, relevancy, sustainability—the success of GGGI will be accelerated by having a clear vision, a targeted, actionable plan for achieving strategic objectives and the ability to manage results and drive impact.

In 2017, GGGI conducted a Mid-term Strategic Review, the Refreshed Strategic Plan includes a set of six new, sharpened Strategic Outcomes (SOs) of direct relevance to the national development goals of Member countries, including Nationally Determined Contributions (NDCs), and aligned to the Sustainable Development Goals (SDGs). Across 28-member countries with over 300 staff and active operations in 27 countries, GGGI focuses on four priority areas considered to be essential to transforming national economies, including energy, water, landscapes and green cities. GGGI mobilises green financing for bankable projects. By Year 2020, GGGI aims to well-positioned to lead the global transition of green growth development model as a nimble and value-for-money 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.

The organization is at a crucial inflexion point in its development, with important strategic questions related to its focus (both in terms of topics and geographies), value proposition, membership, funding model and associated organisational and operational implications. For example, the shift towards diversifying the funding base away from a sole reliance on core funding of GGGI's partners requires careful thinking on the value proposition and organizational implications.

At the same time, the external landscape within which GGGI operates is also changing rapidly. Key trends include the growth in urbanization (and the accompany sustainability challenges and opportunities this creates); digital technologies disruption (such as blockchain) which are providing new solutions to sustainability challenges; geopolitical shifts; and the rise of different actors in the development space, including the private sector and civil society.

These internal and external shifts mean that it is an opportune time for GGGI to take stock of where it is today and to understand how the green growth landscape is likely to shift to Year 2030, and what should be the strategic focus and value proposition of the organization.

II. Initiative objective

This initiative aims to develop a robust 2030 strategy for GGGI which can provide clarity to the organization's future actions.

Through the strategy development initiative, we aim to strengthen our stakeholder engagement and use the input from our stakeholders to help unlock more value from materiality, and then, to create, validate and improve our strategy, and have it drive stronger impact of GGGI.

III. Initial thoughts on approach

There are five core components to the 2030 strategy:

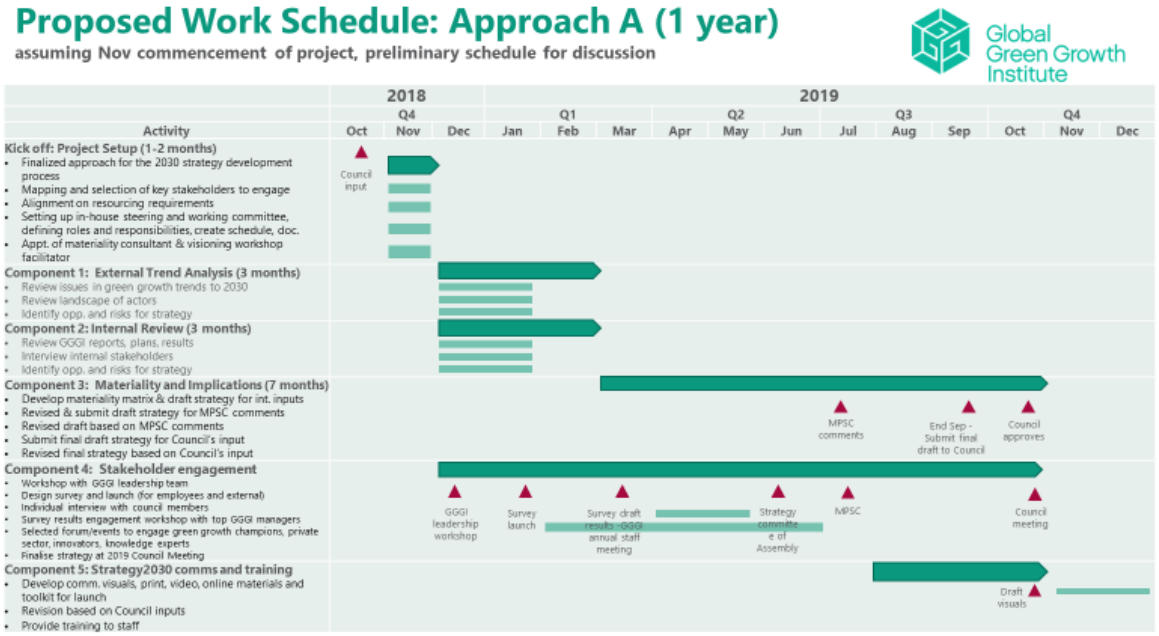
1. *Taking stock of the external green growth landscape*, including emerging global mega trends impacting green growth, new technologies, and the landscape of donors / technical experts / private sector players/ green growth-related organisations.
2. *Reviewing GGGI's performance* to date, including operational, organizational and financial aspects.
3. *Conduct a materiality assessment and identifying the priorities going forward*, by integrating the above analysis and laying out a clear vision and strategic priorities for the organization to 2030.
4. *Engaging stakeholders* on all the topics identified. A Strategy working committee of the Assembly is proposed to guide the direction and provide inputs to the strategy development progress. Stakeholders include GGGI Member and Partner Countries, Knowledge Experts, Private Sector and Innovators. Relevant stakeholders will be added where required.
5. *Develop 2030 strategy launch communications materials* for stakeholder communications and strategy implementation. (to create synergies with State of Green Growth Report and Green Growth campaign)

