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**Global Green Growth Institute**

Fifteenth Meeting of the Management and Program Sub-Committee

June 27-July 4, 2022 | E-Consultations

July 7, 2022 | Hybrid Meeting

### **Summary of the Fifteenth Meeting of the Management and Program Sub-Committee of the Council**

1. The Fifteenth Meeting of the Management and Program Sub-Committee (MPSC15) was held in two parts: Part 1 in the form of e-consultations from June 27 to July 4, 2022, and Part 2 as a hybrid meeting on July 7, 2022. The agenda of the meeting is attached as Annex 1.
2. Annex 2 provides a list of participants of the hybrid meeting, Annex 3 provides a list of the sessional documents, and Annex 4 provides the full list of questions and comments from delegates of MPSC15 with responses from the Secretariat during the e-consultations.

#### PART II. HYBRID MEETING

##### **Agenda 1. Opening of the Meeting and Adoption of the Agenda**

3. The hybrid meeting was chaired by Mr. Tong-q Lee, Director-General for Climate Change, Energy, Environment and Scientific Affairs, Ministry of Foreign Affairs of the Republic of Korea. Members that participated in MPSC15 include MPSC Members Cote d'Ivoire, Republic of Korea, Norway, Paraguay and Mr. Boonam Shin (Expert/Non-State Actor Member of the Council), and observing Members of Colombia, Denmark, Papua New Guinea, Peru, Sri Lanka, and United Arab Emirates.
4. Members of the MPSC adopted the agenda as contained in Annex 1.

##### **Agenda 2. Discussion and Summary on the E-Consultations Items**

5. The Director-General provided a summary of the e-consultations as provided in Part I of this summary document, and Members held discussions on the items discussed.

##### Increasing the Level of GGGI's Working Capital

6. The ROK expressed its full support for GGGI's proposal to increase its working capital from USD 10 million to USD 15 million, noting the necessity due to the continued increase in the organization's total expenditure. GGGI thanked the ROK for its support.

##### Pacific Regional Strategy

7. The ROK suggested, for future MPSC discussions on regional strategies, it would be useful to have Members of relevant regions participate in the discussions to confirm their support for the regional strategies. GGGI reassured that its regional strategy, work program and budget, country business plans and other strategic documents are developed through frequent and in-depth discussions with relevant Members. GGGI also reminded delegates that the regional strategies were developed to provide operational level detail on GGGI's Strategy 2030, which was approved by the Council in 2019. GGGI suggested that it can present the Pacific Regional Strategy at the Assembly and Council Joint Session where Members of the Pacific Region can provide feedback

and express support for the regional strategy.

8. The ROK commented that the climate adaptation priority of the Pacific region is not visible in the regional strategy. Noting from previous MPSC meetings that coastal resilience is one of the least developed areas of GGGI's projects, the ROK inquired on any concrete action plans in this regard. GGGI responded that it began its operations in the Pacific in energy and gradually expanded its work on adaptation through a number of climate smart agriculture and coastal management projects. GGGI also shared that the organization aims to focus more on adaptation, and the key function of the Pacific Regional Strategy is to shift its balance towards adaptation.

#### Membership, Accession and Country Programming

9. Mr. Boonam Shin asked for further details on the accession process of the European Union and Luxembourg. On Luxembourg, GGGI informed that it recently signed a Host Country Agreement with the government of Luxembourg and will be opening an office in the country focusing on green finance; GGGI membership will be pursued as a second step. In terms of financial contributions, current discussions are focused on program earmarked and support on green bonds. On the European Union, GGGI informed that the accession process has been stalled for the last few years due to geopolitical events, but there have been many achievements in terms of EU earmarked funding for which GGGI has a growing portfolio. Mr. Boonam Shin asked GGGI to consider sending a letter signed by the President and Chair to the President of the European Commission to accelerate EU's accession to GGGI.
10. The ROK asked for an update on New Zealand's membership process. GGGI informed that the Director-General plans to meet with officials in Wellington in September to reopen the discussions on membership. GGGI shared that donor countries prefer to develop partnerships with GGGI through bilateral projects before opening up the membership discussion; GGGI has been working with New Zealand for about five years and has become a well-regarded partner in Wellington.
11. Denmark suggested GGGI to consider adding a fourth criterion to the Criteria for Country Programming [[C/2019/DC/9](#)], "progress in activities leading to tangible results," and add a similar criteria for expansion. Denmark further suggested to consider an additional criterion for phasing out, "insufficient progress in activities and tangible results too modest."
12. MPSC Members took note of the Update on 2022 Operational Budget, the Pacific Regional Strategy, the Update on Membership, Accession and Country Programming, and the Update on the 11th Assembly & 15th Council and GGGWeek2022.
13. Furthermore, MPSC Members endorsed the proposal to increase the level of GGGI's working capital from USD 10 million to USD 15 million.

