

**Global Green Growth Institute**

Ninth Meeting of the Management and Program Sub-Committee

May 1-2, 2019; Seoul, Republic of Korea

**Summary of the Ninth Meeting
of the Management and Program Sub-Committee****Agenda 1. Opening of the Meeting and Adoption of the Agenda**

1. The Ninth Meeting of the Management and Program Sub-Committee (MPSC) was attended by MPSC Members Australia, Republic of Korea, Norway, Paraguay, Rwanda, and Senegal, as well as GGGI member observers Costa Rica, Denmark, Fiji, Hungary, Papua New Guinea, and the United Kingdom. Representatives of France and Japan, non-member countries, also attended the meeting as observers.
2. The meeting was chaired by Australia, represented by Ms. Jennifer Gregory, Assistant Director, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade.
3. Annex 1 provides the list of participants.
4. Annex 2 provides the list of sessional documents.
5. The MPSC adopted the Agenda [MPSC/2019/AG/1/REV], circulated by the Institute on March 14, 2019.

Agenda 2. Director-General's Progress Report

6. The Institute presented the Director-General's Progress Report [MPSC/2019/1] highlighting the key achievements of the Institute in 2018 and the evolution of the Institute during the last two years, with completion of its 2017-2018 Work Program and Budget (WPB). Recognizing the disruption in the aid industry, the Institute noted that it has significantly shifted its business model to decentralize, to become more results-oriented, to ensure flexibility and responsiveness, and to improve efficiency by taking the management system and business processes online.
7. Delegates commended the good results achieved by the Institute in the past biennium, particularly for its efforts in shifting its business model. Delegates further acknowledged the Institute's improved quality of risk management reporting and noted that it received an A+ rating from DFID in its Annual Review. Delegates also appreciated the Institute's responsiveness in terms of providing feedback to and engaging broadly with Members.

8. In terms of challenges, delegates noted that the Institute should not neglect the importance of its core funding base and discussed the risk of its resources being spread out too thin. The Institute agreed on the importance of core donors and informed the delegates that while it has focused on expanding earmarked resources in the past biennium, it is also engaging with current as well as potential contributing countries to maintain and, where possible, expand core resources.
9. Delegates also expressed their interests in green and climate finance and discussed the appropriate exit point for GGGI in the investment projects it originates and structures. According to the Institute, its exit is defined as achieving “proven investor commitment.” Noting risks that projects would not be implemented and thus not reach impact stage, delegates wondered if the exit was too early in the project cycle and whether the Institute would monitor projects past its exit point. The Institute noted that its strength lies in the project origination, structuring and pre-feasibility stage where it supports governments to take ideas to become bankable. It further noted its experience that this is where there is a clear bottleneck and demand from both governments and investors, and for the stage beyond the Institute’s current exit its efforts would be duplicated with those of the investors that conduct their own analyses. Furthermore, the Institute agreed the importance of post-exit monitoring of investment projects through to impact evaluations, and indicated it will do so.
10. Korea requested for the Institute to share updates on the Institute’s engagement with North Korea. The Institute informed that it is conscious of the host government’s desire that the Institute contribute to green growth on the Korean Peninsula. It added that it has approached the North Korean government to inquire if there is an interest to engage with the Institute. In response, the Institute noted that the Korea Green Fund (KGF) was designated as its counterpart, and the KGF confirmed its interest to explore collaboration with the Institute. According to the Institute, it will continue this dialogue and inform Members of new developments. Furthermore, the Institute informed that it has developed, with partners, a proposal for conducting a study for the feasibility of 100% renewable energy on the Korean Peninsula. It also noted that there is no budget for this project in the WPB 2019-2020 and that the Institute has been engaging both Korean governmental agencies including the Ministry of Foreign Affairs and the Korea Forestry Service and private sector sponsors including companies and a private foundation. The Institute assured that it is proceeding with caution vis-à-vis the international sanctions regime and related legal requirements concerning North Korea, and the Institute noted that it will follow the relevant guidelines provided by the United Nations and the related governments.
11. Regarding social safeguards, delegates emphasized the importance of effective sexual harassment policies not only by the Institute but also partner organizations. The Institute noted that it has been proactive in updating its social safeguards and related policies, the most recent being its child protection policy. Australia informed that its Department of Foreign Affairs and Trade had recently finalized its Policy on Sexual Exploitation, Assault and Harassment (PSEAH). Australia informed the MPSC that it will be examining partner organisations, including GGGI, to gauge alignment with DFAT’s PSEAH. Australia offered to share the PSEAH with the Institute. The Institute accepted

this offer with thanks. It further noted that these policies are on a continuous path of improvement, and it looks forward to working with its Members in the process.

12. Delegates noted the Institute's human resources (HR) management efforts on gender equality and new HR initiatives, and the improvement in staff satisfaction and decrease in staff turnover rates. The Institute informed that gender equality within the organization is a priority, and that there is no gender pay gap across same grades but the gender pay gap across the entire organization can be attributed to the fact that male staff members occupy more of the senior positions than their female counterparts. The Institute also informed delegates that it is providing staff with career development opportunities within the organization.
13. The MPSC took note of the Director-General's Progress Report.

