



Global Green Growth Institute

Tenth Session of the Assembly and
 Fourteenth Session of the Council (Joint Session)
 October 11-22, 2021 | E-Consultations
 October 28, 2021 | Hybrid Meeting
 E-Consultations Item #6

Regional Strategies for Africa, Asia, Latin America & Caribbean

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

CONTEXT/BACKGROUND

Year 2021 marks the first year of implementation of Strategy 2030 approved by the Council in October 2019, followed by the development of the 5-Year Roadmap 2021-2025 last year. As a next step, GGGI has embarked in 2021 on the development of the first regional strategies for Africa, Asia, and Latin America and Caribbean (LAC) regions to serve as the plan for action that will cascade GGGI’s 2030 ambitions, direction, growth and impact targets from Strategy 2030 and its 2021-2025 Roadmap to the regional level.

SUMMARY

The regional strategies for Africa, Asia, and Latin America and Caribbean (LAC) are shared with the Council for information. The package of documentation consists of a short, summarized version of the three the regional strategies describing the challenges GGGI is facing in each region and the opportunities they represent in the context of greening the COVID-19 recovery. Each regional strategy presents the strategic choices and responses GGGI focuses on, with clear and ambitious targets, all of which are well-structured to make the organization relevant to its Members and partners. The ambitions set in the regional strategies are aligned with the optimal pathway in Strategy 2030 and the targets set in the Roadmap 2021-2025 in terms of green investments and strategic outcome impacts. The growth and expansion are presented with a clear approach on the effective and efficient management as well as the delivery of our commitments. The resource implications and partnerships define the costs for the operations, the strategic resource partners to develop and expand, as well as the expected growth in human resources.

The three documents are attached as annexes to a cover note which makes the linkages between the Strategy 2030 and the regional strategies. The cover note also looks at the evolution of GGGI’s membership and operations in relation to the 2025 and 2030 targets for growth and expansion in term of programming. GGGI’s growth management is explained with the strategic implementation of various change management initiatives which position well the organization to support its Members and partners green their COVID-19 recovery while preparing for long-term green growth planning and implementation. The cover note also highlights GGGI’s plans for the development of the Pacific Regional Strategy in 2022, to be shared with the Council for information.

Regional Strategies for Africa, Asia, Latin America & Caribbean

Linkages with GGGI's Strategy 2030 and Organizational Development

COVER NOTE

1. Introduction

Following the approval of strategy 2030 by the Council in October 2019, and the development of the five-year Roadmap 2021-2025 last year, GGGI has embarked in 2021 on the development of the first regional strategies¹ for Africa, Asia, and Latin America and Caribbean (LAC) regions. The development of these three regional strategies this year is timely, as the year 2021 marks the first year of implementation of strategy 2030. This cover note explains GGGI organizational development and the linkages with these three new regional strategies that are attached to this document for the Council's information. The regional strategies translate GGGI strategic orientation for the three regions to deliver GGGI's 2030 ambitions and are aligned with the five-year Roadmap 2021-2025. Each of these regional strategies is condensed into a short summary outlining the program priorities and growth targets for each region for the period 2021 to 2025.² The full versions of the regional strategies have been approved by the Management as GGGI's regional strategic orientation to complement the 5-year Roadmap 2021-2025 and guide the implementation of Strategy 2030 at the regional level. The regional strategies serve as key documents aiming to build a common understanding and shared ownership among staff on the implementation of Strategy 2030 and Roadmap, and useful information and documentation to GGGI's internal and external stakeholders.

For the Pacific, GGGI is planning to develop a regional strategy in 2022 and align the resourcing with the new cycle of Work Program and Budget (WPB 2023-24). In preparation for next year regional strategic planning exercise, GGGI has prepared a paper on the key strategic orientation of the organization in the Pacific, which was presented to the 13 session of the Management and Program Sub-Committee in June 2021.

2. From Strategy 2030 to Regional Strategies: Linkages

Strategy 2030 is a 10-year strategy that sets the course for GGGI's future growth and expansion to support the green growth ambitions of Members and partner countries and to remain relevant and adaptable as an international development organization in a challenging global environment. The Strategy commenced implementation in January 2021 after it was adopted by the GGGI Council in October 2019. It will be implemented in two 5-year phases.