#### **Agenda 3. Draft Work Program and Budget 2023-2024 (Part 2)**

14. The Head of Strategy presented GGGI's Draft Work Program and Budget 2023-2024, which is GGGI's primary programming and budgeting tool to operationalize its strategic priorities and directions for the next biennium, developed in line with Strategy 2030 and 5-Year Roadmap 2021-2025. Delegates were informed on the key elements of the Work Program and Budget, resource allocation in three scenarios (base, base with core replenishment, and plus scenarios), and programmatic analyses.
15. Denmark thanked GGGI for the useful analysis on its programmatic solutions and asked where climate adaptation stands in this analysis. GGGI responded that several of its programmatic solutions are primarily adaptation-related s (PS3. Climate Resilient Agriculture, PS4. Sustainable Forests and PS5. Coastal Resilience) and can provide an indication of the share of adaptation in

its portfolio. In addition, projects targeting strategic outcome 6 (SO6 - Enhanced adaptation to climate change) also give a preliminary indication for GGGI's work on adaptation. GGGI added that it can conduct further analysis on GGGI's work on climate adaptation. In this regard, the MPSC Chair suggested that GGGI highlights its work related to adaptation, as there is already much work being done in this area.

16. The ROK asked GGGI to provide some context on the recent initiative of the core replenishment drive. GGGI shared that, with the new governments in Australia and the ROK, GGGI considered it timely to repeat the push for seeking political support to increase its core resources, similar to the ROK's initiative in 2011-2012. The ROK Minister of Foreign Affairs provided his support for the core replenishment drive, and the President of the Assembly and Chair of the Council H.E. Ban Ki-moon announced the initiative at the 10th Anniversary Celebration in June 2022.
17. The ROK emphasized that while the ROK may be giving the initial push for this drive, the core replenishment is a collective effort, and invited all Members to join.
18. The MPSC took note of the Draft Work Program and Budget 2023-2024, which will be further updated and presented to the Council for approval in October 2022.

#### **Agenda 4. Carbon Transaction Platform – Draft Recommendations to the Council (Part 2)**

19. The Director-General presented on the draft recommendations for Council decision to expand GGGI's carbon pricing activities, authorizing the GGGI Secretariat to establish the Carbon Transaction Platform (CTP) and Carbon Trust Funds.
20. Denmark thanked GGGI for clearly presenting the progress so far and further defining the intentions of the CTP. Denmark recognized, in principle, the challenges faced by developing countries when engaging in carbon trade. Denmark stated its position that, while it is not blocking any decision, carbon trading should be left to actors who are not reliant on ODA funding.
21. The ROK noted the great amount of effort made by GGGI to reach out to all its Members through the Global Survey. The ROK also appreciated the ambitions set in the draft proposal and expressed its interest to follow up on the development of the CTP and to engage in future carbon transactions.
22. On the point that the CTP will be developed only using earmarked funds, the ROK asked whether core donors may agree to using core to support one half of the CTP initiative—the activities under the Article 6 readiness facility. The ROK also noted that core funding would be most useful to build in-house capacity. GGGI responded that it excluded core funding in the paper due to reservations of some of our Members on using ODA to support carbon trade.
23. Regarding the use of core for developing the CTP, Denmark said that it does not restrict the use of core funding from other donors, but only the core from Denmark.
24. The ROK also inquired on the benefits of providing a comprehensive service ranging from capacity building to transaction, as opposed to specializing in one area. GGGI responded, as its primary role is to support Members in a broad array of activities ranging from planning policies to developing and implementing projects, ITMOs and carbon transactions are only components of GGGI's overall support to its Members. ITMOs would become a part of our country teams' overall climate financing strategy together with other financing mechanisms such as green bonds and concessional finance.
25. The MPSC took note and endorsed GGGI's draft recommendations to the Council on the CTP.

**Agenda 5. Accountability and Safeguards**

26. The Head of Climate Action and Inclusive Development presented GGGI's effort to strengthen its accountability and safeguards infrastructure and culture in line with the significant growth of GGGI's programs and also body of staffs through the commitment of continuously review and strengthen its environmental and social safeguards, and gender and social inclusion. Furthermore, the Head of Human Resources presented on internal staff accountability and safeguards mechanisms through the annual employee engagement survey, policies to foster a healthy, safe, and respectful workplace environment, and on measures to improve diversity and inclusion in GGGI, in particular on gender balance.
27. Denmark congratulated GGGI on the tremendous work and continued firm focus in the area of accountability and safeguards.
28. The ROK acknowledged GGGI's efforts to ensure that environmental and social safeguards are applied across the organization. The ROK requested updates on GGGI's efforts to reduce the organization's carbon footprints. GGGI responded that the updates on GGGI's carbon footprints are reported annually in its Annual Report.
29. The ROK also asked GGGI to provide a diversity report, following international standards, on an annual basis. GGGI responded that it will ensure that it provides this report on gender and diversity annually, and informed that this is part of its Gender and Social Inclusion Strategy and bi-annual action plan.
30. The MPSC took note of the updates on the Accountability and Safeguards Systems of GGGI.