Agenda 3. Review of Financial Statements and Work Program

(a) Audited Financial Statements

14. The Institute presented its 2018 financial results, including an overview of its financial position, comprehensive income, changes in reserves, cash flows and additional notes to the financial statements [MPSC/2019/2-1]. The external auditor of KPMG Mr. Jaenam Hwang presented the audit report to the MPSC, noting no irregularities.
15. Referring to last year's internal audit of travel at the UN Environment Program and issues it surfaced, delegates noted that there had been a recent internal audit of travel expenses at the Institute. They requested the internal audit to present the results at the next MPSC meeting.
16. The Institute also presented the terms of reference of the external audit of GGGI's financial statements and asked MPSC Members to decide whether to continue the Institute's contract with KPMG for another two years (2019-2020) or to put this out to tender [MPSC/2019/2-2]. Delegates, noting the shift in the Institute's business model to work with a greater amount of earmarked funds and decentralization, recommended that it engage with a new auditor that can review its operations with a fresh perspective.
17. The MPSC decided to recommend to the Council the approval of the audited financial statements for 2018. Furthermore, the MPSC recommended putting the external audit out to tender. Following the tender, the Council would be asked to approve the external auditors for the three-year period 2019-2021.

(b) Review of Work Program 2018

18. The Institute presented an overview of its programmatic, operational, and financial performance and achievements in 2018, demonstrating how it has delivered its Refreshed Strategy 2015-2020 through the implementation of WPB 2017-2018 [MPSC/2019/3]. The Institute further presented three example cases of its achievements in 2018: the Fiji

Low Emission Development Strategy (LEDS), the Guyana Solar Photovoltaic Investment Project, and the Mexico Sonora Green Bond Project.

19. Delegates welcomed the results achieved in 2018 and commended the Institute for producing the results report, which can be used by Member governments to advocate the Institute's activities. Delegates noted that it would be useful to articulate the Institute's niche and position in the global climate finance architecture in this document.
20. In discussing the USD 482 million in green and climate finance mobilized by the Institute in 2018, the Institute shared with the delegates that, as part of its reporting requirements, it has obtained from its Member and partner countries letters that explicitly recognized the Institute's role in mobilizing the investment to said countries.
21. Also, in terms of green and climate finance mobilization, delegates encouraged the Institute to reach out to multilateral development banks (MDBs). The Institute informed the delegates that it has attempted this in the past with limited success. According to the Institute, as its green investment services work is beginning to get a track record and GGGI has established its project origination (PCM part 3) process and developed a pipeline of ideas and portfolio of projects, new opportunities to engage with MDBs are emerging. Particularly, the Institute noted that the MDBs that have limited field operations are interested in its project origination. The Institute further informed that it recently joined as a partner in ADB's new ASEAN Green Catalytic Finance Facility and is exploring similar "fee-for-service" opportunities with other MDBs.
22. While discussing the alignment of the Institute's projects to the six Strategic Outcomes (SO), a delegate questioned the need to focus more on climate adaptation (SO6) than GHG emissions reductions (SO1) for small island developing states (SIDS) that are more vulnerable to climate change. In this regard, the Institute noted that this can be a point to consider for Strategy 2030 and reiterated that it works with a needs-based approach according to the demands of its Members. The Institute further noted that while the Institute's portfolio in the last few years was dominated by energy and green city projects, there is a better balance in the current project pipeline.
23. Delegates inquired on the work of the Thought Leadership (TL) group, and the Institute explained that its work is progressing well and providing direct support to its country operations: it has developed tools such as the Green Growth Potential Assessment (GGPA) and the Green Growth Index; develops partnerships with universities that lead to long-term capacity development; leads its knowledge-sharing activities such as with GGKP and UN-Page; implements targeted capacity-building related to climate diplomacy and MRVs for LDCs; and conducts applied research in new or emerging priority areas such as green jobs and electric mobility.
24. The MPSC took note of the key results of GGGI's work program and achievements in 2018.

Agenda 4. Findings and Lessons from Recent Evaluations

25. The Institute presented the results of the independent evaluation report for its Peru Country Program in 2018, as well as the Impact and Evaluation Unit's (IEU) Impact Pathway Reviews, a new initiative in approaching the evaluation of its country programs [MPSC/2019/4].
26. Delegates noted that the independent evaluations are very useful, providing a set of lessons learned that can be shared with other stakeholders working on aid effectiveness. Delegates also recognized the challenges in identifying the real benefits of projects and conducting post-exit monitoring and evaluation, but reaffirmed the importance of monitoring the outcomes after projects have been completed.
27. In reviewing the set of conclusions presented in the Peru Country Program evaluation report, delegates commended the Institute for its reliability, technical expertise and facilitation skills. While delegates noted the Institute's initial challenges of strategic alignment and project complementarity, they recognized how it was able to develop its systems and strategies to guide its programs. The Institute noted that now with a recently concluded agreement with the Peruvian Government for a country planning framework, only projects in line with this framework will be taken forward, and this reflects its approach in all countries of operations.
28. Delegates also recognized the importance of allocating a budget for communicating the achievements of the Institute in order to enhance awareness and existence of the Institute in the countries where it operates.
29. In terms of selecting the country programs for evaluation, the Institute informed delegates that the criteria used to make this selection is listed in the Institute's [Evaluation Policy](#), which can be found on its website. In 2019, Impact Pathway Reviews will take place for the Mongolia, Vietnam and Uganda country programs.
30. The MPSC took note of the findings and lessons from recent evaluations conducted by the Impact & Evaluation Unit, as well as its upcoming work on Impact Pathway Reviews.