A comparative research was done to gauge 10-year strategy development process and timeframe. International organisations took close to 3 years with over 1000 consultations to develop their 2030 strategy. This in-depth process requires a substantial budget. Comparing to private sector examples, private companies took between 6 months to 1 year to develop their 2030 sustainability strategy. Both international organisations and private sector firms' long-term strategy visions are set at Year 2030 as it is aligned and related with UN SDGs 2030. As a young organisation, we propose GGGI to adopt a more agile and cost-effective approach. We propose 2 approaches for Council's inputs and decision.

- **Approach A (within 1 year):** Develop Year 2030 overall 10-year vision and 5-year strategic action plan with specific KPIs by October 2019.

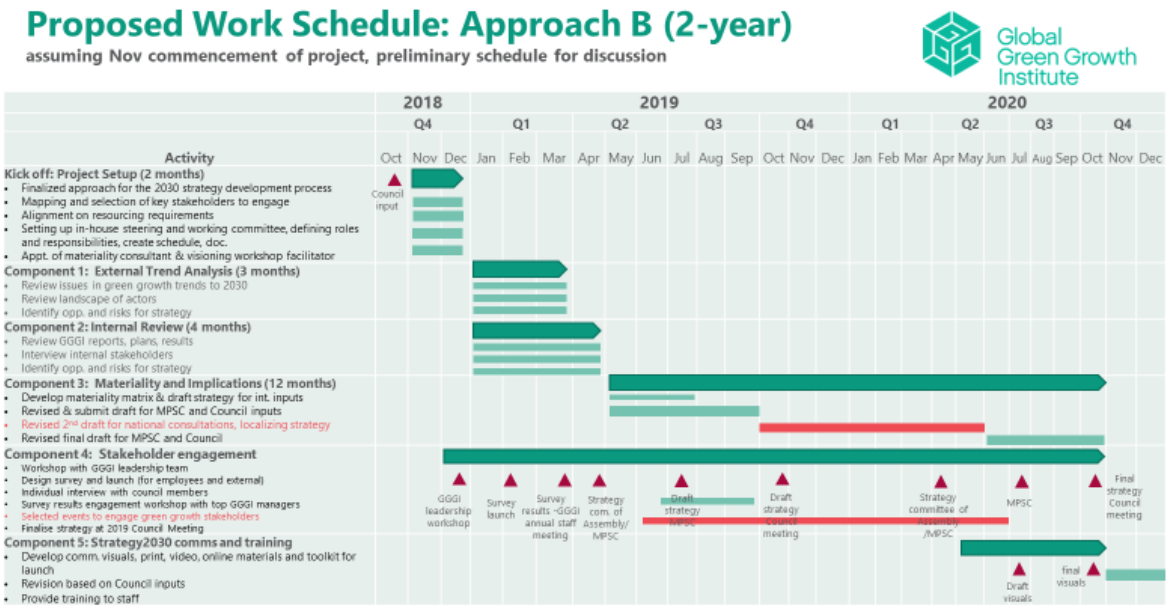
- **Approach B (within 2 years):** Develop Year 2030 overall 10-year vision and 5-year strategic action plan with specific goals and KPIs and localised GGGI strategy per country by October 2020.

Proposed Approach A and timeline (within 1 year): Develop Year 2030 overall 10-year vision and 5-year strategic action plan with specific KPIs by October 2019. For an organization it is difficult to set and commit to specific KPIs over a 10-year period. The overall 10-year vision would aim to inspire people, both internal and external to the organization and galvanize the organization, similar to the SDGs. The 5-year strategic action plan (Year 2021-2025) would be to commit the organization and staff towards concrete goals. We can develop the overall 10-year vision and parallel, work on the 5-year strategy. The draft strategy will be prepared by July for MPSC's comments and further consultations with stakeholders where required. The strategy will be presented to Council for inputs and approval in October 2019.
Below is a proposed project timeline for Approach A:

