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 E-Consultations Item #1
 Meeting Agenda #8

Work Program and Budget 2023-2024

PURPOSE/ACTION REQUIRED

Members of the Assembly and the Council will be invited to:

<input type="checkbox"/> Take note of _____	<input type="checkbox"/> Provide feedback on _____
<input checked="" type="checkbox"/> Approve the Final Draft Work Program and Budget 2023-2024	<input type="checkbox"/> Other (please specify) _____

CONTEXT/BACKGROUND

The Work Program and Budget (WPB) is GGGI’s primary programming and budgeting tool to operationalize its strategic priorities and directions on a biennium basis. As the second cycle of WPB under the 5-Year Roadmap 2021-2025 for the implementation of Strategy 2030, WPB 2023-2024 brings an opportunity to reflect on progress over Strategy 2030 targets, ensure alignment of resourcing for programs and projects, and set a direction towards scaling up GGGI’s impact. The Final Draft WPB 2023-2024 outlines the key strategic priorities and directions for GGGI’s programs, operations, and indicative resource allocation for the next biennium WPB 2023-2024. This document is for review and approval by the Council Members.

SUMMARY

Under GGGI Strategy 2030, GGGI’s long-term strategy, the Work Program and Budget (WPB) 2023-2024 will be the second two-year high-level action plan to operationalize the 5-Year Roadmap 2021-2025 in line with existing Regional Strategies and Country Planning Frameworks (CPFs).

GGGI’s WPB 2023-2024 is structured around: (i) Strategic framework with objectives and operational priorities; (ii) Indicative envelope budget resource allocation for 2023-2024 for programmatic and non-programmatic activities; and (iii) 36 Country Business Plans and 2 Global Practice Business Plans that outline the planned programs and projects and indicative budgets for the biennium.

The budget is developed into three scenarios: (i) **Base**, (ii) **Base with Core Replenishment** and (iii) **Plus** and provides an overview of our programmatic priorities, results and impacts over the next two years. Each scenario is based on estimates of the resources GGGI may have available over the biennium and includes an allocation of resources, an analysis of how these break down across GGGI’s programmatic priorities (programmatic solutions) as well as estimates of green investment mobilization results and impacts in terms of GGGI’s six Strategic Outcomes and targets set in its Strategy 2030 and Roadmap 2021-2025. The allocation covers the organization’s overall revenue and expenditure for

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programmatic and non-programmatic activities through a combination of Core, Project earmarked and Program earmarked funds (Appendix 1).

The **Base** scenario is GGGI's best estimation of likely funding levels for the period while the **Plus** scenario includes additional projects that are in the pipeline with reasonable expectations and assumes no funding from the Core replenishment drive. The **Base with Core Replenishment** scenario assumes a core replenishment campaign launched in the second half of 2022 will be successful and will mobilize an additional USD 25 million over the biennium period (USD 5 million in 2023 and USD 20 million in 2024).

The 36 Country Business Plans (CBPs) and 2 Global Practice Business Plans (GBPs) have been prepared by programmatic teams across GGGI and aligned with the Base Scenario, which we consider the most realistic scenario, and outline planned programs and indicative projects in GGGI Member and partner countries for the next biennium, as well as corresponding results and impact estimates (Attachment).

Document: Final Draft Work Program and Budget 2023-2024



Work Program and Budget 2023-2024

For Council Approval | October 2022



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[ATTACHMENT: COMPENDIUM OF BUSINESS PLANS](#)



1. EXECUTIVE SUMMARY

Over the coming biennium, GGGI aims to advance on its pathway to growth and impact at scale, laid down in its Strategy 2030. Driven by the expansion of its portfolio of earmarked projects, and the replenishment of its Core funding, GGGI aims to make a substantial contribution to the advancement of its Members' and partners' NDC and SDG targets.

1. Progressing towards our 2025 and 2030 targets

Under GGGI **Strategy 2030**, GGGI's long-term strategy, the **Work Program and Budget (WPB) 2023-2024** will be the second two-year high-level action plan to operationalize the 5-Year Roadmap 2021-2025 in line with existing Regional Strategies and Country Planning Frameworks (CPFs). Strategy 2030 sets the course for our efforts to effectively support our Members' needs in transforming their economies towards environmentally sustainable and socially inclusive economic development. It reaffirms our vision, ambitions and strategic directions set by GGGI Members in terms of growth, expansion and impact.

The key scenario in Strategy 2030 sees GGGI's in country presence grow to at least **50 countries by 2030**, if it can mobilize revenues on the order of **USD 100-110 million per annum** at that time. At this scale, GGGI targets to mobilize over **USD 16 billion in green and climate finance** commitments for its Members. GGGI's ex-ante attribution impact assessment shows that at this scale, it will support its Members to reduce emissions by an estimated one **million gigaton of CO₂e**, generate **two million green jobs**, provide sustainable services to **100 million people**, avoid the emissions of **55 thousand tons of PM 2.5**, save **0.5 million of hectares of forests** and support **8 million people to cope with climate impact**. GGGI further targets to become a zero-carbon organization by 2050 or earlier.

As GGGI started making progress towards its 2025 and 2030 targets, we believe 2021 and 2022 may mark the beginning of GGGI operating at a new scale. As of June 2022, GGGI had operations in **37 countries**, positioning the organization slightly above the maximum scenario of Strategy 2030. GGGI's revenue in 2021-2022 is expected to reach **USD 120 million**, growing by 26.6% on average year on year over the period, a growth primarily driven by the rapid expansion of GGGI's earmarked portfolio. This positions GGGI slightly below the Minus scenario of WPB 2021-2022 (USD 131.9 million), but is still a very significant growth rate, particularly when considering the effects of recent global crises on the availability of donor funding, and particularly Core funding, which continued to decrease in recent years.

Over the period, GGGI has progressed towards delivering results and impacts at scale, with **USD 5.1 billion mobilized** in 2021 alone, and **7.2 billion USD since 2015**, already exceeding its 2021-2022 and 2025 targets. At the end of June 2022, GGGI had built a cumulative pipeline of green investments valued at **USD 9.3 billion** (3.6 billion probability-weighted).

2021 was also the first year for GGGI's to report its impact over its six strategic outcomes (SO) which is largely tied to its green investment mobilization results. Our 2021 impact figures do not yet account for impacts for financing instruments such as green and sustainable bonds¹ and are likely to evolve. Considering this, it is too early to draw conclusions on whether the organization is on track to meet its 2025 and 2030 impact targets. In 2023, together with the mid-term review of Roadmap 2021-2025, GGGI plans to review and, where necessary, revise and improve (where new evidence and data are available) the methodology for SO impacts assessment. The 2025 and 2030 targets will also be reassessed and, when relevant, reviewed, based on two full years of implementation of Strategy 2030.