Agenda 5. Work Program and Budget 2019**(a) 2019 GGGI Operational Budget**

31. The Institute presented the 2019 GGGI Operational Budget [MPSC/2019/5], which was prepared based on the WPB 2019-2020 approved by the Council on October 31, 2018 [A/2018/10-C/2018/10]. The presentation included an overview of the Institute's estimated income and expenditures in 2019, as well as the projected balance of its reserves at the end of 2019.
32. Delegates discussed whether the trend of decreasing percentage of core funds of the total revenue is sustainable for the organization. The Institute noted that, for most organizations, a 50:50 ratio between core and earmarked funds is regarded as having a strong sustainable position, and would like to build towards having a 50:50 balance.

According to the Institute, currently the balance is 66 percent core funded activity and 33 percent earmarked.

33. Delegates asked the Institute regarding its procedure when it has unspent budget that was allocated to specific programs. The Institute responded that for its core budget, the Council has set envelopes for countries, which is the budgetary boundary that the Institute adheres to when executing its expenditures. Furthermore, the Institute informed the delegates that it has mechanisms in place to monitor monthly accounts to ensure that its expenditures are on track against the budget. It further noted that for earmarked funds, any unspent funding at the end of the program/project period is returned to the donors.
34. Members of the MPSC took note of the detailed Operational Budget of the Institute for 2019.

(b) Overview of Project Pipeline and Portfolio

35. The Institute presented an overview of the 2019 project pipeline and portfolio, highlights for its policy works for the year, and its partnerships with project preparation platforms, and its private sector engagements [MPSC/2019/6].
36. Delegates wished to be informed of how the Institute develops the ideas for its projects, whether they are derived from the Institute's previously completed policy advisory assignments or according to country requests. The Institute responded that the development of project ideas is a 'two-way street.' It explained that initially it was mainly the governments that suggested a project idea through the country team, but now, the Institute noted, there are also processes where the Secretariat takes the initiative to develop ideas and discuss with the governments. The Institute assured that it is working closely with the country teams, thematic teams, the Green Investment Services Department, and partner governments.
37. Furthermore, delegates asked how the Institute is working to link the similar projects that are carried out across various countries, and how they can work in parallel with each other. The Institute responded that there are instances where different country teams develop similar project ideas, and the Institute has mechanisms that allow staff members to share information through monthly calls, internal thematic discussions, and intranet communication platforms where notes can be compared.
38. Delegates discussed the Institute's partnership with the World Green Economy Organization (WGEO) and requested additional information on the fee-for-service agreed with WGEO. The Institute informed the delegates that an MoU was signed with WGEO in 2018 with the intent that the Institute will develop 20 bankable projects per year for a period of three years and that WGEO will mobilize USD 1 billion of green finance from investors in the Middle East to invest in these projects; WGEO will pay the Institute USD 300,000 fee-for-service for each project the two organizations agree to take forward. According to the Institute, its focus in 2019 is on the implementation of this MoU for at least two projects. Also, the Institute informed that WGEO is still in its establishment phase and as part of that WGEO is planning to hold five regional

ministerial meetings in 2019; WGEQ has requested the Institute to deliver training programs associated with these five meetings. The Institute further noted that at this stage it does not expect that there will be duplication of work between WGEQ and GGGI.

39. Delegates also noted that it would be more useful if the project portfolio information was presented in a format that would be more sharable with other stakeholders, and the Institute responded that it would improve the way this information is communicated.
40. The MPSC took note of the updates on the Institute's project pipeline and portfolio in 2019.

Agenda 6. Increasing the Level of GGGI Working Capital

41. The Institute presented its proposal to increase the level of its working capital from USD 10 million to USD 15 million [MPSC/2019/7]. It demonstrated how the number of its working capital days will continue to decrease if the working capital remains at USD 10 million, considering the trajectory of total expenditures increasing every year.
42. Delegates agreed that although the Council instructed the Institute to spend down its retained surplus to USD 10 million, it was timely to revisit this issue. In this regard, delegates commended the Institute's management for making this sensible proposal and expressed their support.
43. The MPSC endorsed the proposal to increase the level of GGGI's working capital to USD 15 million and agreed to recommend for Council approval.

Agenda 7. Membership, Accession, and Country Programming

44. The Institute presented an update on its membership, accession and country programming, as well as a proposal for the Council to approve a set of objective criteria for country programming in order to ensure that the Institute's resources are not stretched too thin [MPSC/2019/8/REV].
45. Delegates reiterated that incoming Members are likely to expect programs in their countries upon their joining the Institute, which could pose a challenge for the Institute to address this in a fair manner. The Institute noted the distinction between membership and programming and the latter's dependence on resource availability. Furthermore, the Institute noted that all Members of the UN may join the Institute as Members per the *Agreement on the Establishment of the Global Green Growth Institute*, but the Council has control over country programming. In this regard, the Institute noted further that a clear set of criteria for country programming would be useful for providing guidance. According to the Institute, the signing of a *Host Country Agreement* (HCA) and the availability of resources are two key requirements for decision to start new country programs.