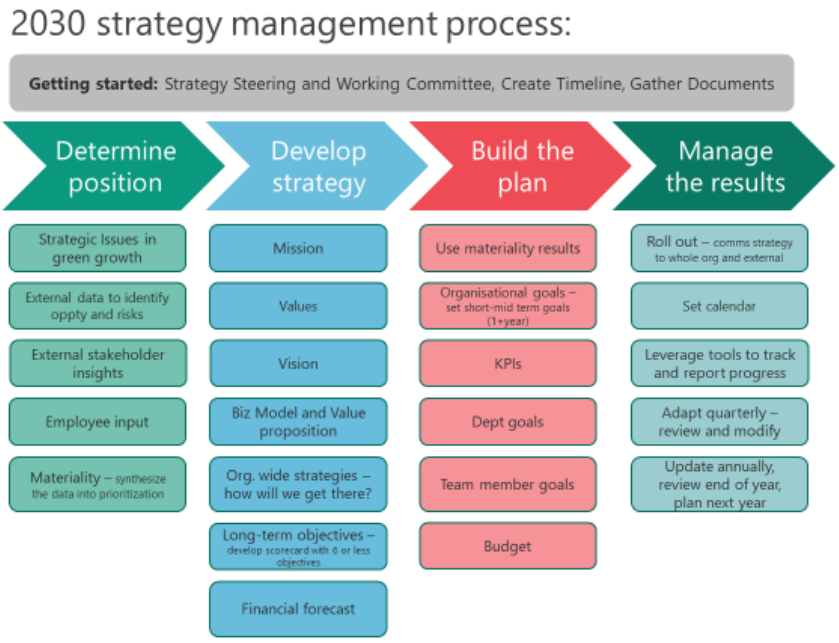


Proposed Approach B and timeline (within 2 years): Develop Year 2030 overall 10-year vision and 10-year strategic action plan with specific goals and KPIs by October 2020. In 2019, GGGI's draft global strategy will be focused on reviews and materiality assessment developed for Council's approval. In 2020, GGGI will then finalise its 2030 strategy with a deepened stakeholder engagement with national and sector level inputs to develop a robust global strategy that fits local context and unique green growth issues and opportunities. Country-level materiality matrix and strategy will be developed (refer to Appendix 1 for example of global materiality and local materiality and strategy)

Below is a proposed timeline for Approach B:



The overall strategy management process is suggested below:



Project set up (1 month)

The team would incorporate the input from the October 2018 Council session and refine the approach. This would include examination of the working arrangements, and the resourcing of the strategy development. Estimates of the budget requirements, including the need for outside consulting support, would also be developed during this phase of work. A list of priority stakeholders to engage throughout the project will also be developed.

End products:

- Finalized approach for the 2030 strategy development process
- Alignment on key stakeholders to engage
- Alignment on resourcing requirements
- Setting up GGGI strategy in-house steering and working committee, defining roles and responsibilities, create schedule, document gathering
- Appointment of materiality consultant and visioning workshop facilitator

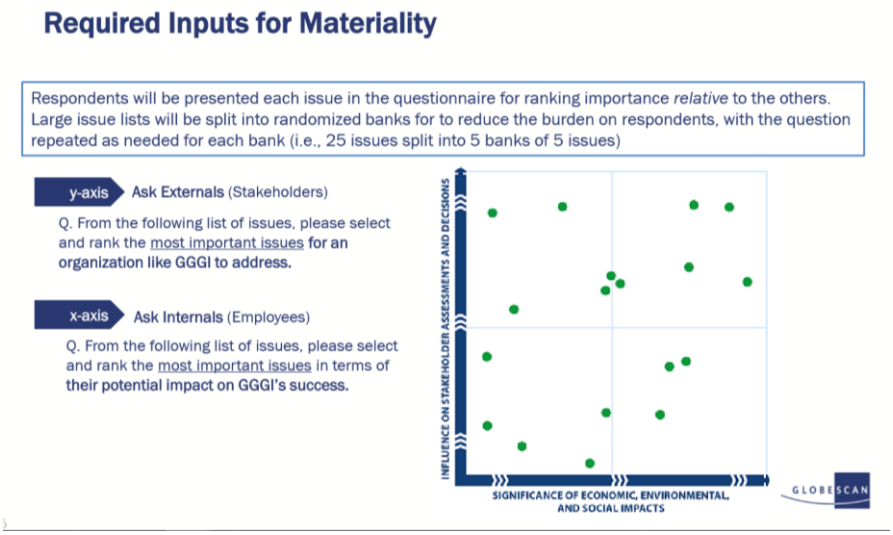
Component 1: External trends analysis - the future of green growth (3 months)

This would involve detailed research to examine the changing green growth landscape, giving particular emphasis to the following. Research will also draw insights from annual global events such as COP.