2. Supporting the scaling up of GGGI's impact to address key global issues

In line with Strategy 2030's ambition to shift in scale and level of ambition, and make a decisive contribution to SDGs and NDCs, **GGGI has set clear priorities and launched flagship initiatives to support its strategic goals** of (i) transforming the economies of its Members into a low-carbon and resilient economic development model and (ii) being recognized as a world-class, effective, and agile intergovernmental organization.

The 2023-2024 Work Program and Budget combines (i) bottom-up programmatic priorities, aligned with priorities of Member and partner governments, as reflected in CPBs and GBPs, and top-down priorities in line with GGGI's mission, key global agendas, and pressing global issues (ii) non-programmatic priorities to support the growth of the organization and the effective and efficient delivery of its programs. These include:

Delivering green investment mobilization at scale

Through (i) the **replication of successes in areas such as green and sustainable bonds**, and innovative financing instruments, (ii) the use of **Trust Funds**, like the Korea Green New Deal Fund, to fill the climate and green project preparation financing gap and (iii) the facilitation of fair and transparent **Carbon Transactions** under Article 6 thanks to GGGI's Carbon Transaction's Platform (if approved by Council).

Strengthening Climate Action and Adaptation

Our support to Members and partners in establishing **Long-Term Low Emission and Resilient Development Strategies (LT LEDS)** and targets toward mid-century carbon-neutrality in line with IPCC recommendations, should guide the next stage of **NDC revisions**, in which GGGI expects to play an important role in supporting NDC enhancement and increased ambition. GGGI is also strengthening its work in **climate adaptation**, with an approach

to be further developed in a strategic paper expected shortly. Already, **GGGI's adaptation practice** has grown with a focus on (i) adaptation planning, and project design; and (ii) adaptation investment with a focus on Climate Smart Agriculture, nature-based solutions, and climate resilient, green buildings. The organization is also building new areas of work to address the urgency of the climate crisis with new projects under development that include approaches on "Anticipatory Action" and the connection between green growth, adaptation, and humanitarian (disaster) relief. GGGI will continue to provide **climate diplomacy** support to the LDC group of countries in the UNFCCC negotiations as a vehicle to ensure climate action is in-line with LDCs needs and priorities.

Supporting Green Recovery Plans implementation

GGGI supported 15 countries in their **Green Recovery planning** efforts in 2020-21 and the Indonesian G20 Presidency with a technical paper on green recovery as well. Through its 2023-2024 work program, GGGI will continue to support member countries in accessing finance for green recovery projects targeting the most adversely affected economic sectors.

Tackling growing Food Insecurity

In response to the new global crisis as a result of the war in Ukraine impacting grain exports and fossil fuel prices, there is a serious risk of **food insecurity and famine**, particularly in the Sahel. Focusing on countries likely to be affected, where GGGI has active programs, GGGI's programming in 2023-2024 is designed to help, whenever possible, to address this challenge, through its growing portfolio of Climate Resilient Agriculture projects.

Accelerating Gender Equality and Social Inclusion

And the implementation of our 2021 – 2025 GGGI **Gender and Social Inclusion Strategy**, with a focus on the mainstreaming of gender and social inclusion across our operations and programs under the leadership of the Climate Action and Inclusive Development unit, would benefit from an expanded allocation of Core funding under the Base with Core Replenishment Drive scenario.

Strengthening GGGI's Core Funding Base

While earmarked project funding has grown very rapidly, complemented by new earmarked program funding and trust funds, core funding has fallen behind in absolute terms and even more so as a share of GGGI's overall funding. GGGI's host country, the Republic of Korea has agreed to lead a **Core Replenishment Drive** that targets an additional USD20 million per annum in new core funding. If such new funding could be mobilized, it would increase the role of the GGGI Council in programming such funding, by setting priorities through the WPB process. This WPB 2023-24 includes a Base with Core Replenishment scenario that proposes to use the additional core resources for three main purposes:

1. Increasing the core resource allocation for programming in vulnerable countries (USD 10 million out of USD 20 million), on top of the allocation already in the Base scenario.
2. Providing a “startup” funding to new Member countries where GGGI does not yet have a program (USD 5 million out of USD 20 million); this category of countries does not have an allocation in the Base scenario.
3. Strengthening GGGI’s cross-country learning through its Communities of Practice, Green Investment Services and the Climate Action and Inclusive Development teams (USD 5 million out of USD 20 million). The latter includes GGGI’s development and application of key tools i.e., the Green Economy Model and GGGI Index, knowledge sharing and gender and diversity expert support across the organization.

In the Base plus Core Replenishment scenario, an additional USD 5 million additional core revenue is assumed for 2023, and an additional USD 20 million in 2024.

3. Overview of 2023-2024 Work Program and Budget

GGGI’s 2023-2024 Work Program and Budget includes **three scenarios (Base, Base with Core Replenishment and Plus)** and provides **an overview of our programmatic priorities, results and impacts** over the next two years.

Each scenario is based on estimates of the resources GGGI may have available over the biennium and includes an allocation of resources, an analysis of how these break down across GGGI’s programmatic priorities (programmatic solutions) as well as estimates of green investment mobilization results and impacts in terms of GGGI’s six Strategic Outcomes and targets set in its Strategy 2030 and Roadmap 2021-2025. The **WPB 2023-2024 Budget Scenarios** are presented in **Appendix 1**, and details about assumptions are available in Chapter 6. The allocation covers the organization’s overall revenue and expenditure for programmatic and non-programmatic activities through a combination of Core, Project earmarked and Program earmarked funds.

The 36 Country Business Plans (CBPs) and 2 Global Practice Business Plans (GBPs) have been prepared by programmatic teams across GGGI using the templates provided in **Attachment 1**. Business plans are aligned with the **Base Scenario**, which we consider **the most realistic scenario**, and outline planned programs and indicative projects in GGGI Member and partner countries for the next biennium, as well as corresponding results and impact estimates.¹

¹ While budgets in CBPs and GBPs represent GGGI teams’ best estimate of highly likely resources available for their programs in the next biennium under the Base scenario, the earmarked budget of the Base scenario has been further reduced by 10% considering GGGI’s historical budget increase rates.

WPB 2023-2024 Country and Global Practice Business Plans



Resource allocation under each scenario

The detailed WPB 2023-2024 Budget Scenarios (Base, Base with Core Replenishment and Plus) by country and unit are presented in **Appendix 1**.