**Agenda 6. GGGI's Total Remuneration Benchmarking Exercise 2021 for International and HQ-Based National Staff**

31. The Assistant Director-General and Head of Office Enabling Division presented the management's recommendations following GGGI's total remuneration benchmarking exercise 2021 for international and HQ-based national staff.
32. The ROK acknowledged that the salary benchmarking exercise is a delicate balancing act between fiscal responsibility and retaining institutional competitiveness. The ROK also noted that a review has not taken place since 2017, and that GGGI has tried to opt for a conservative option for its recommendations. The ROK suggested that the MPSC hold an intersessional meeting for further discussions on this matter before being presented to the Council in October.
33. For the suggested intersessional meeting, the ROK requested further information on GGGI's current practices on expatriate stipends for housing and education, whether there are any gaps between GGGI's current practice and international practices, and more recently on how working from home due to COVID-19 may have affected the classification of expats. GGGI agreed to provide more information for the intersessional meeting. GGGI also informed delegates that in accordance with its staff rules, GGGI does not provide expatriate benefits to staff recruited in-country, unless the staff member is currently with an organization that provides expatriate benefits.
34. Furthermore, the ROK requested clarification on the difference between international and national positions in GGGI to be discussed at the intersessional meeting. GGGI responded that it will provide further details to Members in an addendum, but in general, a position will be classified as "national" if the competency exists locally and can be recruited in the country of operation.
35. Denmark expressed appreciation for GGGI's responsiveness to the requests for additional information on the salary benchmarking exercise. Denmark further requested that future

benchmarking exercises be discussed with the MPSC prior to any decision making.

36. The MPSC took note of GGGI's suggestions and agreed to hold an intersessional consultation on this agenda item before the Council meeting in October.

#### **Agenda 7. Recommendation to Redefine Contributing Council Member (Part 2)**

37. The Governance Lead presented on the recommendation to redefine Contributing Member, to start discussions on whether the Assembly should redefine "Contributing Member" of GGGI as provided in the *Agreement on the Establishment of the Global Green Growth Institute*, considering the organization's growth in membership and activities during its first ten years, as well as some considerations and existing ambiguities in the current Establishment Agreement.
38. The ROK and Denmark thanked GGGI for bringing this matter to the MPSC's attention and stressed that there must be a careful consideration of all relevant issues. GGGI agreed that it should approach this subject with extreme sensitivity and carefulness. GGGI noted that it is in its interest to include more countries in the organization's governance.
39. The ROK said the basic principle should be to be more inclusive rather than exclusive with GGGI's governance and emphasized that GGGI should proceed with extreme caution if there is a need to reclassify a Contributing Member to a Participating Member. The ROK suggested Members should consider what would be an ample grace period prior to being reclassified, whether sizeable project earmarked funds should be considered along with program earmarked funds, and what might be the ramifications of inviting a donor with a narrow focus for more overarching discussions and decision-making. Also, the ROK highlighted the need to examine the threshold amount of contribution that would qualify a Member as a Contributing Member.
40. Denmark suggested defining a set of criteria to be classified as a Contributing Member that would ensure donors have a genuine interest for the development of the organization. Examples included earmarked funding for a certain number of regions, the size of earmarked funding, number of countries supported, and number of programmatic outcomes that would be encompassed by the earmarked funding.
41. The MPSC agreed to continue discussions on GGGI's recommendation for Members to review the current definition of Contributing Member as provided in the Establishment Agreement.

#### **Agenda 8. Upcoming Elections of the Council for 2023-2024**

42. GGGI provided an update on the upcoming elections of the Council for 2023-2024 term. GGGI informed that Members will be asked to elect four Participating Members, two Contributing Members, and two Vice-Presidents/Vice-Chairs, and to nominate and appoint one Expert/Non-State Actor Member and reappoint Mr. Boonam Shin as Expert/Non-State Actor Member of the Council.
43. The MPSC took note of the upcoming elections of the Council for 2023-2024.

