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**Global Green Growth Institute**

Tenth Session of the Assembly and

Fourteenth Session of the Council (Joint Session)

October 11-22, 2021│E-Consultations

**[Draft] Summary of the 10th Session of the Assembly and**

**14th Session of the Council (Joint Session)**

PART I. E-CONSULTATIONS

1. Delegates of the 10th Session of the Assembly and 14th Session of the Council (Joint Session) and GGGI engaged in a 10-day e-consultations on October 11-22, 2021, and below is a summary of the discussions. The full list of questions and comments from delegates and responses from the Secretariat can be found in Annex 1.
2. GGGI thanked delegates that participated in the e-consultations, with a comprehensive list of 93 questions, comments, suggestions, and recommendations, and expressed hope that the responses provided by GGGI Management and staff are satisfactory.

**Item 1. Director-General’s Progress Report**

1. Delegates congratulated GGGI on its 2021 results, with most key performance indicators on track.
2. While delegates noted that the delivery of investment mobilization is behind target, they acknowledged GGGI’s ingenuity in launching the Large Scale Project Challenge, which resulted in 17 new projects that added USD 3.5 billion in green climate finance to its pipeline. GGGI informed delegates that the Large Projects identification is funded from core in 2021, and intends to have the Large Projects development funded in 2022 by the Korea Green New Deal Fund (KGNDF). Such early action by GGGI (in May 2021) to issue calls for Large Projects will ensure quick results for the first year of KGNDF’s operation. A second call for Large Projects will be issued in October 2022, for approval by ROK MOEF for funding through the KGNDF. The development of KGNDF is expected to provide an extra push to mobilize investment for bankable and environmentally sustainable projects in GGGI Members.
3. Norway inquired on the rationale behind using a Trust Fund mechanism. GGGI outlined a number of advantages, one of which is that it provides lower transaction costs and is less labor intensive than a bilateral project. Another advantage is that it offers greater flexibility to both donors and GGGI, and this mechanism, considered to be program earmarked, can play a role between core and project earmarked funding. With KGNDF, for example, GGGI will be able to support developing countries to identify, design, and develop green recovery and climate action projects, and furthermore, support these projects to be linked to required project financing, on a flexible basis, using the same internal Project Idea Note (PIN) format used for allocating core resources.
4. Republic of Korea asked whether GGGI’s initial Large Scale Project Challenge took regional balance into consideration. GGGI responded that the immediate purpose of the first call was to stimulate and challenge GGGI’s country teams to originate larger green investment projects to boost investment results, irrespective of geography. GGGI further explained that regional strategies show the more balanced investment targets for the different geographies that GGGI aims to achieve. While initial green investment successes were concentrated in Asia, there are currently strong results in Latin America, and GGGI is targeting increased investment results in Africa. GGGI Management intends to achieve regional balance as expressed in the Regional Strategies.
5. While delegates commended GGGI for its rapid growth amid the COVID-19 pandemic, they also cautioned against spreading too thinly. GGGI confirmed that Management’s current approach of managed expansion is the best approach for the organization to have impact. GGGI does not see itself as a zero-sum game, where a fixed and finite amount of resources is spread over a larger number of countries when GGGI expands. Membership expansion is decoupled from country programming growth. GGGI acknowledged that core resources are limited and not growing in line with expansion, but the Institute has been able to grow project and program earmarked resources in line with expansion and with the Strategy 2030 and following the country programming criteria approved by the Council. Embedded country teams are GGGI’s primary asset for creating new funding opportunities, and successful projects implemented in one country often lead to follow-up opportunities in the same country, and sometimes another country. When new presence is established with successful new funding, mobilizing additional resources becomes easier.

1. Indonesia encouraged GGGI to ensure and maintain a solid and diversified funding base, and reminded GGGI to expand carefully by ensuring funding availability before starting new operations. GGGI agreed, and reminded delegates that its goal is not to maximize the number of country programs, but to meet the demand of our Members meaningfully.

**Item 2. Report on Programs and Operations**

1. Delegates acknowledged GGGI’s progress towards achieving its performance indicators.
2. Norway asked GGGI to clarify the number of global and thematic programs, as six global programs were included in WPB 2021-2022 while eight global/thematic programs are mentioned in this report. GGGI clarified that the two additional global/thematic programs refer to the: 1) Carbon Pricing (a new global program); and 2) ongoing knowledge management projects (ex. Green Growth Knowledge Platform and Green Growth Performance Management) managed as part of GGGI’s Climate Action and Inclusive Development (CAID) Unit (jointly considered an additional thematic program).
3. Mr. Hewage suggested to add diagrams and tables in the report for easier reference, and GGGI agreed to take this into account when preparing the next version of this report.

**Item 3. 2021 Mid-Year Corporate Results Progress Report**

1. Delegates expressed appreciation for GGGI providing the progress report as well as the country results cards that track performance against annual targets and help the organization take necessary actions to improve program performance.
2. Republic of Korea suggested that the progress of projects also be organized by region. GGGI responded that it will explore developing regional scorecards to report against the implementation of regional strategies, by aggregating the country results of each region.