Summary of WPB 2023-2024 Budget by Scenarios (USD million)

	Base Scenario	Scenario with Core Replenishment	Plus Scenario
Core	36.8	61.8	36.8
Program Earmarked	12.8	12.8	16.4
Project Earmarked	109.0	109.0	150.4
Total	158.6	183.6	203.6

The **Base** scenario is GGGI's reference scenario with the **most realistic estimate of highly likely funding levels** for the period while the **Base Scenario with Core Replenishment** and the **Plus** scenarios are **aspirational targets for growth**. All scenarios present a balanced budget with projected income equal to projected expenditures.

The **Base** and **Base with Core Replenishment** scenarios differ in that the latter assumes a core replenishment campaign launched in the second half of 2022. The **Core Replenishment Drive** will be successful and will mobilize an additional USD 20 million per annum starting in 2024. Thus, an additional USD 5 million additional core revenue is assumed for 2023, and an additional USD 20 million in 2024. The amounts of Program and Project earmarked remain the same under both scenarios. The additional Core under the **Base with Core Replenishment** scenario is allocated for increased programming in 18 GGGI's Vulnerable Member countries (USD 10 million), out of which USD 8 million already to countries), to start operations in new Member countries (USD 5 million, with USD 4.2 million allocated to 7 new countries) and for GGGI's global / cross-country programming (USD 5 million) including its Climate Action, Inclusive Development team, its Communities of Practice, as well as GGGI's knowledge sharing across country programs and globally. It also includes funds remaining to be allocated centrally for vulnerable countries and other new member countries which may become Members during the period.

The **Base** and the **Plus** scenarios assume an identical level of Core resources under both scenarios. The Plus scenario includes additional projects that are in the pipeline with reasonable expectations and assumes no funding from the Core replenishment drive.

Under the Base and Plus scenarios, the methodology for allocating Core resources has been adapted to reflect the reality of minimal core resources available in these scenarios: rather than using past core budgets as the primary basis for allocation, a **standard base amount of USD 200,000** in core has been initially proposed for all countries where GGGI has a fully developed country program. A **smaller allocation of USD 100,000** per country is planned for "start-up" locations, where GGGI operations are not yet fully developed into country programs, and for some smaller countries. The use of the core allocation is guided by the management approval process for projects and programs as described in its Project Cycle Management (PCM) framework. In addition to the standard base amount of USD 100-200 thousand per country, the management proposes to reserve (retain) an amount of **USD 2 million of core funding** to be allocated in a targeted way, based on needs (i.e., shortfalls in earmarked funding) and institutional priorities to respond to rapidly changing conditions in the external environment.

Programmatic priorities under each scenario

For the first time, the WPB 2023-2024 presents an analytical perspective of GGGI's projected portfolio of projects in terms of USD invested, rather than counting projects (Chapter 6). It provides an overview of thematic focuses of GGGI's programming in the coming biennium, through Programmatic Solutions and planned impacts over GGGI's key intermediate outcome (IO1. Green investment commitments mobilization) and six Strategic Outcomes.

This is the **best picture available to GGGI of its primarily earmarked project portfolio** and gives an overview of the programmatic areas prioritized by its Members, partners and donors through earmarked resources. This also is a good baseline to consider when additional core resources become available that may re-balance some of these

priorities in line with the Council’s directives – and GGGI’s Strategy and Roadmap. Some of these changes in priority allocation are easily visible in the graphic below.

Summary of WPB 2023-2024 breakdown by Programmatic Solutions by Scenarios (USD million)

1. Programmatic Solutions Analysis - Base



2. Programmatic Solutions Analysis - Plus



3. Programmatic Solutions Analysis - Core replenishment

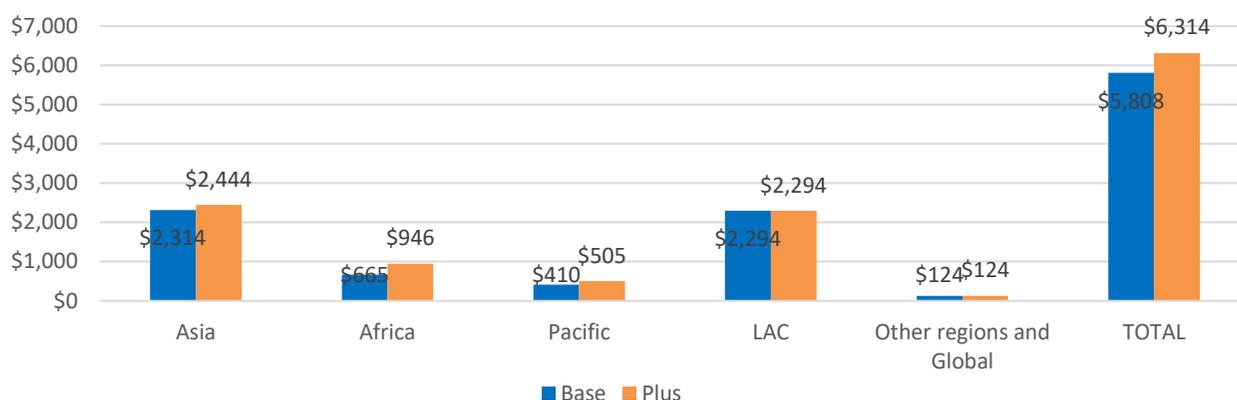


Under both the **Base and Plus scenarios**, **Climate Resilient Agriculture** (PS3) is expected to account for GGGI’s largest area of work, followed by **Waste Management** (PS6). **Carbon pricing** (PS11) and **Sustainable Forests** (PS4) follow in the **Base** scenario, while **Sustainable forests** (PS4) precedes **Carbon pricing** (PS11) under the **Plus** scenario, due to higher budget estimates and the addition of projects in Latin America and the Caribbean (LAC) and Africa. This reflects the growing importance of climate adaptation in GGGI’s portfolio, also driven by projects of larger size in Asia and Africa. The recent growth of GGGI’s carbon pricing activities under the Carbon Pricing Unit is also well reflected. It aligns with GGGI’s institutional priorities set for the biennium.

Under the **Base with Core replenishment** scenario, and according to plans from country and regional teams, the additional Core budgets allocated to vulnerable and new Member countries would also be primarily directed at investing in **Climate Resilient Agriculture** (PS3), but would complement existing funding in favor of **Renewable Energy** (PS9) and **Sustainable mobility** (PS7), two programmatic solutions which bear significant potential for green investment mobilization, but which are relatively under funded by existing earmarked funding available to GGGI.

