



Global Green Growth Institute

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June 17, 2021 | Virtual Meeting

E-Consultations Item #6

GGGI Pacific Region Strategic Orientation Paper

PURPOSE/ACTION REQUIRED

Members of the MPSC will be invited to (please tick the relevant boxes and type in the details):

<input checked="" type="checkbox"/> Take note of the GGGI Pacific Region Strategic Orientation Paper
<input type="checkbox"/> Endorse and recommend to Council _____

<input checked="" type="checkbox"/> Provide feedback on the Paper
<input type="checkbox"/> Other (please specify) _____

CONTEXT/BACKGROUND

The Global Green Growth Institute’s (GGGI) operations in the Pacific region started in 2015. GGGI’s membership and programming have increased significantly over the past six years, and that trajectory is expected to be maintained/scaled-up in coming years. GGGI is now in a favorable position to decide on a strategic orientation that will further enhance its work and impact in the region, and support Pacific Island Countries (PICs) to ultimately achieve their national sustainable development goals, Nationally Determined Contribution (NDC) ambitions and climate action targets, and green their COVID-19 recovery.

SUMMARY

This Strategic Orientation Paper aims to layout GGGI’s future short-term and long-term plans for the organizational development in the Pacific, guided by strategic considerations which support the following:

- GGGI’s growth and expansion in the Pacific region: how do we consolidate and strengthen our position and ensure the sustainability of operations?
- Delivery of impact: how do we strategically target resource partners and build technical partnerships to step up results and accelerate impact in the region?
- Developing our people: how do we build the expertise to support the growth ambitions in the Pacific?
- Strategic alignment: how do we ensure alignment of GGGI operations in the Pacific with Strategy 2030 and remain relevant to our members and partners?
- Pacific region organizational structure: what does it take to structure the operations in the Pacific and operate with a regional office and sustainably support the costs of the operations?

GGGI Pacific Region Strategic Orientation

1. Purpose of the paper

The Global Green Growth Institute’s (GGGI) operations in the Pacific region started in 2015. GGGI’s membership and programming have increased significantly over the past six years, and that trajectory is expected to be maintained/scaled-up in coming years. GGGI is now in a favorable position to decide on a strategic orientation that will further enhance its work and impact in the region, and support Pacific Island Countries (PICs)¹ to ultimately achieve their national sustainable development goals, Nationally Determined Contribution (NDC) ambitions and climate action targets, and green their COVID-19 recovery.

This Strategic Orientation Paper aims to layout GGGI’s future short-term and long-term plans for the organizational development in the Pacific, guided by strategic considerations which support the followings:

- *GGGI’s growth and expansion in the Pacific region*: how do we consolidate and strengthen our position and ensure the sustainability of operations?
- *Delivery of impacts*: how do we strategically target resource partners and build technical partnerships to step up results and accelerate impact in the region?
- *Developing our people*: how do we build the expertise to support the growth ambitions in the Pacific?
- *Strategic alignment*: how do we ensure alignment of GGGI operations in the Pacific with Strategy 2030 and remain relevant to our members and partners?
- *Pacific region organizational structure*: what does it take to structure the operations in the Pacific and operate with a regional office and sustainably support the costs of the operations?

This paper paves the way for preparation of the Pacific Regional Strategy which will be developed as part of the next Work Program & Budget (WPB) 2023-2024 cycle, with a timeframe likely to cover the period of 2023-2030 and shaped as *GGGI’s 2030 Regional Strategy for the Pacific*. The paper serves to inform the MPSC, seek their comments, and inform the Council of GGGI’s plans for the Pacific.

2. Introduction to the region and Pacific Island Countries

The Pacific Island Countries (PICs) are highly diverse geographically, ecologically and culturally, and as such are presented with a number of distinct economic opportunities and challenges. With such diversity, social and environmental safeguards are vital in the context of the Pacific to achieve poverty reduction, social inclusion, environmental sustainability, and resource security. The economies of most PICs are highly dependent on development assistance, diaspora remittances, and government services and a few sectors such as fisheries, agriculture and tourism. The Pacific region has been described as having the highest levels of ODA inflows per capita of any region globally. Numerous studies have documented the extreme vulnerability of PICs to external economic fluctuations, natural disasters and environmental shocks. The impacts of COVID-19 have been particularly severe in the Pacific region.