- **Sustainability challenges being faced and their drivers** (e.g., increasing urbanization). This would include analysis of issues in GGGI's four core areas of 1) water and sanitation;

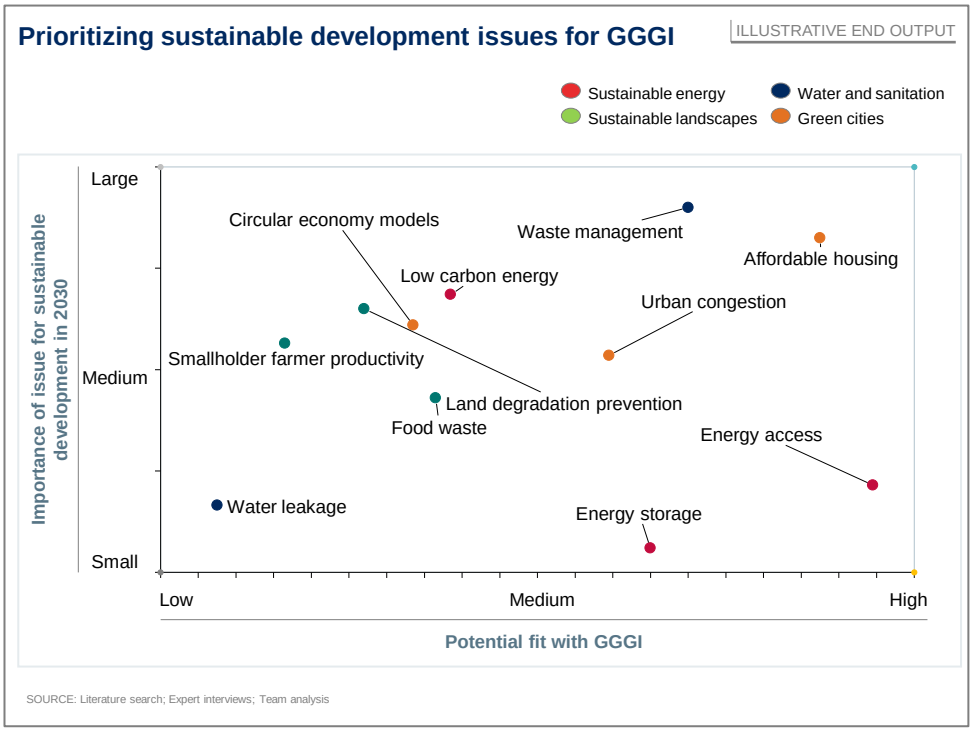
2) sustainable energy; 3) sustainable landscapes; and 4) green cities. It would also identify other relevant areas, particularly related to the Sustainable Development Goals.

- **New opportunities for addressing sustainability challenges**, including the role of technology. A review of emerging technologies for addressing sustainability challenges would be conducted. This would gather key literature and selected interviews. One key report in this area is that by the Business & Sustainable Development Commission (BSDC) and AlphaBeta, which examines the emerging business models and technologies related to the SDGs in the areas of energy & materials, cities, and food.[1]
- **Changes in the landscape or ecosystem of players** providing green growth support, including the private sector and civil society. This would rely heavily on interviews with GGGI, their Members, and key multilateral bodies such as the World Bank. Given the increasing role of private sector and civil society bodies such as the Bill & Melinda Gates Foundation (BMGF), this would also be broadened to exam their changing roles. The objective of this analysis would be to identify potential "white spaces" where major green growth-related issues are not being addressed.
- **Implications of the above trends for the role of GGGI.** The above trends would be synthesized to identify high potential opportunities for GGGI. A materiality approach will be used which assesses the importance of the issue for sustainable development and the fit with GGGI capabilities. Exhibit 2 provides an illustrative end product. It could be assessed using the following approach:
    - **Importance of issue.** A survey and interviews could be done with different groups of stakeholders, such as (a) GGGI staff; (b) GGGI members; and (c) a literature review capturing broader civil society concerns related to sustainable development.
    - **Fit with GGGI.** The same approach could be used as above, and complemented with analysis of strategic capabilities of GGGI versus existing players in that space.



[1] Business & Sustainable Development Commission and AlphaBeta (2017), *Better Business Better World*. Accessed at: http://businesscommission.org/news/release-sustainable-business-can-unlock-at-least-us-12-trillion-in-new-market-value-and-repair-economic-system

EXHIBIT 2



End products:

- Report outlining green growth trends and implications for GGGI

Component 2: Internal review and shaping 2030 goal setting (3 months, in parallel to Component 1)

This component would take stock of GGGI's existing performance to date and conduct a visioneering 2030 session with leadership, staff and stakeholders. Performance review would place particular emphasis on:

- Impact on green growth challenges
- Viewpoints of member countries, country partners, donors, staff, and other key stakeholders
- Membership and country operations
- Operational and organizational issues
- Funding issues
- Business model and value proposition
- Analysis of a 10 year vs 5 year vision, 5 year vs 3 year strategic action plan

Vision 2030 is a future-scenario visualisation exercise helps the organisation determine their goals. The visualization exercise should guide the participants through a scenario ten or more years into the future. The scenario should paint a picture in which the organization is achieving tremendous success. The key is to help GGGI visualize the various areas of success (e.g., customers, products, image, etc.) without specifically citing what the success was. This exercise will help to shape year 2030 goal setting for GGGI. (refer to appendix 2 for example)

End products:

- Internal review of GGGI's existing operations and ideas for enhancement (utilising 2018 annual results and reporting)
- Vision 2030 future scenario visualisation exercise report
- GGGI corporate units and in-country business model and value proposition canvas exercise reports

Component 3: Implications for GGGI and development of draft strategy (7 months)

This component will synthesize the work done in Components 1 and 2 to understand the implications for GGGI. This will include the development of a draft strategy to engage MPSC members in July meeting and the final draft strategy at the October 2019 council meeting.