The framework for the implementation of GGGI's Strategy 2030 includes the Roadmap, the Change Management Plan, Country Planning Frameworks (CPFs) and the newly developed regional strategies for Africa, Asia, and LAC. ***The three regional strategies are plans for action that will cascade the direction, programs orientation, growth ambitions and impact targets from GGGI's Strategy 2030 and Roadmap to the regional level.*** Essentially, they provide the framework at the regional level to guide the alignment of our operations with Strategy 2030 priorities in line with the needs of Members and partner countries. For other regions such as the Pacific, the regional strategic planning exercise will take place in 2022.

¹ As noted by MPSC, these are not independent new strategies, but rather, translate Strategy 2030 into regional action plans (to implement GGGI Strategy 2030 in the regions).

² The Pacific region because of its small size has a Pacific Strategic Orientation paper prepared in 2021. GGGI will develop the Pacific Regional Strategy in 2022 and share with the Council for information.

The implementation of the regional strategies will align the NDC and SDG commitments and obligations of Members and partner countries with GGGI's 5 programmatic and 3 non-programmatic Global Operational Priorities (GOP) and the 10 programmatic solutions to accelerate green growth and climate actions. The collective ambition of the regional strategies is aligned with the optimal pathway in Strategy 2030 which aims to expand GGGI's country programs from 34 in 2021 to 38 in 2025, mobilize USD 84.5 million in annual financial resources for operations and USD 1.6 billion per annum in green investments mobilized by 2025.

3. Evolution of GGGI's Memberships and Country Operations

The three regional strategies and Pacific Strategic Orientation together with the future ambitions in the Middle East and Hungary will drive the growth and expansion of GGGI in terms of the country programs' scale and outreach in the next 5 years. The indicators for our growth include the number of members and country operations. In terms of rolling out Strategy 2030, the regions and their country operations are where the actual actions will take place and where the rubber hits the road. During the implementation of the previous GGGI's Strategic Plan 20215-2020, the number of Members and country operations have all grown from 26 to 38 and from 25 to 35 respectively as shown in Figure 1a below.

Terminologies
 For the purpose of this paper, GGGI uses the following terminologies:

- **Member country** also referred to as **Member** is a country of regional integration organization which has submitted a letter of intent to becoming a member of GGGI.
- **Partner country** refers to a country where GGGI has operation, which is not yet a member.
- **Country Operation** is a country where GGGI has presence.
- **Country Program** is a country where GGGI operates with multiple projects managed guided by a Country Planning Framework (CPF), a Country Business Plan (CPB), and managed by a country representative.
- **Project Country** is a country where GGGI has 1-2 projects.

As of September 2021, GGGI's membership has grown to 40 (see Figure 1b) while the number of country operations reached 42 consisting of 29 country programs and 13 project countries.