46. Delegates supported the principle of the criteria presented but noted that this issue needs to be approached with prudence as unforeseen concerns may arise. Furthermore, delegates discussed whether an analysis should be taken on how adopting these objective criteria may impact current Members, and more specifically, new Members such as Tonga and Sri Lanka.
47. Related to the criteria for country programming, delegates asked about the continuity and duration of programs in non-Member countries, such as China and India. The Institute responded that it will no longer begin new programs in non-Member countries and noted that it wished to also phase out programs in countries where the Institute does not have an HCA in place. Emphasizing its strong ambition to ensure country operations exclusively in member countries with HCA by the end of 2020, the Institute also shared that it had brought the function of the China office to the Secretariat Headquarters.
48. Delegates welcomed the Institute's approach to expanding its partnerships with the aim to tap into new resources and noted that it is time for contributing Members to have a long-term perspective and think how they can support the Institute to continue to grow in a sustainable way. Regarding membership expansion, delegates noted the importance of the Institute maintaining a good balance in geography and income status of countries, and that countries committing themselves to the Institute should show strong support for the green growth agenda.
49. Delegates also asked for updates on the Institute's partnership with the European Union. The Institute informed that there has been significant progress in EU's accession, up to the final step of approval by the European Parliament. According to the Institute, the EU Commission has informed that the accession process will be part of the hand-over to the new Commission, following the elections in June, and hopefully accession can be completed in 2019. In the meantime, the Institute noted that it has completed its so-called EU "pillar assessment," signed a first earmarked project contract with the EU in 2018, and has several large earmarked project proposals in preparation. It further noted that the EU Commission and GGGI have also agreed on a joint workshop in Brussels on June 17 to explore opportunities for "green growth" as a comprehensive model to bringing climate (DG-Clima) and development (DG-Devco) together in joint country programming.
50. France, a non-member observer to the MPSC, informed that it is exploring the various suggestions made by the Institute regarding France's membership and will soon come back with proposals on how France and the Institute can collaborate.
51. The MPSC took note of the distinction between membership and program expansion and the influence of the Council over the latter, the status of accession of UN member states and regional integration organizations to the *Establishment Agreement*, and the status of privileges and immunities and efforts to expedite the negotiations in this regard.
Furthermore, the MPSC agreed to revisit this agenda in the Tenth Meeting of the MPSC to be held in June or July.

Agenda 8. Meetings of Governance Organs in 2019

52. The Institute informed the Members that the Eighth Session of the Assembly and Twelfth Session of the Council will take place on October 24, 2019 in Seoul, Republic of Korea, in conjunction with Global Green Growth Week 2019 (GGGW 2019) and the 2019 International Renewable Energy Conference (KIREC 2019). In reviewing the provisional agenda for the Assembly and Council [MPSC/2019/10], the delegates and the Institute agreed to hold the strategy session earlier in the day for more active discussions among the Members.
53. Furthermore, delegates were in consensus that the MPSC should have a second meeting in 2019, virtually, between the end of June and the second week of July. The Institute also shared with the delegates as draft agenda items of the upcoming MPSC and looked forward to engaging the members to finalize them: GGGI Strategy 2030; Membership, Accession and Country Programming; Risk Management Framework; and Accountability and Safeguards Systems.
54. Delegates requested the Institute to provide the MPSC sessional documents thirty (30) calendar days ahead of the meeting, except for the strategy document that was asked to be provided fifteen (15) calendar days in advance. The Institute noted that according to paragraph 4.4 of the Terms of Reference of the MPSC [C/2019/DC/4], the Institute shall distribute the sessional documents to Members at least ten (10) working days ahead of the meetings but it assured Members that the documents shall be shared earlier than the prescribed ten days when possible.
55. The MPSC took note of the date and venue of the Eighth Session of the Assembly and Twelfth Session of the Council and invited the Institute to revise the provisional agenda as mentioned in paragraph 52. Furthermore, the MPSC decided to convene the Tenth Meeting of the MPSC virtually between end of June and the second week of July, and requested the Institute to circulate the sessional documents as mentioned in paragraph 54.

Agenda 9. GGGI 2030 Strategy Vision and Consultation

56. The Institute presented an overview of the process for developing the 2030 Strategy, highlighting the major trends that the Institute should consider in developing its next strategy and the key strategic issues to be addressed in the next decade [MPSC/2019/11]. Delegates participated in an interactive consultation session and undertook discussions to validate the key strategic issues.
57. The MPSC took note of the progress made on the development of GGGI Strategy 2030. Furthermore, the MPSC invited the Institute to incorporate the inputs and comments provided during the consultation session and to share the strategic orientations and responses of the Draft Strategy at the Tenth Meeting of the MPSC.