End products:

- Draft strategy for MPSC review (July 2019)
- Final draft strategy for Council review (October 2019)

Component 4: Stakeholder engagement and communications (ongoing)

This component will involve firstly identifying the primary and secondary stakeholders and their level of influence and impact to GGGI and develop a stakeholder map. The stakeholder engagement principles will adhere to AA1000 AccountAbility Stakeholder Engagement Standard, the most widely applied global standard, supporting organizations to assess, design, implement and communicate an integrated approach to stakeholder engagement. This will include:

- *Internal engagement:* Leadership interviews to develop draft survey design. Using the March 2019 annual meeting of GGGI teams in HQ to conduct engagement and visioning 2030 session to solicit input, followed up by a survey of all employees globally.
- *Partners:* Interviews with GGGI country partners and funders – combination of online and on-site.
- *External:* identify and form primary and secondary stakeholder groups of 'green growth champions', knowledge experts and "strategy working committee of the Assembly" and to provide input on the strategy. Selected external events across the various regions, eg. Africa Green Growth Forum, Abu Dhabi Sustainability Week, Korea Renewable Energy Summit, Singapore World Cities/Private Sector Temasek Ecosperity Conference.
- Communications materials (e.g. brochures, infographics, a short video) for engagement, and final strategy communications toolkit to be developed for launch, strategy implementation and training. Strategy Unit will lead 2030 strategy communications and seek advisory from GGGI HQ communications where required. Stakeholder engagement and communications planning will consider the activities of State of Green Growth Report and Green Growth campaign planning.

Below is a list of internal and external activities/events for stakeholder engagement, a confirmed list will be developed upon project commencement:

Date	Event	Location
Dec 3-15	UNFCCC COP	Katowice, Poland
Jan 13-19	Abu Dhabi Sustainability Week	Abu Dhabi, UAE
Jan 22-25	World Economic Forum Annual Meeting	Davos-Klosters, Switzerland
Mar (tbc)	GGGI Annual Meeting	GGGI HQ, Seoul
April (tbc)	1st MPSC	GGGI HQ, Seoul
Jun 4-7	Singapore Temasek Ecosperity Private Sector Global Sustainability Conference	Singapore
July (tbc)	2nd MPSC	Virtual (tbc)
August (tbc)	Africa Green Growth Forum	Kigali, Rwanda
Sep (tbc)	Sustainability week – UNGA and events	New York, USA
Sep-Oct (tbc)	GGGI Assembly/Council	GGGI HQ, Seoul (tbc)
Oct 23-26	GGGW/IREC (Launch)	Seoul, Korea
Nov (tbc)	OECD Forum	tbc
Dec (tbc)	UNFCCC COP	tbc

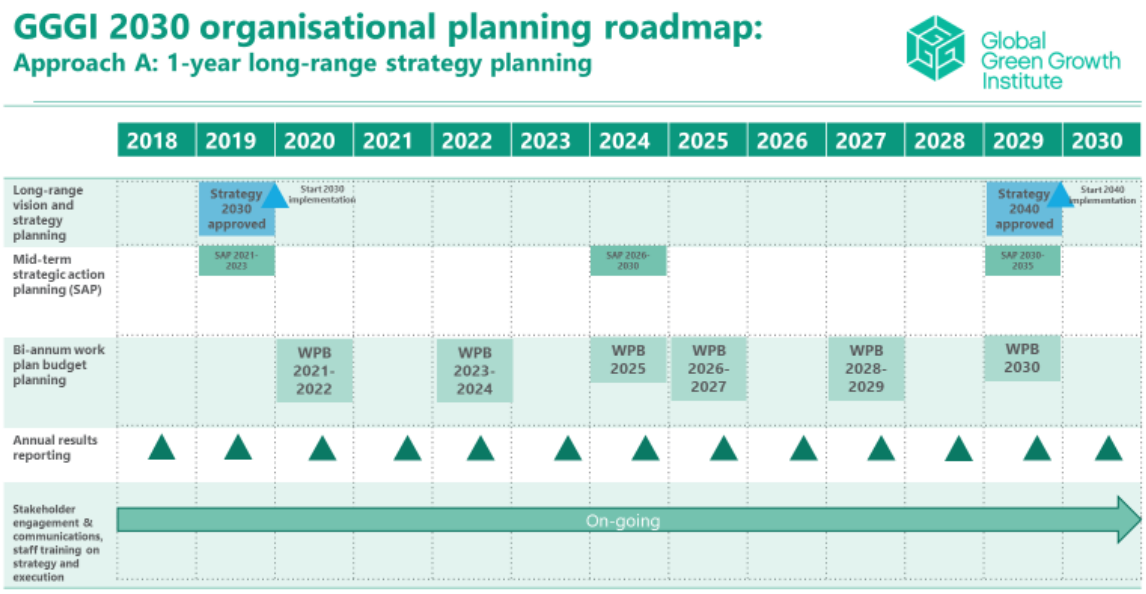
End products:

- Consultation meeting reports
- Online survey results report
- GGGI Materiality Matrix and SDGs (this matrix can be used and updated every 2-3 years, refer to appendix 3 for matrix)
- Communication toolkit developed for stakeholder communications and training purposes of internal staff to execute strategy.