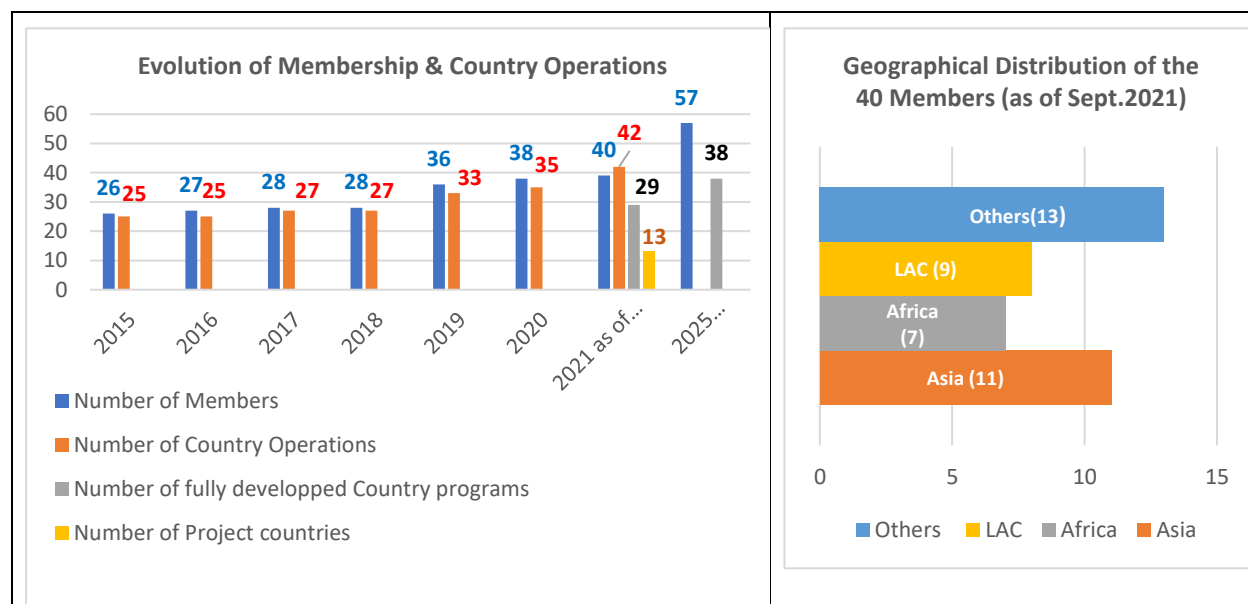


Figure 1a and 1b: Evolution of GGGI's membership and operations geographical coverage

The number of country operations has grown from 35 in 2020 to 42 in 2021 (as of September 2021). According to GGGI's criteria, 28 out of the 42 country operations are fully developed country programs while

the remainder have 1-2 projects. A country program has multiple projects managed from within the same country, guided by a Country Planning Framework (CPF), a Country Business Plan (CPB), and managed by a country representative. A project country, with one or maximum two projects, is delivered under a global/regional program, and managed from a neighboring country program, a regional office, or headquarters. The number of country programs is still below the Strategy 2030 growth assumptions of 34 in 2021 and 38 in 2025. Nevertheless, judging by the number of countries that have become partners and those that are seeking accession, it is reasonable to expect GGGI's country program target in 2021 and 2025 to be met. There is also a growing interest in GGGI membership with 23 countries and regional/international organizations which submitted a letter of intent to GGGI.

The projected growth in GGGI's country operations by region between 2020 and 2025 is presented in Figure 2 and is expected to mostly occur in Africa, Asia and Latin America and Caribbean (LAC) regions, with some growth potential in the Pacific. The future growth in the number of country programs from the current 28 will be determined by the number of new future country operations and possible phasing out as well if they do not meet the country program criteria.

4. Management of growth & expansion

4.1. GGGI's Financial Resources

The growth in GGGI's country operations during the first 5-year phase will aim to align with the optimal pathway in Strategy 2030 which assumes that GGGI's country programs will expand gradually from 34 in 2021 to 38 in 2025. The growth in the country programs will happen in 3 growth phases, namely the phase-in-stage (0-2 years), mature phase (3-5 years) and expansion phase (5 years and beyond). GGGI's growth will be managed according to its resources mobilized and staffing, scale of operations, budget and green investments catalyzed to support expansion and delivery of results and impact.