¹ Federated States of Micronesia, Fiji, Kiribati, Palau, Papua New Guinea, Nauru, Republic of the Marshall Islands, Samoa, Solomon Islands, Tuvalu, Tonga and Vanuatu. Timor Leste is also sometimes included as a PIC. Cook Islands and Niue are not included as they cannot join GGGI as members, although they may be included in regional activities.

3. Overview of GGGI in the Pacific

Kiribati was the first PIC member of GGGI, joining as a founding member in 2012. Since 2015, GGGI has welcomed further membership and established country operations in 5 PICs – Fiji, Kiribati, Papua New Guinea, Tonga and Vanuatu – and has delivered projects in 4 other PICs – Marshall Islands, Samoa, Solomon Islands, and Tuvalu. In 2015, GGGI’s operational budget for the Pacific was USD 0.72m; in 2021 it stands at USD 7.8m. Close to 90% of operational resources now come from earmarked donor funds.

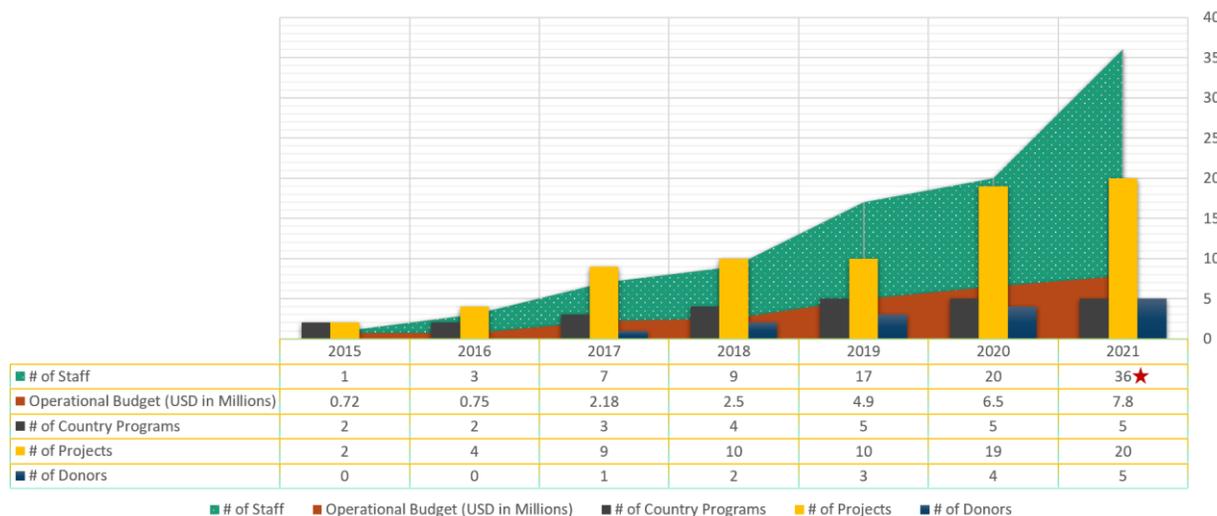


Figure 1: Growth of GGGI operations in the Pacific between 2015-2021

GGGI’s successful growth and delivery of impactful results over the past 6 years are a testament to the strategic and technical demand-driven services that the organization provides country stakeholders and regional partners alike. GGGI has brought value to the Pacific region in the form of independent advice and technical support direct to government; green investment services, including project pipeline, concept note and financial analysis, and development of pre-feasibility studies; and through flexible, integrated, and innovative approaches. Some of the major achievements include Fiji’s green National Development Plan, NDC Implementation Roadmap and Low Emissions Development Strategy launched at COP23 and COP24, Tonga and PNG Enhanced NDCs submitted to UNFCCC and Vanuatu’s National Green Energy Fund and installation of solar freezers and solar powered waters systems in rural communities in Vanuatu to name a few. GGGI’s value proposition has been augmented and facilitated through a dual approach of tailored country programs and regional initiatives.

Country-level Approach: Unlike other development partners, GGGI is committed to having a sustained long-term presence in PICs and GGGI advisors embedded within our counterpart ministries is one of GGGI’s core comparative advantages. The practice of having an embedded country office and staff within one (or more) ministries has been critical to GGGI success in the Pacific.