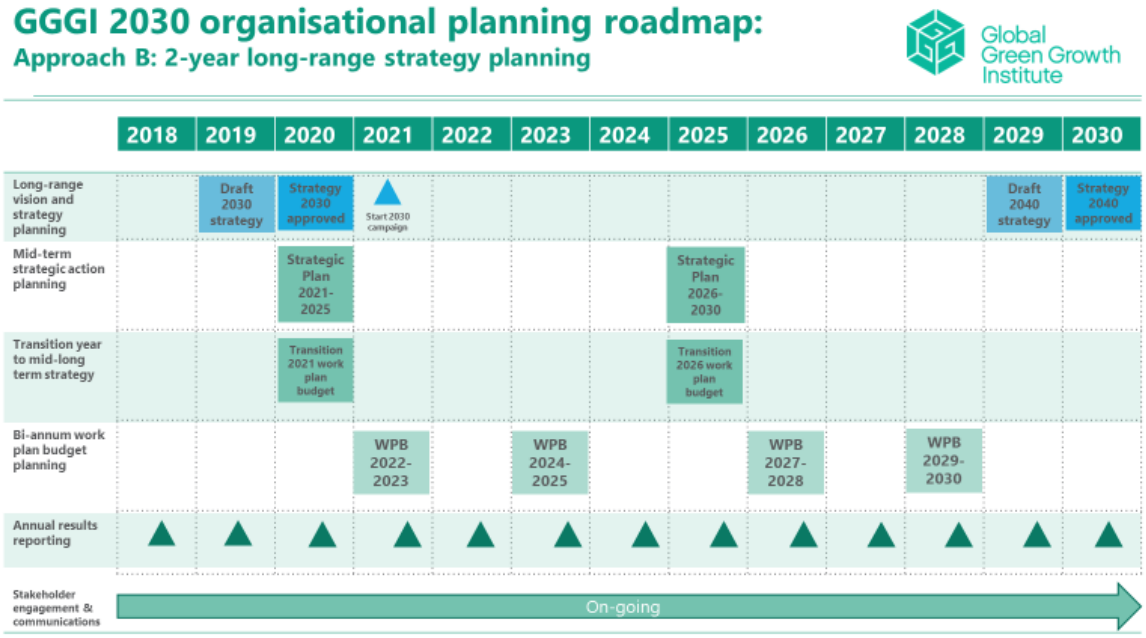
GGGI 2030 organisational planning roadmap

With the proposed approach to launch GGGI 2030 strategy, a 10-year planning roadmap is developed to implement its new strategy.

Approach A (1-year timeframe) organisational planning roadmap is proposed below:



Approach B (2 year timeframe) organisational planning roadmap is proposed below:



IV. Strategic questions requiring input from the Council

A number of strategic questions require the input of the Council:

5. **Timeline**
    - Do you agree with our recommended approach A timeline to complete 2030 (10-year vision) and 5 year strategic action plan by Oct 2019?
6. **Scope**
    - Have we covered the right topics in our approach? Is there global mega trend you would particularly emphasize as being important?
7. **Stakeholder Groups**
    - Who should we engage? Any recommendations to connect influential leaders, specialists and experts to provide insights.
    - How can we best engage them? Provide suggestions for engagement. Any opportunities to engage stakeholders at member/partner countries sustainability events between March to Aug 2019?
8. **Resourcing**
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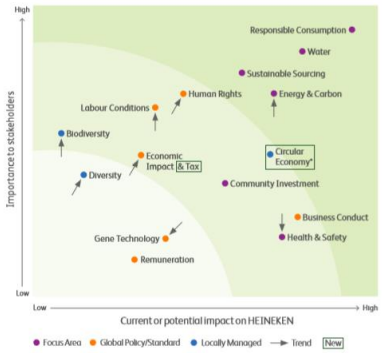
Appendix 1: Example of Global vs Local Materiality Matrix and Strategy localisation

Example 1: Heineken Sustainability Strategic Focus and SDGs

Global materiality matrix:



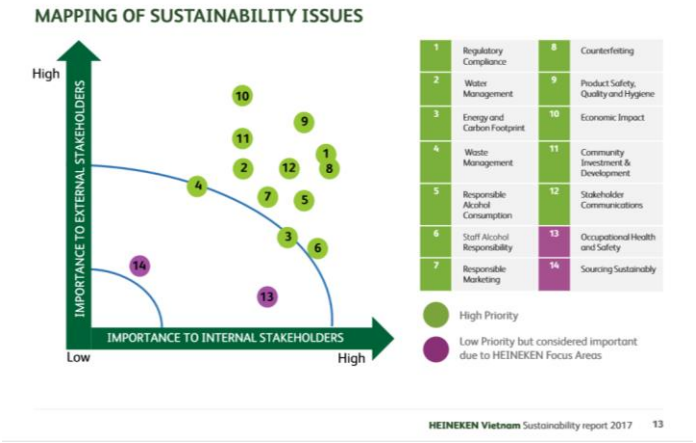
Materiality

We have updated our materiality matrix based on an ongoing dialogue with our stakeholders, reputation research, benchmark results and internal risk analysis.

In our annual reputation research we asked more than 2,400 stakeholders in 30 markets what topics they see as most material for HEINEKEN. The top three clusters mentioned were:

1. **Environment** (climate change, environmental protection, water, waste, energy)
2. **Public health** (responsible consumption, obesity)
3. **Economic conditions** (growth, competitiveness, unemployment, income)

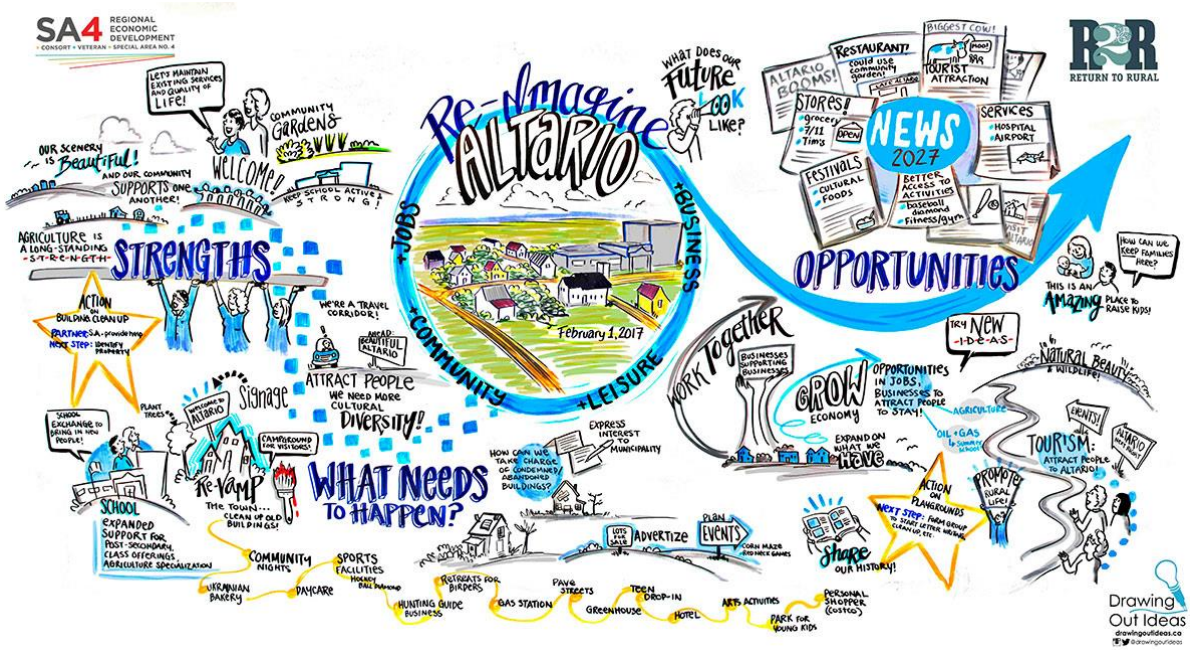
Vietnam materiality matrix: ln-country stakeholder engagement revealed that 2 of Heineken's global strategic focus area (Occupational health and safety and sourcing sustainably) are not deemed as the top most priority areas by in-country key stakeholders. This assessment provides strategic direction to country planning and resourcing allocation.