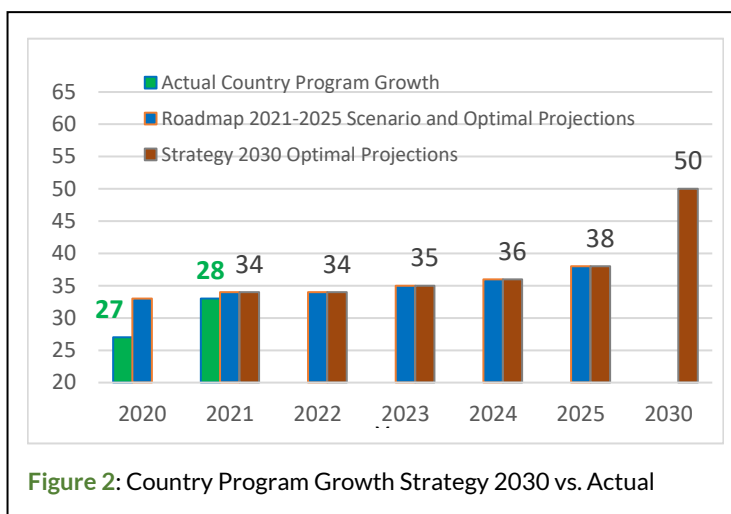


Figure 2: Country Program Growth Strategy 2030 vs. Actual

With a baseline estimated resource budget of USD 56.5 million in 2021, the level of resources for operations is projected to grow to USD 84.5 million in 2025, with a composition of USD 25 million core (30%), USD 43.7 million earmarked (52%) and the balance (18%) being program restricted and core from mixed donors. The optimal scenario also estimates that green investment commitments will grow from an annual target of USD 700 million in

| Region | Green Investments Mobilization | |
|--------------|--------------------------------|-------------|
| | (USD millions) | Proportion |
| Asia | 3,000 | 49% |
| Africa | 1,200 | 20% |
| LAC | 1,655 | 27% |
| Europe | 25 | 1% |
| Middle East | 90 | 2% |
| Pacific | 157 | 3% |
| Total | 6,127 | 100% |

2021 to USD 1.06 billion in 2025.³ The ambitions set in the regional strategies are aligned with the optimal pathway in Strategy 2030 and the targets set in the Roadmap 2021-2025.

About 95% of GGGI target for green investments mobilization is distributed across the three regional strategies (see Table 1). Asia region plans to deliver close to half of the target.

GGGI impact targets set for the strategic outcome are summarized in the Table 2 below, showing the contributions of the three regions translated into the regional strategies. For the targets related to GHG emissions and access to sustainable services, the three regions together exceed GGGI targets for 2025 set in the Roadmap. The contributions of the three regions equal the 2025 targets set for Direct green jobs, Natural capital protection, and Adaptation services. The mid-term review of the Roadmap in 2023 will be an opportunity to review the assumptions around the targets and make recommendations for their revisions.

Table 2: Contribution of Africa, Asia and LAC in the Strategic Outcome targets

| Strategic Outcomes | Unit | GGGI attributed outcomes | | Asia attributed outcomes 2025 by Region | | | Summary of 3 regions | Variance (against 2025 targets) | |
|--------------------|----------------------------|--------------------------|---------------|---|-----|--------|----------------------|---------------------------------|-----|
| | | 2030 | 2025 | Asia | LAC | Africa | | | |
| 1 | GHG emission reduction | Mton CO2e | 1,000 | 300 | 159 | 96 | 75 | 330 | 30 |
| 2 | Direct Green Jobs | million jobs created | 2 | 0.5 | 0.1 | 0.2 | 0.2 | 0.5 | 0 |
| 3 | Sustainable services | Million people | 100 | 40 | 41 | 14 | 13 | 68 | 22 |
| | 3.1 | Energy access | 30 | 10 | 3 | 3.3 | 4 | 10 | 0 |
| | 3.2 | Sanitation | 10 | 4 | 3 | 0.4 | 1 | 4 | 0 |
| | 3.3 | Waste | 80 | 20 | 31 | 8 | 6 | 45 | 25 |
| | 3.4 | Transport | 20 | 6 | 4 | 2 | 2 | 8 | 2 |
| 4 | Air Quality Improvement | | Not available | Not available | N/A | N/A | N/A | N/A | N/A |
| 5 | Natural Capital Protection | Million hectares | 0.5 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0 |
| 6 | Adaptation services | Million people | 8 | 2 | 0.4 | 1 | 0.9 | 2.1 | 0 |

(Numbers are rounded off)

4.2. GGGI's Human Resources

GGGI's growth has been translated into the development of expertise aligned with the 10 programmatic solutions of Strategy 2030. The human resources (staff + consultant) have been professionalized over the past years and grew from 365 in 2018 to 428 in 2020. Based on the growth and budget assumptions, the figures are expected to reach 580+ by the end of 2021 as shown on Figure 3.

³ GGGI, 2020. Roadmap 2021-2025.