Regional Approach: To enhance in-country delivery, GGGI leverages its resources and technical capacity across the region to enhance specific in-country delivery. This approach not only benefits existing country programs that may not have a particular set of technical skills, but it also allows GGGI to deliver in more PICs through particular GGGI programs or regional platforms engaging diverse partners. GGGI can still promote green growth options within PICs through regional partnerships, particularly in countries with challenging operational environments. Indeed, for a relatively lower investment from GGGI, it is feasible to mainstream green growth and climate action in planning in non-member PICs. Regional programs and

platforms have also been an effective mechanism to mobilize resources for GGGI operations. In 2020, GGGI mobilized over USD 6.5m in resources for its Pacific regional programs, including the new Low Emissions Climate Resilient Development program funded by New Zealand and the Pacific Green Entrepreneur Network program funded by Qatar.

During the first two years of GGGI’s Strategy 2030 implementation, the Pacific region with a budget of USD 16+ million for 2021-2022, has the following top priorities: Climate Action with. Solar PV, Climate Resilient Agriculture, and Coastal Resilience & Blue economy (Figure 2). The target for committed green investments to mobilize is set at USD 70 million during the biennium.

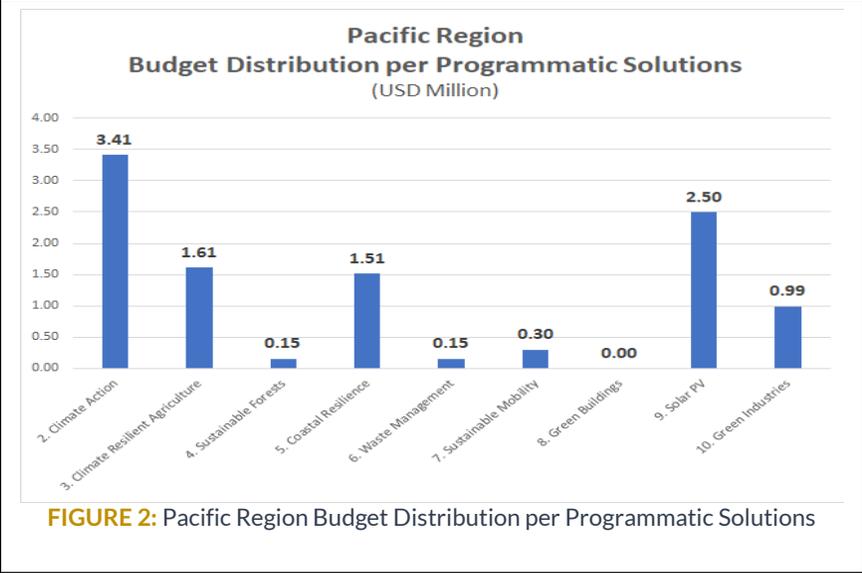


FIGURE 2: Pacific Region Budget Distribution per Programmatic Solutions

4. Challenges, Trends and Strategic Opportunities for impact

Challenges: PICs are extremely vulnerable to climate change which threatens the very existence of some nations and the livelihoods of the majority of Pacific peoples. Climate change compounds other challenges faced by PICs including high vulnerability to external economic shocks, a narrow economic base and high levels of development assistance, long supply chains, high import costs and often low prices for exports. While energy is a driver for development, there is a very high dependence on imported fossil fuels for commercial energy². Electricity access issues impede development. There is high unemployment and poverty with high proportions of the workforce engaged in informal sectors and subsistence agriculture. Complex land issues and gender inequality interact and exacerbate poverty. Pacific ecosystems are continually being degraded by pollution, overexploitation, and deforestation, including mangrove removal, conversion of forestland to cropland, logging and mining and overfishing.

Response of PICs is constrained by low capacity, weak coordination and lack of bankable projects to translate green growth and climate resilience commitments into green investments and project implementation. Lack of data, systematic information, knowledge management and analysis constrain informed decision-making. Governments recognize that the public sector cannot meet the challenges alone but the lack of a business-friendly environment persists. The impacts of COVID-19 have been particularly severe as many PICs have suffered tremendously from the collapse of international tourism and disruptions to inter-island commerce. The economic constriction is foreseen to extend into 2022, with tourism not expected to recover until 2023 or beyond. Gains made in biodiversity conservation, sustainable development and climate change action risk being wiped out with the prospect that economic recovery may take precedence over environmental protection in future.