#### **Agenda 9. Any Other Business**

44. The ROK requested GGGI to review its human resources policy to provide an analysis on the possibility of hiring staff within GGGI Members, considering its growth in Membership, for discussion at the next MPSC Meeting. The ROK said that the MPSC would like to explore the positive benefits of such policy, which is also practiced by OECD. GGGI responded that it will undertake the analysis and present it at the next MPSC meeting in April 2023. The ROK requested the analysis to be circulated well in advance of the meeting in April 2023.

45. The ROK informed the MPSC that it will undertake a field review of GGGI in mid-August in Indonesia and Viet Nam. Going forward, the ROK invited donors to conduct a joint-donor review; if difficult, donors could also share the observations and conclusions from their respective reviews which would allow donor countries a more comprehensive understanding of the organization and to develop common recommendations. GGGI welcomed and thanked the ROK for suggesting a joint donor review and offered to assist with aligning such joint efforts.

**Agenda 10. Closing of the Meeting**

46. The Chair adjourned the meeting.

**Annex 1. Agenda of the Meeting****Provisional Agenda of the Fifteenth Meeting of the Management and Program Sub-Committee (MPSC)****At a Glance***E-Consultations – June 27-July 4, 2022*

<b>Items</b>
Item 1. Update on 2022 Operational Budget
Item 2. Increasing the Level of GGGI's Working Capital
Item 3. Pacific Regional Strategy
Item 4. Draft Work Program and Budget 2023-2024 (Part 1)
Item 5. Carbon Transaction Platform – Draft Recommendations to the Council (Part 1)
Item 6. Membership, Accession, and Country Programming
Item 7. Recommendation to Redefine Contributing Council Member (Part 1)
Item 8. Update on the 11th Assembly & 15th Council and GGGWeek2022

*Hybrid Meeting – July 7, 2022*

<b>Time (KST)</b>	<b>Agenda</b>
18:00-18:10	Agenda 1. Opening of the Meeting and Adoption of the Agenda
18:10-18:40	Agenda 2. Discussion and Summary on the E-Consultations Items
18:40-19:30	Agenda 3. Draft Work Program and Budget 2023-2024 (Part 2)
19:30-20:20	Agenda 4. Carbon Transaction Platform – Draft Recommendations to the Council (Part 2)
20:20-20:40	<i>Break</i>
20:40-21:10	Agenda 5. Accountability and Safeguards
21:10-21:40	Agenda 6. GGGI's Total Remuneration Benchmarking Exercise 2021 for International and HQ-Based National Staff
21:40-22:10	Agenda 7. Recommendation to Redefine Contributing Council Member (Part 2)
22:10-22:40	Agenda 8. Upcoming Elections of the Council for 2023-2024
22:40-23:00	Agenda 9. Any Other Business
23:00	Agenda 10. Closing of the Meeting

## Annex 2. List of Participants

### MPSC Members

#### *Cote d'Ivoire*

- Mr. Kodehi Serge, Second Director of Cabinet, Ministry of Environment and Sustainable Development

#### *Korea, Republic of*

- Mr. Tong-q Lee, Director General of Climate Change, Energy, Environment and Scientific Affairs, Ministry of Foreign Affairs
- Ms. Juyearn Sun, First Secretary, Green Diplomacy Division, Ministry of Foreign Affairs
- Mr. Gawon Kim Second Secretary, Green Diplomacy Division, Ministry of Foreign Affairs

#### *Norway*

- Ms. Malin Meyer, Senior Adviser, Ministry of Climate and Environment

#### *Paraguay*

- Graciela Miret, Director, Ministry of Environment and Sustainable Development (MADES)
- Catherine Piris, Secretary, Embassy of Paraguay to Korea

#### *Mr. Boonam Shin*

- Expert/Non-State Actor Member of the Council

### Observers

#### *Colombia*

- Mr. Juan Gomez, Second Secretary, Embassy of Colombia to Korea

#### *Denmark*

- Ms. Tine Anbaek, Chief Advisor, Ministry for Foreign Affairs

#### *Papua New Guinea*

- Ms. Everlyn Mel, MRV Officer, Climate Change and Development Authority
- Mr. Japheth Gai, MRV Officer, Climate Change and Development Authority

#### *Peru*

- Ms. Elena Castro, Coordinator for the Promotion of the Integrated Management of Natural Resources of the General Directorate of Economy and Environmental Financing, Ministry of Environment

#### *Sri Lanka*

- Ms. Janaki Amarathunga, Director of International Relations, Ministry of Environment
- Ms. Sachini Dias, Second Secretary, Embassy of Sri Lanka to Korea

#### *United Arab Emirates*

- Mira Mohamed Alshaami, Environmental Researcher, Ministry of Climate Change and Environment