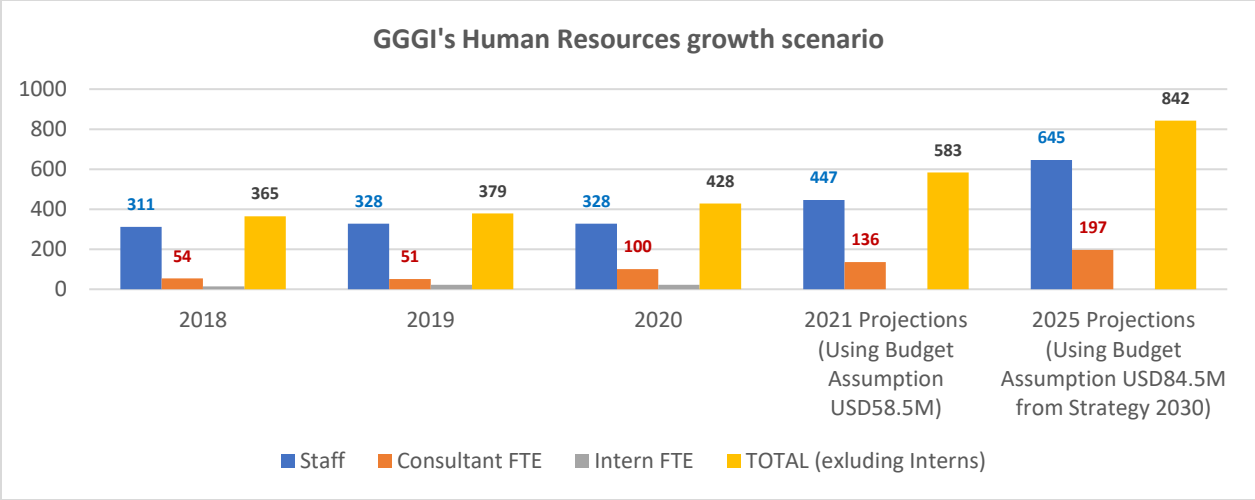


Figure 3: Evolution of GGGI human resources

The increased professionalization of GGGI human resources has taken place in the context of a suite of change management initiatives including: (1) the 2017 GGPI reform implemented with the WPB reform (changing the fixed WPB into a continuous process) to confirm the country teams as GGGI’s business units, put in place a “matrix approach” where GGPI and IPSD are functionally merged through joint projects, IPSD becomes a pool of technical expertise in finance and the 4 themes, serving the country teams, and evolve Heads of Program functions towards providing leadership, mentoring and decentralized support functions close to the field; (2) establishment of field regional offices; (3) iGROW initiative with a suite of business process; and (4) recent organizational readjustment Community of Practices and Global Practices Leads/co-Leads. Another aspect of GGGI’s evolution is the establishment of sub-regions, starting with the Mekong region. As the organization grows and current regional geographical coverage becomes larger, other sub-regions will need to be set-up to get the closer localized support to the country teams.

The regional strategies are developed in the context of COVID-19 recovery and the race to Net-Zero. From the modernization of our HR systems to the change in the business model, the reorganization of field operations (including the establishment of the regional offices and the decentralization of country teams into business units), the development of effective resource mobilization function supported by processes and online tools, the introduction of professional development and training, and the setting up of Strategic Outcomes and our 2030 ambitions in terms of targets and carbon neutral organization, the organization development has put GGGI on a clear pathway to achieve its new Strategy 2030 and the 5-year roadmap.

Building on our assets and our strong core value proposition of embedded country teams acting as trusted ‘green growth’ advisors to our members on green policies and green investment, GGGI is extremely well placed to play a key role in the green transition.

4.3. GGGI in the Pacific

In lieu of a regional strategy for the Pacific, GGGI has prepared a short paper on the organization’s strategic orientations for the region and the plans to develop and structure it in a similar way to what is currently in place for Africa, Asia, and LAC. The Pacific Regional Strategy 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. The first 5-year Pacific Regional Strategy will cover the remaining three years of the Roadmap 2021-2025 implementation and overlap with part the next Roadmap 2026-2030.

Annex 1: Regional Strategy for Africa

Annex 2: Regional Strategy for Asia

Annex 3: Regional Strategy for Latin America & Caribbean (LAC)