² PNG is the exception, as the only PIC with its own fossil fuel production

Trends: The above challenges highlight the urgency for high quality technical support to PICs. A number of factors place GGGI in a strong position to deliver. First, GGGI has been able to rapidly achieve high impact and high-profile results³ while expanding the number of country programs and projects. This is due to the dual approach of tailored country design and regional initiatives, the relatively smaller capital investments needed, shorter vertical government structures and direct access to key decision-makers through our embedded staff. Second, PIC governments continue to show leadership⁴ and high commitment to green growth and climate action with high renewables targets, enhanced NDCs and development of long-term low emission strategies. While Governments have increasingly highlighted adaptation needs and the required increase in climate finance in this area, a high commitment to mitigation action clearly remains. Third, GGGI's support to key Ministries driving the climate change and economic agenda to develop a number of the central policies and strategies, means GGGI's contribution and value added in the environmental and climate action space is clearly recognized in the Pacific. Fourth, GGGI has aligned with the UN System in recognizing SIDS as special cases for development alongside LDCs, and committing core funding to be allocated to SIDS alongside LDC. Finally, the prominence GGGI has given to the Pacific is aligned with the global shift that has put the small Pacific Island Countries on the world's stage due to their extreme climate change vulnerability, their willingness to put themselves at the forefront of negotiations and hold other countries to account.

Opportunities: Building on GGGI's well-aligned support for PICs, its proven track-record and trust with governments, and the continued external trends there is a high potential for green growth and climate action that can be often felt more tangibly due to the relatively smaller scales involved and the strong human stories and sense of urgency, which are coming out of the Pacific. GGGI is in a good position to continue to deliver high impact for fewer resources in decisive step-by-step actions, leveraging a tailor-made approach into regional initiatives and expanding delivery to new sectors, with an increased share of adaptation activities and contributing to a green recovery from COVID-19. This includes the opportunity to support more countries through expanded programs and membership in line with the GGGI 2030 Strategy. GGGI's commitment to having a long-term, embedded presence in Government Ministries has been instrumental for success. Utilizing the full breadth of GGGI's value chain enables a demand-driven, evidence based, tailored technical assistance specific to country context. Given the challenges and diversity of PICs, GGGI's technical assistance to PICs needs to be tailored to the country context and respond to demand from government and other stakeholders. Flexible, targeted interventions will reinforce GGGI's niche as an organization that can adapt to individual country needs, be flexible and responsive. GGGI collaborates strongly with development partners in the Pacific in all programming, which leverages complementarity, avoids duplication and maximizes impact.

5. GGGI's Value Proposition and Strategic Choices priorities

Working across GGGI's eight Global Operational Priorities, GGGI can add value in the Pacific through the following approaches and principles:

- Providing in-country independent advice and support direct to government;

³ Fiji's green National Development Plan, NDC Implementation Roadmap and Low Emissions Development Strategy launched at COP23 and COP24, Tonga and PNG Enhanced NDCs submitted to UNFCCC and Vanuatu's National Green Energy Fund and installation of solar freezers and solar powered waters systems in rural communities in Vanuatu to name a few.

⁴ Fiji COP23 Presidency, RMI on shipping emissions at IMO, PNG at the Coalition of Rainforest Nations

- Being flexible, targeted and demand-driven through country and regional approaches;
- Facilitating coordination, collaboration and partnerships within and outside government;
- Being at the forefront of gender, social inclusion, pro-poor and environmental safeguards;
- Combining and integrating proven approaches, processes, financing and technologies;
- Participating in high level dialogues, facilitating and promoting evidence –based decision making
Recognizing the partnership and contribution of counterpart governments and other stakeholders engaged.

The regional approach on programmatic priorities aims to address opportunities that commonly exist in PICs and where GGGI can add value for high impacts. However, due to vast differences in PICs, one size fits all solutions will not be suitable. This is where GGGI's ability to be flexible and responsive and tailor project design to individual country needs will come in. Building on GGGI's work to date and aligning to the GGGI 2030 Strategy, GGGI in the Pacific will focus on the following Programmatic Solutions:

- **Climate Action:** supporting PICs for NDC and LT-LEDS development and implementation, including MRV systems, cross-cutting issues and capacity building.
- **Green Investments:** developing bankable project ideas, high quality concept notes, investment pipelines, exploring national and regional financial instruments, carbon focused engagement and promoting and facilitating private sector participation and green entrepreneurship.
- **Solar Energy:** supporting energy transition and energy access in the Pacific, including solar for rural electrification, roof-top and utility scale solar including applications for consumptive and productive uses and promoting integrated approach across water, housing, commerce, tourism and agriculture.
- **Coastal resilience/Blue economy:** creating programs to protect oceans and develop the blue economy including mangrove conservation, nature-based adaptation, sustainable livelihoods, reducing pollution and looking at the links to other programmatic solutions.
- **Sustainable mobility, waste management and green buildings for low carbon, resilient human settlements:** focusing on non-motorized and e-vehicles for land transport, integrated urban development, energy efficiency for residential and commercial buildings and strengthening standards.
- **Climate resilient agriculture:** supporting food security, sustainable livelihoods, strengthening the agriculture value chain and facilitating linkages for integrated approaches to water, energy, tourism and waste while taking into account issues surrounding land management and ownership.