*GGGI Secretariat*

- Dr. Frank Rijsberman, Director-General
- Ms. Helena McLeod, Deputy Director-General and Head of Green Growth Planning and Implementation Division
- Mr. Gerard O'Donoghue, Assistant Director-General and Head of Office Enabling Division
- Mr. Kyungnam Shin, Assistant Director-General and Head of Investment and Policy Solutions Division
- Ms. Achala Abeyasinghe, Director of Asia
- Mr. Dave Kim, Governance Lead
- Mr. Hakku Bang, Reports Officer
- Ms. Ingvild Solvang, Deputy Director, Head of Climate Action and Inclusive Development
- Ms. Jae Eun Ahn, Senior Strategy Officer
- Mr. Lasse Ringius, Nepal Country Representative and GIS Global Practice Lead
- Mr. Mahamadou Tounkara, Director, Office of the Director-General
- Ms. Nayoung Moon, Governance Officer
- Mr. Nishant Bhardwaj, Country Representative, India and COP Lead
- Mr. Romain Brille, Head of Strategy
- Ms. Zarinah Davies, Head of Human Resources

**Annex 3. List of Sessional Documents**

Update on 2022 Operational Budget	MPSC/2022/14
Increasing the Level of GGGI's Working Capital	MPSC/2022/15
Pacific Regional Strategy	MPSC/2022/16
Draft Work Program and Budget 2023-2024	MPSC/2022/17
Proposed GGGI Carbon Transaction Platform	MPSC/2022/18
Update on Membership, Accession and Country Programming	MPSC/2022/19
Recommendation to Redefine Contributing Council Member	MPSC/2022/20
Update on the 11 <sup>th</sup> Assembly & 15 <sup>th</sup> Council and GGGWeek2022	MPSC/2022/21
Summary of E-Consultations	MPSC/2022/22
Draft Work Program and Budget	MPSC/2022/17
Proposed GGGI Carbon Transaction Platform	MPSC/2022/18
Accountability and Safeguards Systems	MPSC/2022/23
Supplementary Information	MPSC/2022/24
Upcoming Elections of the Council for 2023-2024	MPSC/2022/25

## Annex 4

## E-Consultations: Questions/Comments from Delegates and Responses from the Secretariat

## Item 1: Update on 2022 Operational Budget

Member	Questions/Comments from Delegates	Responses from GGGI
Norway	1. Good to know that GGGI is on track for a breakeven year.	Agreed, thanks.

## Item 3: Pacific Regional Strategy

Member	Questions/Comments from Delegates	Responses from GGGI
Republic of Korea	2. GGGI's pacific region investment targets to 2027 are set at USD 650 million. Given that only USD 75million was mobilized from 2018 to 2022, how is GGGI planning to achieve this ambitious goal of mobilizing USD 650 million? Could you please provide specific plans? Please specify the 8 countries.	Thank you for your comments. The green investment growth target of USD 650 million for the Pacific between 2023 and 2027 is based on a linear annual growth trajectory based on the following drivers: 1) increase in the number of Pacific country programs from 5 to 8 by 2027; 2) increase in the Pacific green investment pipeline of bankable projects and investment proposals; 3) the scaling up of investment projects such as in PNG and Fiji; 4) the CPFs and WPB 2023-2024 investment targets; 5) inclusion of 8 Pacific country based Climate Finance and Network (CFAN) advisors to promote increased access to climate finance in the Pacific; and 6) increased donor appetite for Pacific climate change and green growth projects, particularly in energy, transport, coastal resilience and nature based solutions for urban and peri-urban infrastructure. It is an ambitious target that Management has endorsed in line with the ambitious green investment target of USD 16 billion in Strategy 2030, and the targets in the Africa, Asia and LAC Regional Strategies. The 8 Pacific countries are Fiji, PNG, Kiribati, Tonga, Vanuatu who are current members, and Samoa, Solomon Islands and Tuvalu that have expressed interest to join / are already carrying out activities with GGGI.

Norway	3. There should be a reference to the Glasgow Leaders' Declaration on Forest and Land use.	Noted, will add.
	4. The halting and reversion of forest loss and land degradation should be a separate bullet point, as should nature-based solutions.	Noted, will add.
	5. When discussing Regional Strategic Outcome and Investment Target, one should look to the elections in Australia and the new government's climate ambitions. Considering the high ambitions of the new government, there should be new and valuable opportunities for collaboration and financing of climate measures and green development in the region.	Agreed.

**Item 4: Draft Work Program and Budget 2023-2024 (Part 1)**

Member	Questions/Comments from Delegates	Responses from GGGI
Norway	6. Good to see that GGGI is on track, according to the ambitions of the strategy.	Thank you.
	7. Good to see that GGGI is planning according to different scenarios, based on possible mobilization of revenue (core and non-core)	Thank you.
	8. Please note that Guyana should be listed among country programmes receiving Norwegian support (page 20).	Thank you for your comment. We will add Guyana under Norway in the table accordingly.