/End

ANNEX 1: List of Participants***Australia***

Ms. Jennifer Gregory, Assistant Director, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade

Ms. Selina Hughes, Policy Officer, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade

Republic of Korea

Mr. Changsoo Kim, Director, Global Environment and Science Division, Ministry of Foreign Affairs

Mr. Sangwan Park, Second Secretary, Global Environment and Science Division, Ministry of Foreign Affairs

Ms. Elin Jang, Second Secretary, Global Environment and Science Division, Ministry of Foreign Affairs

Norway

Mr. John Erik Storskogen Prydz, Senior Advisor, Climate Change Department, Norwegian Ministry of Climate and Environment

Ms. Ingelin Årseth Ladsten, Senior Advisor, Department for Climate, Energy and Environment, Norwegian Agency for Development Cooperation

Paraguay

Mr. Luis Molinas, Counsellor, Embassy of the Republic of Paraguay to the Republic of Korea

Ms. Veronica Lopez, Attaché, Embassy of the Republic of Paraguay to the Republic of Korea

Rwanda

Eng. Ms. Coletha Uwineza Ruhamya, Director General, Rwanda Environment Management Authority, Ministry of Environment

H. E. Ms. Emma-Françoise Isumbingabo, Ambassador of Rwanda to the Republic of Korea

Senegal

Mr. Henri Mathieu Lo, Director, Environmental Education and Training Unit, Ministry of Environment and Sustainable Development

Mr. Doudou Sow, Chargé d'Affaires and Minister-Counsellor, Embassy of Senegal to the Republic of Korea

Costa Rica (observer)

Mr. Jorge Valerio, Minister-Counsellor and Consul General, Embassy of Costa Rica to the Republic of Korea

Denmark (observer)

H. E. Mr. Thomas Lehmann, Ambassador of Denmark to the Republic of Korea

Ms. Dorte Bryde Mikkelsen, Political Counsellor and Deputy Head of Mission, Embassy of Denmark to the Republic of Korea

Fiji (observer)

H. E. Ms. Peniana Lalabalavu, Ambassador of Fiji to the Republic of Korea

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

Hungary (observer)

Dr. Balázs Hamar, Deputy Head of Mission, Embassy of Hungary to the Republic of Korea

Papua New Guinea (observer)

H. E. Mr. Andrew Yamanea, Ambassador of Papua New Guinea to the Republic of Korea

Ms. Helen Aitsi, First Secretary, Embassy of Papua New Guinea to the Republic of Korea

United Kingdom (observer)

Mr. David Markey, Head of Business Environment & Climate Diplomacy, Embassy of the United Kingdom to the Republic of Korea

France (observer)

Mr. David Péneau, Political Counsellor, Embassy of France to the Republic of Korea

Japan (observer)

Mr. Yudai Ueno, Counsellor, Embassy of Japan to the Republic of Korea

Secretariat

Dr. Frank Rijsberman, Director-General

Ms. Hyoeun Jenny Kim, Deputy Director-General, Head of GGP&I

Mr. Gerard O'Donoghue, Assistant Director-General, Finance and Corporate Services

Ms. Jae Eun Ahn, Strategy Officer

Mr. Orestes Anastasia, Head of Thought Leadership

Ms. Fenella Aouane, Principal Green Finance Specialist, Green Investment Services

Mr. Muharrem Kemal Askin, Specialist, Energy

Mr. Keeyong Chung, Esq, Director of Governance

Mr. Dave Kim, Special Advisor to President & Chair and Outreach Officer

Ms. Jinyoung Kim, Director of Asia

Ms. Yeeun Kim, Governance Intern

Ms. Nayoung Moon, Governance Officer

Mr. Siva Muthusamy, Director of Finance

Mr. Warin Nitipaisalkul, Deputy Director and Head of Impact & Evaluation Unit

Mr. Lasse Ringius, Director and Head of Green Investment Services

Mr. James Sheppard, Head of Partnerships

Mr. Akhil Singh, Specialist, Impact & Evaluation Unit

Mr. Mahamadou Tounkara, Director of Strategy, Partnerships, and Communications

Mr. Sakiusa Tuisolia, Senior Officer and Results Specialist

ANNEX 2: List of Sessional Documents

MPSC/2019/AG/1/REV	Agenda of the Ninth Meeting of the Management and Program Sub-Committee (MPSC)
MPSC/2019/1	Director-General's Progress Report
MPSC/2019/2-1	Audited 2018 Financial Statement Attachment: Letter from KPMG
MPSC/2019/2-2	External Audit of the GGGI Financial Statement: Terms of Reference
MPSC/2019/3/REV	GGGI Results Report 2018: Performance against the Corporate Results Framework
MPSC/2019/4	Findings and Lessons from Recent Evaluations Attachment: Peru Evaluation Report
MPSC/2019/5	2019 GGGI Operational Budget
MPSC/2019/6	2019-Q1 Project Pipeline and Portfolio Projects
MPSC/2019/7	Increasing the Level of GGGI's Working Capital
MPSC/2019/8/REV	Membership, Accession and Country Programming
MPSC/2019/9	Note on the 2019 Sessions of the Governance Organs
MPSC/2019/10	Draft Provisional Agenda of the Eighth Session of the Assembly and Twelfth Session of the Council (Joint Session)
MPSC/2019/11	GGGI's Strategy 2030 Development

**Global Green Growth Institute**

Tenth Meeting of the Management and Program Sub-Committee

July 12, 2019; via videoconference

**Summary of the Tenth Meeting
of the Management and Program Sub-Committee****Agenda 1. Opening of the Meeting and Adoption of the Agenda**

1. The Tenth Meeting of the Management and Program Sub-Committee (MPSC) was attended by MPSC Members Australia, Republic of Korea, Norway, Paraguay, and Rwanda, as well as GGGI Member observers Costa Rica, Denmark, Fiji, Hungary, Jordan, Sri Lanka, and the United Kingdom.
2. The meeting was chaired by Australia, represented by Ms. Jennifer Gregory, Assistant Director, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade.
3. Annex 1 provides a list of participants.
4. Annex 2 provides a list of sessional documents.
5. The MPSC adopted the Agenda [MPSC/2019/AG/2/REV], circulated by the Institute on June 12, 2019.