Results and Impact estimates under each scenario

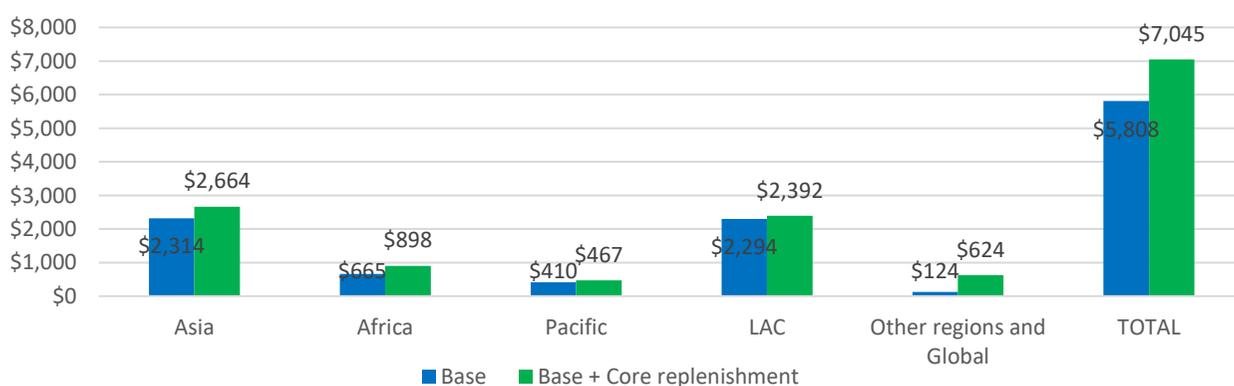
2023-2024 Investment commitments targets, Base and Plus scenarios (Region, M USD)



Under the Base scenario, countries' projections of the total expected green investment commitment mobilization in 2023-2024 amounts to **USD 5.8 billion**. This figure exceeds GGGI's current investment pipeline and investment targets, value at **USD 3.9 billion** for the biennium, and therefore reflects both existing investment projects and the additional ambition of country teams for mobilization of investment commitments in 2023-2024.

Under the Plus scenario, country teams' bottom-up projections of the total expected green investment commitment mobilization in 2023-2024 amount to **USD 6.3 billion** or USD 500 million additional compared with the Base scenario.

2023-2024 Investment commitments targets, Base and Base with Core Replenishment scenarios (Region, M USD)



Relevant country and global teams also estimated what additional investment they would be able to mobilize thanks to the additional Core funding allocated under the Base with Core replenishment scenario. It is estimated that USD 17.2 million of additional allocated Core funding could result in the mobilization of more than **USD 1.2 billion in green investment commitments over the biennium**, in addition to the **USD 5.8 billion** forecasted under the Base scenario.

2023-2024 ex-ante attributed impact estimates over GGGI Strategic Outcomes by Scenarios

Scenarios	SO1 (mtCO ₂ e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4 (th. tn PM2.5)	SO5 (m-ha)	SO6 (m)
Base	208.38	0.11	0.78	0.04	17.48	0.00	0.42	0.08	2.20
Core Replenishment	69.85	0.13	1.74	1.87	2.69	2.00	5.05	0.04	0.62
Base with Core Replenishment	278.23	0.11	2.52	1.91	20.17	2.00	5.48	0.12	2.82
Plus	219.57	0.25	0.80	0.05	17.48	0.00	0.42	0.08	2.26

Note: SO1: GHG emission reduction; SO2: Creation of green jobs; SO3.1: Increased access to clean affordable energy; SO3.2: Increased access to improved sanitation; SO3.3: Increased access to sustainable waste management; SO3.4: Increased access to sustainable public transport; SO4: Improved air quality; SO5: Adequate supply of ecosystem services ensured; SO6: Enhance adaptation to climate change

Under the Base scenario, GGGI programs implemented during the 2023-2024 biennium are estimated to help: avoid the emission of **208 million tons of CO₂e**, create **110,000 direct green jobs**, improve **access to sustainable services** (clean energy, sanitation, waste management and transport) **for 18.3 million people**, **protect or reforest 80,000 hectares of forests or and help 2.2 million people adapt to climate change**. Under the **Base with Core replenishment scenario**, the additional allocated Core funding could, in addition to the impacts of the Base scenario, help avoid the emission of 69 MtCo₂e, create 130,000 green jobs, help 8.3 million people access sustainable services, avoid the emissions of 5 thousand tons of PM_{2.5} emissions, protect 37,000 hectares of natural capital and support more than 620 thousand people to adapt to climate change.

4. Business Operations

One of Strategy 2030's key global operational priorities is to maintain an **efficient, high performing and agile organization** which enables optimal program delivery. Key to optimizing program delivery is having efficient business systems & processes in place together with the recruitment of high performing staff.

GGGI has transformed its business processes in recent years. This has included the introduction of **an ERP, CRM, Project Management System (GO), together with a Results Based Management System**. To ensure that these systems are constantly reviewed and updated GGGI created a business process reform group (iGrow) which continually reviews and improves existing business processes. GGGI recognizes that it is fundamental to provide corporate support for improved delivery of programmatic and operational priorities and to strengthen transparency and integrity. The aim is to ensure GGGI's business model is geared toward the delivery of its intermediate outcomes and SO impacts, enabling the organization to become a more nimble, flexible, efficient organization as well as to make GGGI an attractive place to work.

GGGI has had strong growth in staff headcount in line with our significant increase in earmarked funding and we anticipate that we will further increase in the 2023-2024 WPB. GGGI's staff have been and continue to be instrumental in the delivery of GGGI's mission and its success to date. GGGI has put in place robust systems to assist staff in project delivery but also to create an enabling work environment. Systems include a **Performance**

Management, Rewards & Recognition, and Respectful & Healthy Workplace. In addition, an annual **Staff Engagement survey** is carried out. GGGI is also in the process of formulating a revised **People Strategy**.

In the not-for-profit sector, a primary measure of efficiency is the ratio of non-programmatic costs as a percentage of programmatic costs. The lower the percentage the greater the efficiency of the organization. Over the past number of years, GGGI has taken specific actions to **reduce the share of non-programmatic costs to 15%**, in line with global standards – non-programmatic spend has been reduced from 32% in 2016 to 22% in 2019 to 16% in 2021 and 15% in 2021. This is ahead of the GGGI Council directive to bring non-programmatic costs down to 15% by 2023. Actions undertaken in recent years include restructuring the Operating Enabling Division (Finance, HR, Procurement, IT, Administrative services) to reduce headcount and thereby costs. This has largely been achieved by using technology to automate and streamline GGGI's business functions. In addition, restructuring of Office of the Director General (which includes Strategy, Partnerships, Communications and Governance) was also undertaken again with a reduction in headcount.