**Item 5: Carbon Transaction Platform - Draft Recommendations to the Council (Part 1)**

Member	Questions/Comments from Delegates	Responses from GGGI
Norway	9. The document is much improved from previous versions, and we thank the GGGI for their efforts to incorporate inputs and comments from everyone.	Thank you

	<p>10. We would ask that the GGGI review the document to ensure consistent language – e.g. use buyers instead of beneficiaries or purchasers</p>	<p>Thank you for highlighting, we will edit the document to keep consistency of the term ‘buyer’</p>
	<p>11. On p. 18, para 4, when describing the GGGI's role in the governance of CTP and carbon trust funds, there does not seem to be a mention of responsibility for following up projects and programmes. Can the GGGI confirm that as a trustee for a given carbon trust its responsibility will also include project and programme follow-up?</p>	<p>Thank you for the question. We agree that the point of project management with regard to annual delivery management of credits and processing should be included within any fund management role. This would also include a reasonable project follow up and oversight to ensure implementation and successful generation, monitoring and reporting of credits. We will incorporate this activity into 4.3.1 and 4.4</p> <p>In addition, GGGI would continue its current (pre-CTP) role in development of carbon-related green growth investment projects, i.e. work with members to ideate, develop and finance green growth investment projects including the potential to generate carbon credits.</p>

**Item 6: Membership, Accession, and Country Programming**

Member	Questions/Comments from Delegates	Responses from GGGI
<p>Boonam Shin, Expert/Non-State Actor</p>	<p>12. I welcome that additional 20 States and Regional Organizations are in the process of accession. I suspect most of them knocking at the door of the GGGI are developing countries. It's quite natural because they need human resources to set up low carbon green growth strategies. So, in the future more developing countries could join our organization given that nearly 2/3 of total global emissions come from developing countries. At the same time, it could be evidence that the GGGI is well recognized by the international community as an organ supporting developing countries in their climate action. In order to allow more developing countries to GGGI, I think we should</p>	<p>Thank you for your comments, All additional Members to have joined GGGI since the original 18 Members in 2012 are Participating Members, and most of those in the process of accession are indeed developing countries. We believe this reflects the very significant benefits GGGI provides to developing countries.</p> <p>Recruitment efforts by current donor Members would be helpful for getting new donor Members to understand the role GGGI can play in climate/ODA objectives and to join GGGI. There could be positive opportunities from the proposed Carbon Transaction Platform, the redefining of Contributing Member, and Core Replenishment Drive.</p>

	maintain a proportional balance between donor Members and non-donors Members.	
	13. The sustainability of the GGGI is one of the founding principles of GGGI. In this regard, I wonder if we could receive more detailed information on the status of the accession process of Luxembourg and the European Union.	<p>With regards to Luxembourg, the Government indicated in GGGI’s October 2021 governance meeting its interest to pursue GGGI membership. In June 2022, a host country agreement was signed with the Government of the Grand Duchy of Luxembourg that provided the privileges and immunities to GGGI and recalls the decision of the Grand Duchy of Luxembourg to initiate the procedure to become a Member of GGGI. At the June 24, 2022 meeting, Luxembourg team indicated that the membership file and the process is going through internal discussions.</p> <p>With regards to the EU, GGGI Membership remains delayed, due to competing priorities which started with BREXIT, then COVID-19 responses, and now the aggression against Ukraine. The team from DG-CLIMA – which is the directorate in charge of GGGI’s membership file – indicated that they are waiting for instructions from EVP Frans Timmermans, in order to action on the next step(s). From pre-BREXIT time, the submission to EU Parliament was the next step.</p>
Republic of Korea	14. I count 33 programs and 8 projects (table 1). Is there a reason why the numbers do not match?	33 programs and 8 projects is correct.