**Item 4. Update on Membership, Accession, and Country Programming**

1. Delegates commended GGGI for its good work in generating interest in GGGI membership from a growing number of UN member states, and expressed support for GGGI’s efforts on membership expansion and ensuring its legal status in its Members. The total number of countries with a country program grew from 28 to 30 in 2021 (adding Uzbekistan and Qatar), counting OECS as 1. In addition, GGGI implemented project activities in a further 10 countries in 2021.
2. Norway asked what could be done to recruit more high-income countries with a view of funding future activities, noting that only a few high-income countries have submitted a letter of intent to become a Member of GGGI. GGGI informed delegates that it has successfully expanded the number of high-income countries as donors to GGGI, including first-time donors Belgium, Canada, Finland, France, Italy, Luxembourg, the Netherlands, New Zealand, Sweden, and USA, and it has also re-engaged Germany and Qatar to return as donors. Importantly, a number of European high-income countries will become indirect GGGI Members once the European Union becomes a Member—which is in the advanced stages of accession to GGGI .
3. Indonesia said that it is pleased to see the progress on the implementation of the Criteria for Country Programming approved by the Council in 2019.

**Item 5. Strategy 2030 Review Memo Addendum**

1. Delegates welcomed the report and acknowledged GGGI’s efforts to align its Strategy 2030 with the current situation, reflecting the impact of COVID-19.
2. Denmark suggested the document to have a clear overview of engagements with a predominant focus on climate reductions and adaptation. GGGI responded that almost the entire portfolio of GGGI’s work has a predominant focus on climate action, and it continues to strive a better balance between mitigation and adaptation although a majority of its efforts are still tilted towards mitigation.

**Item 6. Regional Strategies for Africa, Asia, Latin America and the Caribbean**

1. Republic of Korea inquired on the regional imbalance in mobilizing green investments. GGGI explained that its investment work is still relatively new, and its results are dominated by a small number of large projects, generating large fluctuations in results. Initial success in investment work was concentrated in Asia with current successes in Latin America, and efforts are underway to increase investment mobilization in Africa—which GGGI expects will stabilize over time.
2. Denmark asked on the extent of regional strategies being based on assessments of the needs and priorities of each region and country. GGGI responded that development of the regional strategies is an internal effort to cascade Strategy 2030 to the regions in consultations with regional stakeholders, and the Strategy 2030 itself was developed based on extensive consultations with Members and various stakeholders. Furthermore, GGGI explained its Country Planning Frameworks continue to be an active tool to ensure alignment of GGGI’s activities with national priorities, and to agree on priority areas of engagement in line with GGGI’s strengths.
3. Mr. Hewage suggested to better display GGGI’s achievements by elaborating how funding is obtained and how these resources have been utilized to improve green growth in developing countries. GGGI said that this suggestion will be reflected in the final version of the regional strategies.

**Item 7. Update from GGGI Staff Council**

1. Delegates wished to see action taken on the results of the Staff Engagement Survey and asked the Staff Council to present to the Council, in its 2022 report, the findings from the quarterly review of Division Action Plans put in place since July 2021. The Secretariat agreed to include the actions implemented in 2021 on the Action Plans in its next report to the Council in 2022.
2. Indonesia commended GGGI for establishing a fund dedicated to the learning and development of staff. The Staff Council noted that there is ongoing analysis on this new initiative and that there will be improvements made on how the funds are deployed in future years.

**Item 8. Provisional Dates and Format of the 2022 Sessions of Governance Organs**

1. Delegates agreed on the proposed format and dates of the meetings. Mr. Hewage expressed hope that the MPSC meeting in 2022 be held in person for the effectiveness of the meeting. The Secretariat responded that it will explore an in-person 14th Meeting of the MPSC in April 2022 provided that travel restrictions become favorable.
2. Norway encouraged to maintain the e-consultations—an invention of the COVID era—as well as a virtual meeting option for all future meetings that are organized to meet in-person, to which the Secretariat agreed.

**Item 9. GGGI’s Potential as a Carbon Transaction Platform**

1. Republic of Korea inquired on the background of this Idea Note presented by GGGI. GGGI explained that it comes from an earlier idea of a Carbon Club that began in GGGI in 2016. While the idea did not take off at that time, with the recent success of GGGI’s new Carbon Pricing Unit, the expected completion of the Article 6 Rulebook, increased interest from our Members in carbon trading, and the general pricing of carbon, GGGI believes it is timely to rediscuss the idea, linking it with its green investment pipeline.
2. Norway welcomed the increased focus on Article 6 and commended GGGI on the work done so far by the Carbon Pricing Unit. Norway said that there is a clear need for an internationally experienced carbon trust fund, and it would be interested to explore further how GGGI could possibly fill such a role. Mr. Hewage said GGGI has great potential as a carbon transaction platform, and expressed wish for GGGI to become a lead organization in this area.
3. Delegates requested more details on the four options presented, how they could work and what additional resources or capacity is required. GGGI responded that this is only the exploratory stage, and the four options will be further developed if the Council supports the overall concept.

**Item 10. Outcome of GGGI’s Total Remuneration Benchmarking Exercise 2021 for International and HQ Based National Staff**

1. Norway expressed support the four Management recommendations. The Staff Council asked Members to be aware that there will be a period for the Staff Council to consult with staff and gain feedback on the Management’s recommendations, and there may be an amendment to the eventual submission to the Council for approval.

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