Agenda 2. GGGI Strategy 2030

6. The Institute presented its draft GGGI 2030 Strategy, which had incorporated the comments provided by Members during the GGGI 2030 Strategy and Vision Consultation Session of the Ninth Meeting of the MPSC on May 2, 2019. The presentation by the Institute includes its 2030 ambitions, programmatic and non-programmatic goals, targets to be reached, Global Operational Priorities (GOPs), four dimensions of its Strategy 2030 and its growth scenario analyses, among other aspects of its Strategy.
7. Delegates commended the Institute for developing a comprehensive framework to support the realization of the SDGs and the Paris Agreement, and on its excellent analysis of the significant global trends and critical strategic issues. Delegates also welcomed the Institute's continued focus on selected areas to prevent its resources being spread too thin. In this regard, some delegates urged the Institute to prioritize its country operations and programs that have the potential for reducing emissions and creating change at scale. Furthermore, recognizing that the task of making an economy green is challenging, and acknowledging that this requires a complete rethinking of the way we

organize our society, delegates noted that it would be useful for the Strategy 2030 to provide more details on what measures the Institute takes to achieve the transformational effect needed.

8. Delegates suggested the Institute include in the Strategy 2030 document a statement of purpose at the beginning to assist readers who approach this document for the first time. Furthermore, delegates recommended the Institute to rephrase the language for Strategic Goal One, to reflect that it will be the actions of the member countries that will lead to transformation, and GGGI's role is to support them on that path. Also, delegates suggested articulating the Institute's role as opposed to other development players such as MDBs and the UN development agencies. They also requested the Institute to explain the different levels of its representation at the regional and country levels. Also, delegates recommended adding some narrative to the 'key breakthrough' diagram on page 38 that would show what success would look like for GGGI. Delegates further requested the Institute to consider having two separate strategy documents, an outward-facing document with the Strategic Outcomes and its priorities, and an inward-facing document with the corporate plan/strategy that outlines how GGGI would meet these goals. It is suggested that having two separate documents provides a clearer, stronger strategic message to the two different audiences – the external and internal.
9. Delegates inquired whether the Institute is further revising the Strategy 2030 document after it is presented to the Council in October. The Institute responded that it would be presenting the final version without further revisions. The Chair requested the Institute to inform Members when the final comments for the Strategy 2030 are due.
10. MPSC delegates endorsed the directions and orientations outlined in the Institute's Strategy 2030, the ambitions set, and the guiding principles to deliver them. The timeline presented to MPSC delegates is structured around 3 stages: (i) Incorporating the comments from MPSC to have the revised draft Strategy 2030 post-MPSC meeting; (ii) Launching the consultation of all Member and partner countries on the revised draft Strategy 2030; and (iii) Preparing the final Strategy 2030 in 2 versions, internal and external version.

Agenda 3. Membership, Accession, and Country Programming

11. The Institute presented an update on membership, accession, and country programming following the earlier presentation to the MPSC Members at the Ninth Meeting on May 1, 2019, and invited discussion on the draft Decision on Criteria for Country Programming, which would be presented to the Council for adoption. The Institute reminded the delegates that during the Ninth Meeting, the MPSC requested the Institute to develop a Criteria for Country Programming.
12. Delegates took note that (a) the Director-General has received letters of intent from Angola, Kazakhstan, and Madagascar since the Institute's last update to Members; (b) the Kyrgyz Republic is advanced in its accession, though a letter of intent has yet to be received; and (c) the Institute has signed USD 17 million in new earmarked commitments

in 2019, with a further USD 9 million expected to be signed by end of August and USD 30 million in the pipeline.

13. Delegates reiterated their support for the introduction of a Criteria for Country Programming to support the implementation of the changes in GGGI's business model that blends both core and earmarked funding to support programmatic growth. Delegates agreed on the need to set these as broad principles, in accordance with the Council's function under the *Agreement on the Establishment of GGGI*.
14. Delegates requested the following, and the Institute promised to undertake to respond to such request as soon as practicable:
 - a) Information on the volume of co-financing or earmarked funding that would be needed to maintain a country program and how these volumes would be determined, and how core funding would be used to support country operations;
 - b) A snapshot of how adopting the Criteria would impact GGGI's current operations, including in which non-Member countries does GGGI have operations, with which countries does GGGI not have an agreement on privileges and immunities (P&I), and which countries need to secure earmarked funding to continue operations; (Delegates noted such information would make the discussions on the criteria more tangible.)
 - c) More clarity on the description of Global Programs, with an emphasis on the importance for the Institute to work at the country level.
15. Delegates supported the Institute in pursuing P&I agreements with countries to support the effective operations of GGGI.
16. The Institute requested additional comments on the draft criteria from Members, if any, to be presented to the Council with a recommendation from the MPSC. The Institute reminded the delegates that there are two months to review this document before it could be submitted to the Council hopefully by September and before the Assembly and Council meeting in October.
17. Members of the MPSC took note of the update on Membership, Accession, and Programming, and agreed to provide further comments on the criteria for country programming before providing a recommendation to the Council for adoption.