**Item 7: Recommendation to Redefine Contributing Council Member (Part 1)**

Member	Questions/Comments from Delegates	Responses from GGGI
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<p>Boonam Shin, Expert/Non-State Actor</p>	<p>15. I welcome the Secretariat’s proposal on the recommendation to redefine Contributing Member. I think the issue should be discussed earlier given it’s relating to the fairness of the Council seats between Contributing Members and Participating Members, and also relating to the sustainable management and financial stability of GGGI. I also think the proposal implies that the GGGI is now a grown-up and full-fledged organization.</p> <p>16. Having said that, I support possible options in the proposal as a basis for our consultation. The options on the amount, type and period of contribution are flexible enough to reflect the reality. In addition, I propose a 2-year grace period for review and reclassification process on the status of Contributing Members which did not fulfill their funding commitment, considering that the term of Council membership is 2 years.</p>	<p>Thank you for your comments. We also believed GGGI Members would want to discuss and address these issues in view of GGGI’s growth over the first ten years, and the intention was to help start discussions by providing the background and possible ideas.</p>
<p>Republic of Korea</p>	<p>17. Is there any difference between participating/contributing members beyond the status as members of the Council?</p> <p>18. A different point of view maybe raised regarding ‘rationale that longer funding commitments can offset the less flexible nature of program earmarked contributions’ (18.b.iii). A stable influx over a longer time span may indeed make long term planning easier by providing greater flexibility. Longer time span means smaller amount each time, however, which may leave GGGI in a less flexible position to pursue bigger projects that need a bigger push.</p>	<p>Thank you for your questions and comments. First, no, there is no difference between participating / contributing members other than the reservation of Council / MPSC seats for Contributing and Participating Members separately.</p> <p>Second, our country teams generally appreciate the stability that comes from a 5-year earmarked grant in terms of staffing and planning – but on the other hand that clearly provides less flexibility to respond to new member government demands (unless the earmarked grant itself is flexible, such as in the case of program earmarked funding).</p>

Other

Member	Questions/Comments from Delegates	Responses from GGGI
<p>Republic of Korea</p>	<p>19. Regarding hybrid meeting agenda #5, we appreciate GGGI’s efforts in building institution wide capacity on ESS and gender and social inclusion. Are you providing refreshers on policies and refresher trainings (20.) sufficient?</p> <p>20. Could you share with us if you have looked into whether new policies are needed rather than reinforcing existing ones?</p> <p>21. Could GGGI provide a study of commonality and difference among the different ESS standards being applied across the projects/programs?</p> <p>22. Could you please comment on the common practice of other international organizations applying ESS standards and elaborate on the World Bank standards mentioned in the report?</p>	<p>Thank you for your comments and questions. GGGI is constantly evolving its ESS Framework and adding new policies, while also continuously monitoring, learning and improving implementation of the Framework. In 2015, the first version of the Rules on Sustainability and Safeguards was adopted. These rules were subsequently revised to include a standard on Child Protection in 2017. Since then, Accountability and Safeguards have been further strengthened with the adoption of GGGI’s Accountability Framework in 2018, which houses all “good governance” related policies for better leadership and oversight. New policies have continuously been added as we have followed the developments of standards in our industry to ensure that we are aligned with internationally recognized standards and practices. Examples of such additions: Rules on Child Protection (adopted in 2019), Rules on Prevention of Sexual Exploitation, Abuse and Harassment (adopted in 2020), Rules on Private Sector Engagement (2018) Rules on Integrity Due Diligence (adopted in 2021) and procedures for Partner Due Diligence (updated in 2020), Policy on Inclusion and Diversity in Event and Knowledge Management (adopted in 2021).</p> <p>As mentioned in the Session 5 Document, GGGI does not have its own Safeguard Standard per se as alignment with already existing and internationally recognized ESS Standards, such as the World Bank Performance Standard as an industry leader, with the rational that as GGGI works upstream, i.e., at early stages of investment project design. A flexible but “fit-for-purpose” approach to ESS requirements allow for alignment with any investor’s ESS requirements, which may come into force at later stages in the project cycle management</p>