5. Risk Management

GGGI has designed a **Risk Management Framework (RMF)** to systematically identify high and significant risks and to put in place controls for managing those risks to minimize their occurrence to the extent possible or minimize their impact on the ongoing operations of GGGI should they occur. The most significant current risk identified is the potential negative financial impact on GGGI arising from increasing demands on GGGI's contributing members' country budgets. Additional resources are required by different players of the global community in dealing with the fallout from the war in Ukraine together with the food crisis across the Sahel, the Horn of Africa, Yemen and Afghanistan. There are also a number of major replenishments for other organizations planned to be launched later in 2022. All of these likely reduce the amounts of funding available to GGGI. Identified risks are either a reduction in core funding and/or a slowdown in the implementation of earmarked funding or delays in signing of new contracts. Controls for effectively managing this risk include:

1. The Government of Korea will lead a **Core replenishment drive** to increase the level of core funding for GGGI in the 2nd half of 2022.
2. GGGI has in place sufficient reserves to weather a downturn in funding in the short to medium term, or if necessary to allow for an orderly restructuring of GGGI's program portfolio, staffing and other expenditures. On January 1, 2022 GGGI had **USD 20.1 million in reserves**. Management is currently projecting an operating surplus of USD 0.5 million for 2022. This will result in USD 20.6 million of reserves at the beginning of the WPB period and will be available to minimize any financial downturns. Reserves of USD 20.6 million, comprising USD 20 million of working capital and USD 0.6 million of retained surplus, equate to 121 days of working capital against the international benchmark of 90-180 days.



2. Introduction to WPB 2023-2024

The Work Program and Budget (WPB) is GGGI's **primary programming and budgeting tool** to operationalize its strategic priorities and directions on a two year's basis. The main purposes of the WPB 2023–2024 are to:

- Provide GGGI with a **2-year budget plan** that includes the allocation of projected core, earmarked and program earmarked resources to country and global programs.
- Establish **priority focuses (Programmatic Solutions) for country and global programs** as well as the scaling up and out of specific solutions.
- Set out the organization's overall **budgets for programmatic and non-programmatic activities**.
- Establish the **results and impact estimates** for SO attribution and contribution and related targets for each country program.
- Mobilize **collective action across GGGI** to advance the implementation of Strategy 2030, based on progress made to date over its targets.

Under GGGI's **Strategy 2030**, the WPB 2023-2024 will be the second two-year high-level action plan to implement the **5-Year Roadmap 2021-2025** in line with existing Regional Strategies and Country Planning Frameworks (CPFs). It is also an opportunity to reflect on progress over targets set as part of Strategy 2030, Roadmap 2021-2025, and the current WPB 2021-2022, helping set directions towards the scaling up of GGGI's impact during the coming biennium 2023-2024.

GGGI's WPB 2023-2024 is structured around: (i) a strategic framework with objectives and operational priorities; (ii) an indicative envelope budget resource allocation for 2023-2024 for programmatic and non-programmatic activities with three fully developed scenarios; and (iii) 36 Country Business Plans and 2 Global Practice Business Plans that outline the planned programs and projects and indicative budgets for the biennium.

GGGI's **Strategy 2030** was approved by the Council in October 2019 and the **Strategy 2030 Addendum** was approved in 2021. The **5-year Roadmap 2021-2025** providing the action plan for implementing Strategy 2030 is the key guiding document for the preparation of WPB 2023-2024.



3. Progress over Strategy 2030 and Roadmap 2021-2025

3.1 Strategy 2030 and Roadmap 2021-2025

Strategy 2030, GGGI's long-term strategy for 2030, sets the course for its efforts to effectively support its Members' needs' in transforming their economies toward environmentally sustainable and socially inclusive green growth. It reaffirms its vision, ambitions and strategic directions set by GGGI Members in terms of growth, expansion and impact.

The key scenario in Strategy 2030 sees GGGI's in country presence grow to at least 50 countries by 2030, if it can mobilize revenues on the order of USD 100-110 million per annum at that time. At this scale, GGGI targets to mobilize over **USD 16 billion in green and climate finance commitments** for its Members. GGGI's ex-ante attribution impact assessment shows that at this scale, it will support its Members to reduce emissions by an estimated **one million gigaton of CO₂e**, **generate two million green jobs**, provide **sustainable services to 100 million people**, avoid the emissions of 55 thousand tons of PM 2.5, save **0.5 million of hectares of forests** and **support 8 million people to cope with climate change**. GGGI further targets to become a **zero-carbon organization by 2050 or earlier**.

As a significant milestone to this ambition, GGGI aims to reduce its GHG emission per employee by 40% in 2030 against a 2015 baseline, both by targeting green office operations and by lowering emissions through reduced GGGI's travel activity. Further details on its operational and programmatic targets, key priorities as well as growth and expansion scenarios are available in the Strategy 2030 document ([Link: Strategy 2030](#)). **The 5-Year 2021-2025 Roadmap** is an action plan to guide the implementation of Strategy 2030 for its first phase, covering the period 2021-2025. It translates the five programmatic Global Operational Priorities (GOPs) from Strategy 2030 into **10 corresponding Programmatic Solutions (PS)**, complemented by an **11th PS – Carbon Pricing**, adopted in the **Strategy 2030 Addendum**, and as presented in Figure 1 below. Through the focus of its interventions, GGGI will make ensure its interventions are most impactful in support of the transformation of its Member and partner countries' economies toward a green growth economic development model.