Agenda 4. Update on Risk Management

18. The Institute presented the key updates on its risks and mitigation measures, identified based on its Risk Management Framework (RMF) and Matrix (RMM), in terms of its financial management and operations, operational program and portfolio management, working environment, and human resources.
19. Delegates suggested the Institute identify and present the top three (3) to five (5) risks on the first page of the risk management updates, to bring greater attention to the issues that

need to be addressed and to be able to track any changes to the major risks. The Institute will incorporate the suggestions in following updates.

20. Delegates also asked the Institute how far the RMF has rolled out across GGGI in its country and regional offices. The Institute informed that it currently has plans to implement the RMF in all its country and regional offices. The Institute added that the country offices, as they would have different issues, would identify their own set of top risks and key measures to be taken. The roll-out of the RMF is scheduled to start in 2020.
21. Delegates inquired whether the Institute has a mechanism that systematically monitors programs that have been transferred to another party. The Institute responded that it has recently developed a comprehensive methodology on how to measure impact along with its six (6) Strategic Outcomes, as indicated in its Strategy 2030.
22. The delegate of the Republic of Korea informed that, due to a change in domestic policy, the Korean government might no longer reimburse the shortfalls caused by exchange rate fluctuations when financial contributions are made to international organizations. The delegate inquired whether the Institute foresees any cash flow-related risks. The Institute responded that it would not have any cash flow risks in the next nine (9) months, according to estimations based on historical flows and its detailed projections. However, the Institute noted that a decrease in core contributions could always pose as a risk.
23. Delegates asked for clarification on the schedule for the risk management updates, and the Institute informed that the first update would be at the MPSC meeting in July, and the second update would be included in its Annual Report published in the first half of the year.
24. Members of the MPSC took note of the key updates on the Institute's risk management.

Agenda 5. Accountability and Safeguards Systems

25. The Institute presented how it has strengthened its accountability and safeguards system since the adoption of the GGGI Accountability Framework in 2018, including the implementation of a new Disclosure Policy, the appointment of a Sexual Harassment, Exploitation, and Abuse focal point, adoption of the GGGI Rules on Child Protection, and its work with Respectful Workplace Advisors and Ombudsman. The Institute further informed delegates on its application of Environmental and Social Safeguards Checklist and Gender Equality and Poverty Reduction Policy Markers in 2019.
26. Delegates commended the efforts of the Institute to strengthen its accountability and safeguards systems. Delegates made concrete suggestions on revising the *Environmental and Social Safeguards Checklist* to make Question 1 less passive and ensure that the marginalized and vulnerable groups are included in project conceptualization and implementation. Also, delegates suggested an amendment for the *Rules on Child Protection* so that consent is received from "the child *and* parent or guardian," instead of "the child, parent or guardian".

27. Delegates further inquired whether the policy documents are available online. The Institute informed delegates that they could be downloaded from the GGGI [website](#).
28. Members of the MPSC took note of the Institute's efforts to strengthen its accountability and safeguards systems.

Agenda 6. Independence of Internal Oversight Function

29. The Institute presented its current practice for ensuring the independence of internal oversight function, governed by the International Standards for the Professional Practice of Internal Auditing. Furthermore, to clarify the functional reporting of the Office of Internal Audit and Integrity (OIAI) to the MPSC and the Council, the Institute proposed a set of tasks to be carried out by the MPSC listed in the Interpretation of the Professional Practice of Internal Auditing (refer to MPSC/2019/18).
30. Delegates supported the proposals made by the Institute. However, before seeking the Council's approval, they requested more details on the procedure for implementing the listed tasks in [MPSC/2019/18] and the role of the Audit Contact Points (ACPs) in relation to reporting to the Assembly and Council, and clearance and review functions of the ACPs. The Institute responded that it would add details to the current document and clear it with the ACPs before requesting approval from the Council.
31. Members of the MPSC endorsed the proposal to perform the functions listed in the sessional document [MPSC/2019/18], and with further details provided by the Institute, decided to recommend approval of this proposal to the Council.

Agenda 7. Internal Audit on Travel

32. The OIAI of the Institute presented its findings on the Compliance and Value for Money Audit of GGGI Travel Management, and the Management of the Institute provided its response to the findings.
33. Delegates supported all findings and recommendations made by OIAI and requested the Institute to implement all recommendations in its future travels, effective immediately. Delegates requested the Institute to submit an action plan, as soon as possible, listing (a) the actions that need to be taken, (b) who would be accountable, and (c) the deadlines for each action. Delegates also requested that the Institute implement all actions before the Council Session in October and provide a short presentation to the Council. The Institute ensured that it would prepare an action plan as requested and endeavor to complete the implementation of all actions before it reports to the Council in October.
34. Delegates inquired when a follow-up travel audit would take place, and OIAI responded that it is likely to take place in June/July of 2020. OIAI further stated that it would provide a timeline of the audit by the end of the year.

35. MPSC delegates took note of the findings by OIAI [MPSC/2019/17] and the response from Management [MPSC/2019/17-1] and agreed for the Institute to submit an action plan to the MPSC which is to be implemented before the Council Session in October.