Appendix 2: Examples of Visioning Exercise Session Graphic Records

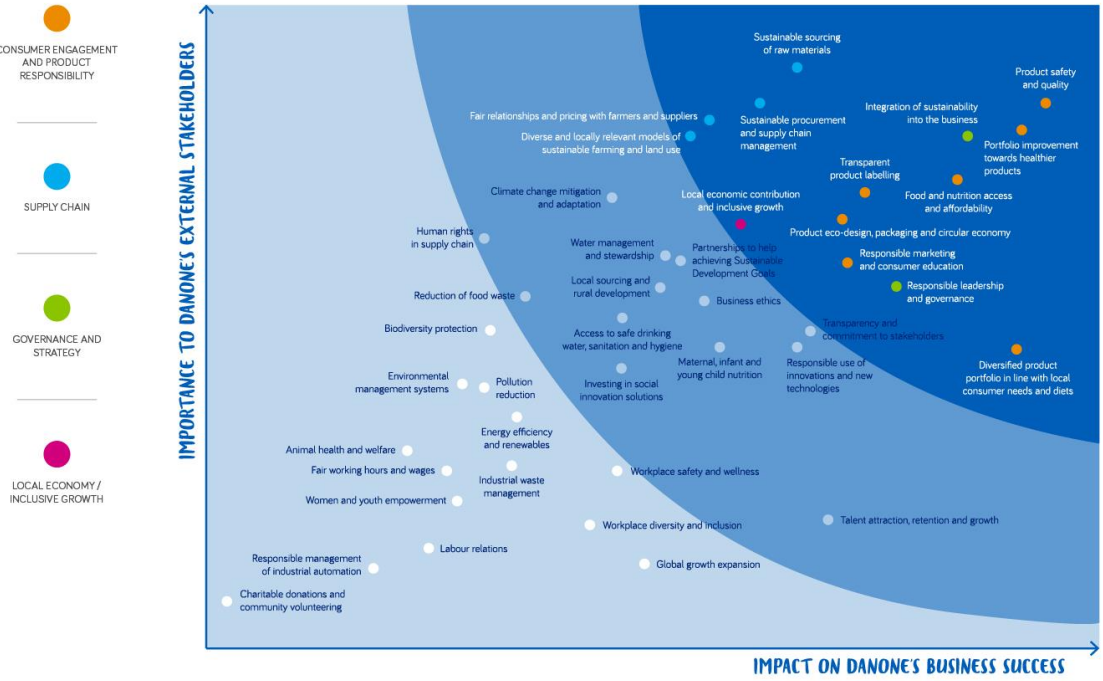
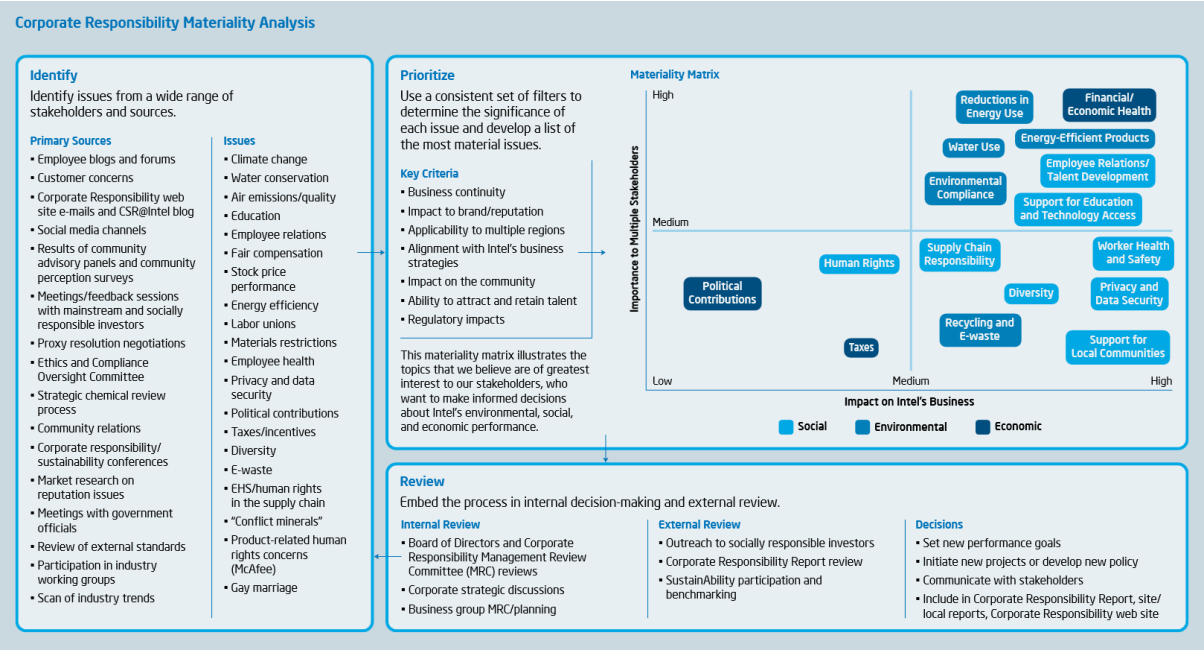
Example 1: Delta School District

Example 2: SA4 regional economic development – reimagine Altario



Appendix 3: Examples of Materiality Matrix

Example 1: Danone. 41 topics were identified according to their importance for external and internal stakeholders as well as their impact on Danone's business success. Using materiality assessment, prioritisation, top 14 topics were identified and prioritised for actions.



Example 2: Intel Stakeholder Materiality Analysis and Matrix