Figure 1: Global Operational Priorities and Programmatic Solutions

GLOBAL OPERATIONAL PRIORITIES	PROGRAMMATIC SOLUTIONS	
GOP 1 Catalysing and accelerating access to climate finance/ green investments for Members' public and private sectors	PS 1 Green Investments (green bankable projects, investment proposals, NFVs, green and climate instruments, carbon-focused engagements)	PS11 Carbon Pricing (Carbon policy design, carbon trading through institutional strengthening, transaction structuring and knowledge sharing)
GOP 2 Supporting our Members in strengthening policy, planning and regulatory frameworks and institutional capacity to achieve green growth outcomes	PS 2 Climate Action (inclusive green growth plans, LT-LEDS, NDC support, MRV system design, climate diplomacy)	
GOP 3 Achieving a sustainable and circular bioeconomy while securing healthy natural systems	PS 3 Climate Resilient Agriculture (solar irrigation, RE application in agri-value chain, resilient cropping practices, resource conservation)	
	PS 4 Sustainable Forests (REDD+, landscapes financing mechanisms, innovation of natural capital markets)	
	PS 5 Coastal Resilience (mangroves as ecosystem for livelihoods, aquaculture, marine issues fisheries, flood protection and pollution)	
GOP 4 Making cities and communities sustainable liveable and resilient, supported through green jobs, services and green infrastructure capital markets innovations	PS 6 Waste Management (circular economies, urban and agricultural waste, wastewater, FSM, waste to resource)	
	PS 7 Sustainable Mobility (e-mobility, non-motorized transport)	
	PS 8 Green Buildings (green urban infrastructure norms/standards/policies, energy efficiency in residential & commercial buildings)	
	PS 9 Solar PV (energy transition access and productive use solar water pumping, solar PV auctions, rooftop, utility scale plants, storage)	
	PS 10 Green Industries (green industrial parks, green supply chains, EE in SMEs, labelling and standards)	
GOP 5 Accelerating progress in our country programs in poverty eradication and gender equality	Crosscutting in all programmatic solutions	

Among the 11 programmatic solutions above, the first two Programmatic Solutions - **Green Investment and Climate Action** - are common to all country programs, meaning that all country programs are expected to be involved in the green growth planning work that GGGI captures under PS2 Climate Action, but also in mobilizing green and climate finance under PS1 Green Investments. All country programs and projects incorporate GOP 5 that aims to **accelerate poverty eradication and gender equality**, both being cross-cutting issues. The new PS11 (Carbon Pricing) introduces a cross-cutting mean to accelerate the transition to a low carbon world, using carbon markets.

The WPB is built over a set of **Country Business Plans (CBPs)**, and **Global Business Plans (GBPs)**, which are two-year high-level action programs to operationalize **Regional Strategies, Country Planning Frameworks (CPFs)** in alignment with **Roadmap 2021-2025**. CBPs lay out the planned short-term strategic choices of each country program as well as how GGGI's Programmatic Solutions will scale up and scale out across our Members and partner countries, and what results and impacts will be delivered. They are developed **in consultation with counterpart governments and other key partners** and outline specific earmarked funding opportunities with donors. CBPs shape the development of country programs and projects in WPB 2023-2024.

Alignment of CPFs, CBPs and GBPs with the Roadmap 2021-2025 and Strategy 2030 is key to translating strategy into actions and impact at the country level. CPFs are systematically aligned with Strategy 2030 to ensure that country programs, CBPs and projects developed and implemented under the WPB are in sync with GGGI's Global Operational Priorities and Programmatic Solutions.

3.2 Progress over 2030, 2025 and WPB 2021-2022 assumptions and targets

The WPB 2023-2024 process, the second one over Strategy 2030 and Roadmap 2021-2025, is an opportunity to reflect on progress over the assumptions made and targets set, as part of these two strategic documents, and the current WPB 2021-2022. It helps set directions towards the scaling up of GGGI's impact during the biennium 2023- 2024.

Strategy 2030 introduces a set of scenarios on (i) the Growth of country programming, (ii) Financial Resources for Operations (iii) Financial Growth (iv) Green investment mobilization and (iv) Impact over Strategic Outcomes. 2022 is the first year for GGGI to measure progress over its Strategy 2030 and Roadmap 2021-2025 targets.

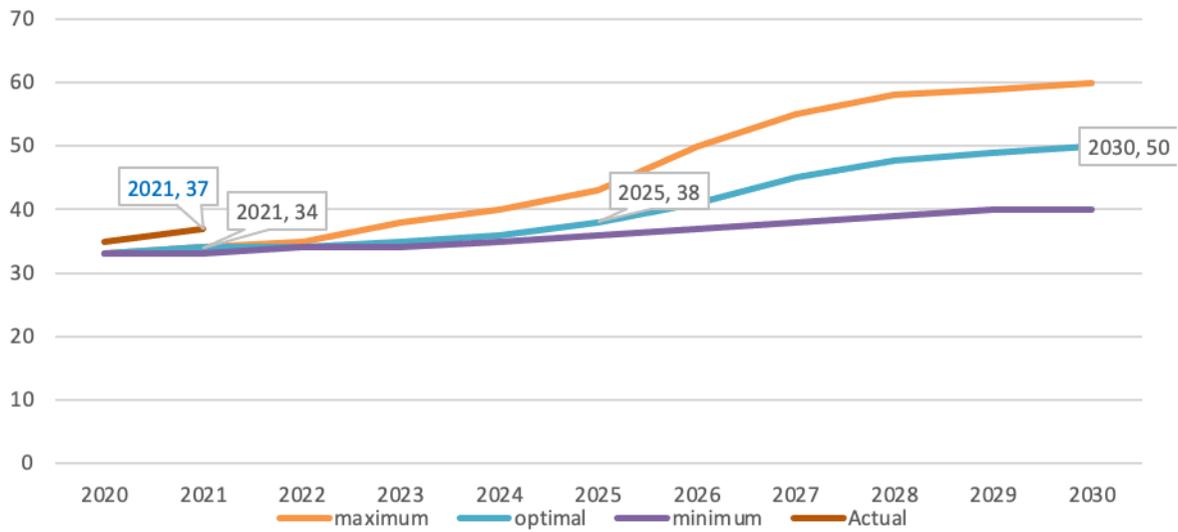
The approved **Work Program and Budget 2021-2022** outlined GGGI's programmatic and financial plans for the 2021- 2022 biennium period, including (i) three resourcing scenarios, a Minus, a Base and a Plus case scenario. The Base scenario planned for a total level of funding of up to USD 150 million for the biennium (ii) assumptions over priority Programmatic Solutions for country and global programs and (iii) SO attribution and contribution impact estimates and targets for each country and global program.