		<p>processes. At later stages in GGGI Investment Value Chain, more diligent mechanisms will be required, e.g., at feasibility study stage, at that time oftentimes utilizing identified stakeholder preferred standards and requirements. GGGI also supports the development of ESS Standards and Mechanisms as part of finance mobilization readiness, particularly GCF readiness, then in alignment with GCF, which benchmarks IFC standards. The World Bank Performance Standard is one of the most internationally recognized Framework for ESS management, which is also familiar to our Members and partners.</p> <p>Alignment with the most recognized industry-standards at the outset of ideation, allows GGGI to flag risks and particularly risks associated with partnerships and coalitions including actors that are not aligned with international best practice, which will be flagged through GGGI’s Partnership Due Diligence process, which for example includes application of Dow Jones online screening processes to detect an actor’s past or current social, environmental and governance related safeguarding concerns. Additional to using the World Bank Standard, GGGI also bases its Private Sector Engagement on the widely known UN Compact Principles, and for suppliers and contractors in GGGI Procurement Rules, the UN Code of Conduct for Suppliers. These standards are used as they are widely known throughout the industry and by our stakeholders, and align with the Agenda 2030 and Human Rights Principles.</p> <p>When GGGI developed its Rules on Safeguards and Sustainability in 2015 and with amendments in 2017, we relied on already existing comparative studies of ESS Frameworks among UN agencies, MDBs any other appropriate comparators. The Environmental and Social Framework of the</p>
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		<p>World Bank took effect in 2018 and was in its nascent draft state when GGGI took its guidance, building on the former World Bank Performance Standard. Roughly for the purpose of this consultation, please consider the alignment of key high-level principles:</p> <table border="1"> <thead> <tr> <th data-bbox="1240 405 1547 512"><b>World Bank Environmental and Social Standards*</b></th> <th data-bbox="1547 405 2040 512"><b>GGGI Rules on Sustainability and Safeguards (RSS) **</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1240 512 1547 655">1. Assessment and Management of ESS Risks and Impacts</td> <td data-bbox="1547 512 2040 655">Delivery Process &gt; Project Level, paragraph 43</td> </tr> <tr> <td data-bbox="1240 655 1547 762">2. Labor and Working Conditions</td> <td data-bbox="1547 655 2040 762">Standard 7: Labor and Working Conditions</td> </tr> <tr> <td data-bbox="1240 762 1547 943">3. Resource Efficiency and Pollution prevention and management</td> <td data-bbox="1547 762 2040 943">Standard 3: Resource efficiency, pollution prevention and climate change</td> </tr> <tr> <td data-bbox="1240 943 1547 1331">4. Community Health and Safety</td> <td data-bbox="1547 943 2040 1331">                     Standard 4: Gender Equality and Women’s Empowerment                       Standard 5: Inclusion of marginalized and Vulnerable Groups                       Standard 6: Child Protection                       GGGI Gender and Social Inclusion Strategy 2021-2025                 </td> </tr> </tbody> </table>	<b>World Bank Environmental and Social Standards*</b>	<b>GGGI Rules on Sustainability and Safeguards (RSS) **</b>	1. Assessment and Management of ESS Risks and Impacts	Delivery Process > Project Level, paragraph 43	2. Labor and Working Conditions	Standard 7: Labor and Working Conditions	3. Resource Efficiency and Pollution prevention and management	Standard 3: Resource efficiency, pollution prevention and climate change	4. Community Health and Safety	Standard 4: Gender Equality and Women’s Empowerment  Standard 5: Inclusion of marginalized and Vulnerable Groups  Standard 6: Child Protection  GGGI Gender and Social Inclusion Strategy 2021-2025
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		5. Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Standard 9: Involuntary Resettlements  Standard 5: Inclusion of marginalized and Vulnerable Groups
		6. Biodiversity Conservation and Sustainable Management of Living Natural Resources	Standard 2: Biodiversity Conservation and Natural Resources
		7. Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Standard 8: Indigenous Peoples.  Standard 4: Gender Equality and Women’s Empowerment  Standard 5: Inclusion of marginalized and Vulnerable Groups  Standard 6: Child Protection  GGGI Gender and Social Inclusion Strategy 2021-2025  GGGI Corporate commitment to prioritize LDCs, LLDCs.
		8. Cultural Heritage	GGGI Project Level ESS Screening Tool Part B, Question 11
		9. Financial Intermediaries	Not applicable precisely in same manner to GGGI as GGGI is not an MDB, however, the standard is

			<p>addressed in principle in RSS Standard 10 on Private Sector Engagement. RSS Section on Anti-Corruption, paragraphs 49-51, and GGGI Anti-Corruption Policy (adopted in 2013).</p> <p>GGGI Rules on Private Sector Engagement and Due Diligence procedures.</p>
		<p>10. Stakeholder engagement and information disclosure</p>	<p>Purpose Section, paragraph 8</p> <p>GGGI Signed up to the International Aid Transparency Initiative (IATI) and the IATI Standard in 2018.</p> <p>Article 13 on the Establishment Agreement and the revised 2018 GGGI's Disclosure Policy</p>
		<p>*<a href="https://www.worldbank.org/en/projects-operations/environmental-and-social-framework">https://www.worldbank.org/en/projects-operations/environmental-and-social-framework</a>                  **<a href="http://gggi.org/site/assets/uploads/2018/03/V2-Sustainability-Safeguards-Rules.pdf">http://gggi.org/site/assets/uploads/2018/03/V2-Sustainability-Safeguards-Rules.pdf</a></p> <p>Industry ESS Standards and practices are constantly improving along with innovative polices, mechanisms and learning across industry actors. GGGI is obligated by its policy to regularly review and update to stay in line with these developments. These efforts will have to be balanced against available resources, particularly flexible core resources required to build, maintain and manage solid ESS procedures.</p>	

		<p>And to your question/comment on the need to build capacity for ESS: yes, this must be a continued priority in 2022/23. Staff Engagement Survey results also showed a need for more awareness raising on our ESS commitments, and with a rapidly growing body of staff we need to strategize to ensure that ESS capacity is ensured throughout the project cycle.</p>
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