Agenda 8. Any Other Business

36. The Institute provided an update on its tender for external auditors. It informed the delegates that it had received one proposal from PricewaterhouseCoopers (PwC Korea) and it intends to hire the firm as the new external auditor as the applicant is technically competent and they are within the price range.
37. The Institute shared an update on Global Green Growth Week 2019 scheduled for October 21-25, 2019 at Coex Intercontinental Hotel, Seoul. Delegates asked the Institute to provide details on which events the Institute would request a high-level engagement.
38. The Institute also presented the updated draft provisional agenda for the Eighth Session of the Assembly and Twelfth Session of the Council on October 24, 2019. It noted that while the discussed points during this MPSC would be noted as the new updates, it called for further comments from the members [MPSC/2019/19].
39. Regarding Experts/Non-State Actor Members of the Council (Experts/NSAs), the Institute reminded delegates that there remain four (4) vacancies on the Council for Experts/NSAs, and that the Institute looks forward to receiving nominations from Members by August 30, 2019.
40. The delegate from the Republic of Korea informed that the Korean government is considering hosting the P4G Summit next year. In this regard, the delegate expressed the Korean government's hope to collaborate with GGGI and to receive support from MPSC Members.

/End

ANNEX 1: List of Participants***Australia***

Ms. Jennifer Gregory, Assistant Director, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade

Ms. Selina Hughes, Policy Officer, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade

Republic of Korea

Mr. Changsoo Kim, Director, Global Environment and Science Division, Ministry of Foreign Affairs

Mr. Sangwan Park, Second Secretary, Global Environment and Science Division, Ministry of Foreign Affairs

Norway

Mr. John Erik Storskogen Prydz, Senior Advisor, Climate Change Department, Norwegian Ministry of Climate and Environment

Paraguay

Mr. Luis Molinas, Counsellor, Embassy of the Republic of Paraguay to the Republic of Korea

Rwanda

Eng. Ms. Coletha Uwineza Ruhanya, Director General, Rwanda Environment Management Authority, Ministry of Environment

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

Costa Rica (observer)

Mr. Jorge Valerio, Minister-Counsellor and Consul General, Embassy of Costa Rica to the Republic of Korea

Denmark (observer)

Ms. Minna Møbjerg Stevhoved, Head of Section, Centre for Global Development and Cooperation, Ministry of Foreign Affairs

Fiji (observer)

Mr. Joreti Dakuwaqa, First Secretary, Embassy of Fiji to the Republic of Korea

Hungary (observer)

Mr. Tibor Schaffhauser, Head of Unit, Climate Policy Department, Ministry of Innovation and Technology

Ms. Kinga Csontos, Desk Officer, Climate Policy Department, Ministry of Innovation and Technology

Jordan (observer)

Mr. Nash'at Al-Hadid, Minister Plenipotentiary & Deputy Head of Mission, Embassy of the Hashemite Kingdom of Jordan to the Republic of Korea

Sri Lanka (observer)

Ms. Hasanthi Dissanayake, Director General, Ocean Affairs, Environment and Climate Change, Ministry of Foreign Affairs

Ms. Deepa Liyanage, Director, International Relations, Ministry of Mahaweli, Development and Environment

Mr. Mohamed Rifa Wadood Abdul Wadood, Assistant Director, International Relations, Ministry of Mahaweli, Development and Environment

United Kingdom (observer)

Ms. Claire Bell, Economic Adviser, Jobs and Inclusive Growth Team, Department for International Development

Secretariat

Dr. Frank Rijsberman, Director-General

Ms. Hyoeun Jenny Kim, Deputy Director-General, Head of GGP&I

Mr. Gerard O'Donoghue, Assistant Director-General, Finance and Corporate Services

Ms. Jae Eun Ahn, Strategy Officer

Mr. Keeyong Chung, Esq, Director of Governance

Mr. Dave Kim, Governance Specialist

Mr. William Kim, Head of Office of Internal Audit and Integrity

Ms. Nayoung Moon, Governance Officer

Ms. Kyuhwa Park, Events Manager

Mr. James Sheppard, Head of Partnerships

Ms. Ingvild Solvang, Head of Sustainability and Safeguards

Mr. Mahamadou Tounkara, Director of Strategy, Partnerships, and Communications

ANNEX 2: List of Sessional Documents

MPSC/2019/AG/2/REV	Agenda of the Tenth Meeting of the Management and Program Sub-Committee (MPSC)
MPSC/2019/8/REV2	Membership, Accession, and Country Programming
MPSC/2019/14	Draft GGGI Strategy 2030
MPSC/2019/15	Update on Risk Management
MPSC/2019/16	Accountability and Safeguard Systems Annex 1: Disclosure Policy Annex 2: Rules on Child Protection Annex 3: Enabling a Respectful Workplace Annex 4: Environment Policy Rules on Private Sector Engagement Annex 5: Environmental and Social Safeguard Checklist Annex 6: Gender Equality and Poverty Reduction Policy Markers Guideline
MPSC/2019/17	Compliance and Value for Money Audit of GGGI's Travel Management
MPSC/2019/17-1	Management Response to Compliance and Value for Money Audit of GGGI's Travel Management
MPSC/2019/18	Independence of Internal Oversight Function at GGGI
MPSC/2019/19	Draft Provisional Agenda for Eighth Session of the Assembly and Twelfth Session of the Council