Over the next few years, these programmatic solutions will also align to support the Pacific short-term goals of Green COVID-19 Recovery, while supporting long-term green growth planning in the leadup to 2030 and beyond. At the same time GGGI technical assistance should always consider disaster risk management and reduction opportunities as part of the solutions offered in all programmatic areas cognizant of the ongoing vulnerability that Pacific Islands face.

6. Growth and expansion

By consolidating the capacity, relationships and networks that have been established and building on the results achieved, GGGI is in a position to grow in terms of both membership and programmatic delivery. In a phased approach over the next five years, GGGI will manage its programs to i) Consolidate and prepare for growth – Phase 1 and ii) Grow and expand – Phase 2. In phase 1 the Pacific Region will focus on solidifying current programs through strong implementation and preparing for expansion through resource mobilization. A Pacific Regional Director will drive strategy and performance and lead preparations with the support of a Regional Portfolio Officer in line with other GGGI regions. In Phase 2

GGGI will gain new member countries, add human and financial resources and expand programs and projects across the region and into new sectors, following the identified Programmatic solutions above.

Programmatic growth: As noted above there are a range of programmatic solutions that may be employed to address development challenges and leverage inclusive growth opportunities. This menu of programmatic solutions will be refined through substantive consultations and based on the needs of country stakeholders as well as the priorities of regional and global partners and donors. A hybrid approach to programmatic growth will be taken with GGGI interventions in the Pacific continuing to build on the experiences of regional and country-level delivery.

Membership expansion: Though membership is decoupled from programming, GGGI will continue engaging with new members in the Pacific will be done by leveraging the regional platforms and programs with which GGGI already engages non-member countries. Through these programs GGGI has already deliver outputs and projects in Marshal Islands, Samoa, Solomon Islands, and Tuvalu, and has therefore developed productive networks and relationships with government stakeholders. This in turn allows GGGI to effectively assess the level of buy-in from prospective countries and determine what level of resources GGGI would need to invest to establish an effective country program. To support expansion in the Pacific, GGGI would apply its framework for membership based on core principles emphasizing quality, impact and value for money⁵. GGGI core resources will be used to initially support establishment of country offices and administrative requirements.

Resources and partnerships: Growth in the Pacific will be driven by earmarked funding. The strategic investments in core resources will be sought based on the programming needs. GGGI in the Pacific has cultivated effective partnerships with regional donors that have clear strategic priorities, which are fully aligned with GGGI objectives in support of country stakeholders. GGGI has secured funding and has a number of earmarked proposals in the pipeline as well as new resource opportunities on the horizon from resource partners including Australia, New Zealand, Canada, France/French Development Agency, Luxembourg, Republic of Korea/KOICA, Qatar/ Qatar Fund for Development and potential from United Kingdom. GGGI has also been successful in bringing into the region new, global partners that have sectoral priorities and eager to catalyze innovation and economic activity/ job creation. Partnerships with universities and strategic partners like Climate Works will be to develop and expand to other institutions.

7. Next Steps and Timing

The paper serves to inform the MPSC13 Delegates and seek their comments. The MPSC updates to the Council will be the next step in sharing this Strategic Orientation Paper. In 2022, GGGI will develop a Pacific Regional Strategy in line with the organization's other regional strategies in line with the planning and development of GGGI's Work Program and Budget 2023-24. This will ensure the alignment of timelines within GGGI's 2021-25 Roadmap 2021-2025 and contribute to achieving the goals and objectives of GGGI Strategy 2030. The Pacific Regional Strategy will i) elaborate on and refine the GGGI Programmatic Solutions that will best leverage the trends and opportunities for impact in the Pacific, ii) detail the country and regional approaches to implement and maximize GGGI's value proposition in the region, and iii) account for the human and financial resources necessary to facilitate GGGI's programmatic and membership growth.

⁵ <https://gggi365.sharepoint.com/sites/infohub/SitePages/GGGI-Membership.aspx>