Sections below present a **summary of progress made over the key assumptions of Strategy 2030, Roadmap 2021-2025 and the WPB 2021-2022.**

Country Program Growth Scenario

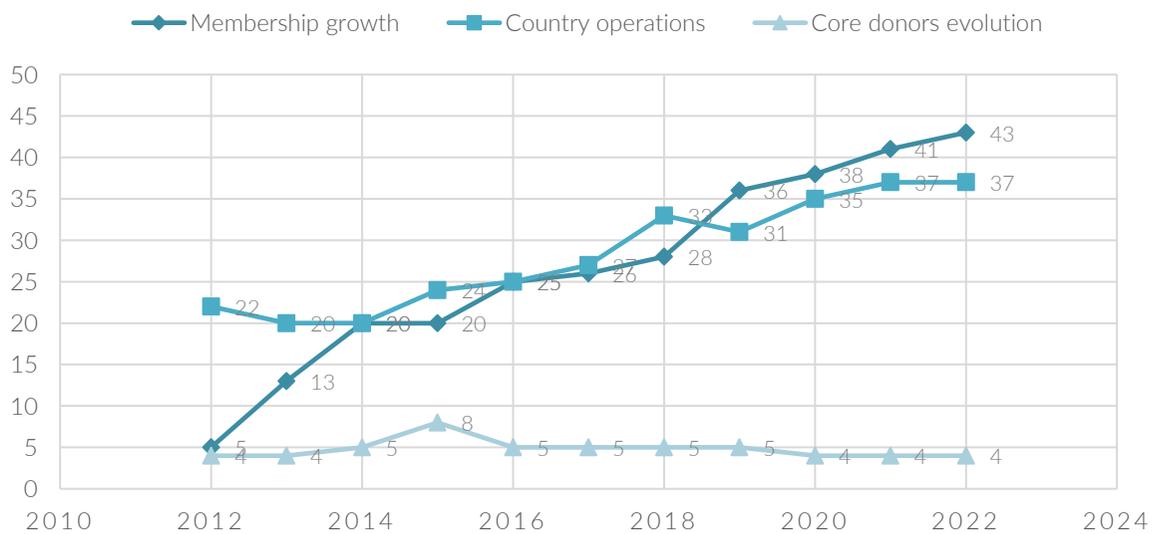
Strategy 2030 targets that GGGI country programs will increase from 33 in 2021 to 2030 to 38 in 2025, to reach an optimal 50 by 2030.

Figure 2: Country Program Growth Scenarios (number of countries with operations)



As of June 2022, GGGI had **operations in 37 countries**, which positions the organization slightly above the maximum scenario of Strategy 2030. GGGI’s management has made a conscious decision to **decouple membership from the start of operations in countries**, which is guided by the country programming criteria approved by the Council. As a result of this change in the programming approach, membership does not necessarily translate into operations in new Member countries. This decoupling will be maintained in 2023-2024 under the Base and Plus scenarios, while the Base with Core Replenishment scenario introduces a core allocation to 7 new Member countries.

Figure 3: Evolution of GGGI Membership (2012-2022)



Financial Resources for Operations Growth Scenario

Strategy 2030 sets the objective for GGGI to **diversify and broaden its funding base**, increase core and earmarked funding, and effectively manage strong and healthy relations with donors. Specifically, Strategy 2030 target to maintain and secure an annual level of funding USD 110 million in 2030. In 2021, GGGI's total revenue increased to USD 54.1 million, an increase of 31% (USD 12.8 million) compared to 2020. In 2022, GGGI estimates a total revenue of **USD 65.8 million**, a 22% increase compared with 2021 revenues. This positions GGGI slightly below the Base scenario of Strategy 2030 (USD 56M in 2021) and the Minus scenario of WPB 2021-2022 (USD 131.9 million).

Figure 4: Fundraising growth (2017-2021) compared with 2030 Base Scenario (Million USD)

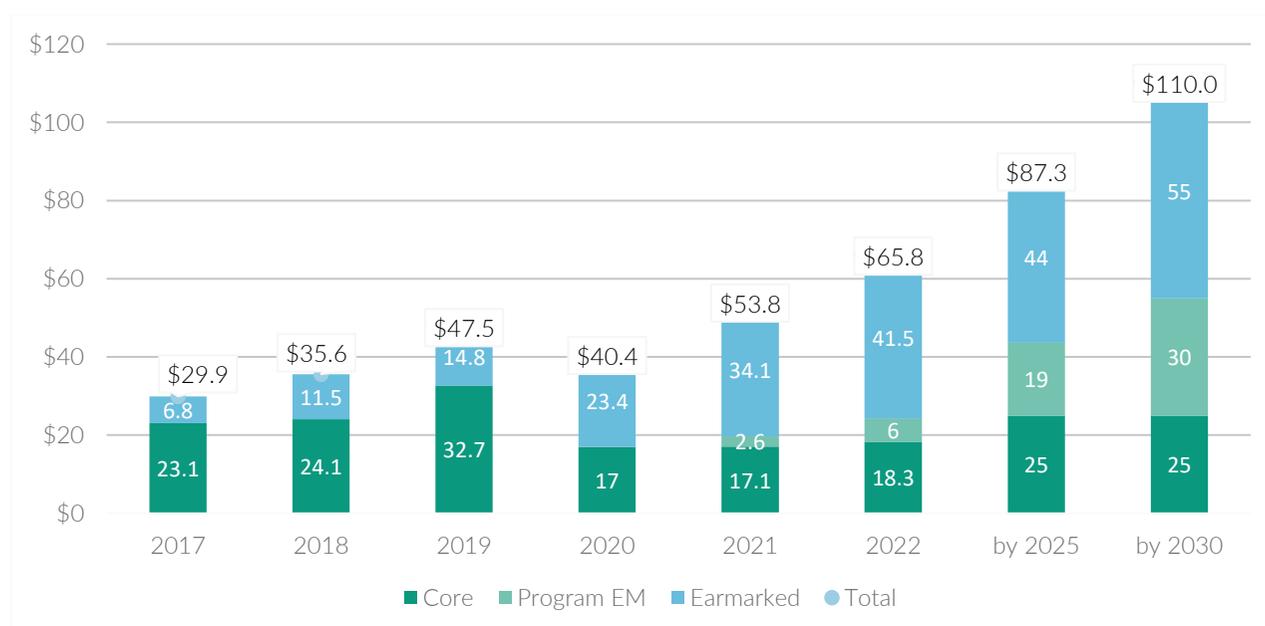


Table 1: Progress over WPB 2021-22 financial resourcing scenarios (income in Million USD)

Scenarios/ Funding source	Core	Program Earmarked	Project Earmarked	TOTAL
WPB 2021-22 Minus	36.1	6.6	89.2	131.9
WPB 2021-22 Base	47.2	6.6	96.2	150
WPB 2021-22 Plus	47.2	6.6	112.6	166.4
(a) 2021 Actuals	17.4	2.6	34.2	54.2
(b) 2022 Expected	18.3	6.0	41.5	65.8
(a) + (b) TOTAL	35.7	8.6	75.7	120.0

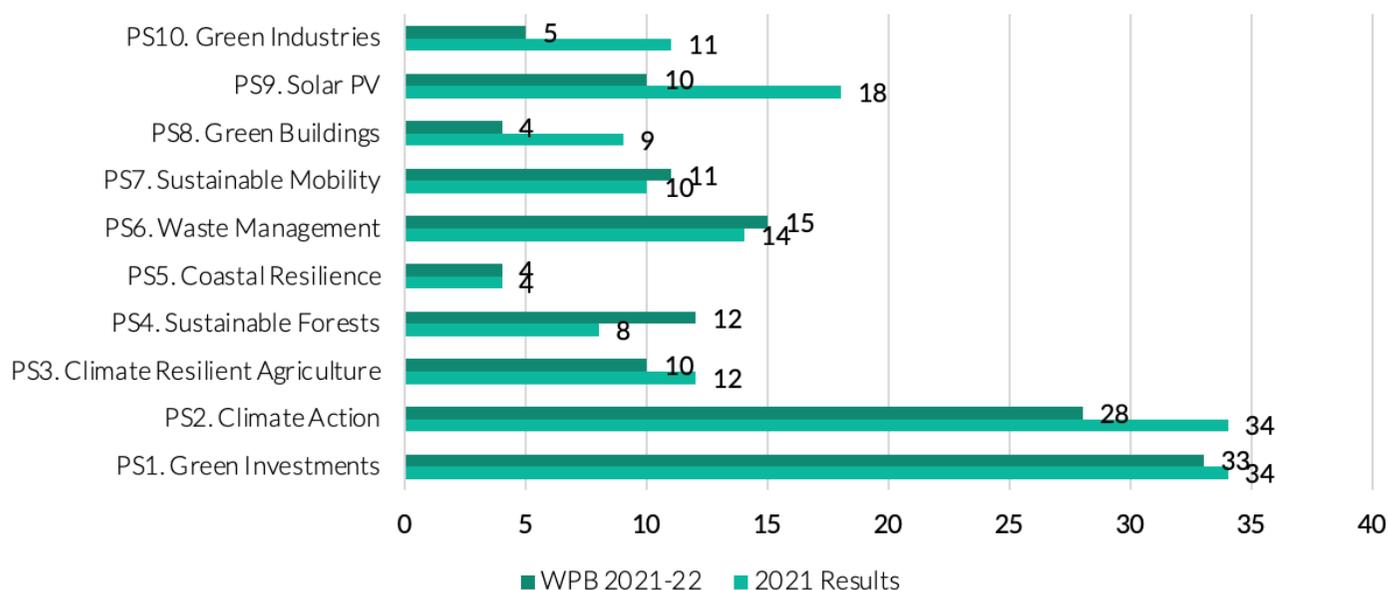
To mitigate the risk of continued reduction in Core funding from GGGI's core donors and/or a slowdown in either the implementation of earmarked funding or delays in signing of new contracts, GGGI has (i) put in place **sufficient reserves to weather a downturn in funding** in the short to medium term (ii) together

with the consistent raising of earmarked funding, both program and project (ii) GGGI has reduced its high dependence on core by consistently **investing in the development of its resource mobilization** and partnerships capacities. In addition, the Government of Korea will lead a **Core Replenishment drive** to increase the level of core funding for GGGI, targeting 16 countries most likely to provide core funding to GGGI based on past core contributions and current earmarked funding.

Programmatic Solutions Analysis

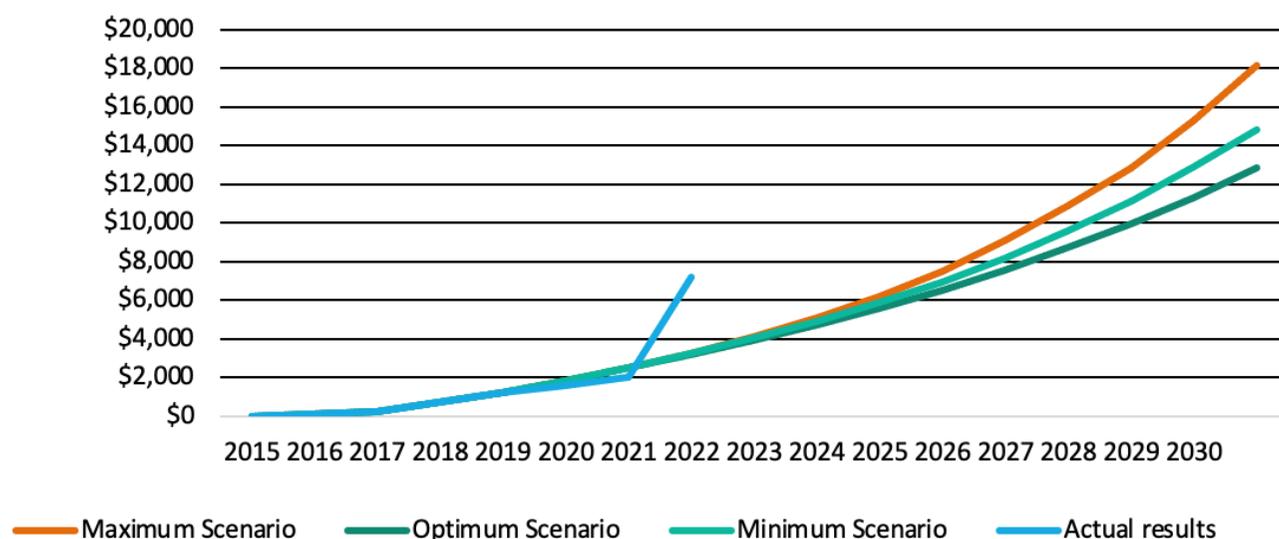
GGGI introduced **Programmatic Solutions** as part of Roadmap 2021-2025. At the end of 2021, GGGI's program portfolio was aligned with plans made in the 2021-2022 WPB. Differences included more countries adopting work on PS2. **Climate Action**, a result of the emphasis put on climate policy making in the run up to COP26, and increased programming on NDC enhancement, LTS-LEDS, MRV and Carbon pricing space; (iii) a larger number of countries targeting PS3. **Climate Resilient Agriculture**, compared with the initial estimate, (iv) a higher number of countries working on PS9. Solar PV compared with the initial estimate of (WPB 2021-2022). This is likely due to an increase in the broader "energy" areas of programming, with includes not only Solar PV, but also green hydrogen, BioCNG, and other sustainable energy related projects. To reflect this, PS9 has been renamed "**Renewable energy**" hereinafter.

Figure 5: Distribution of countries targeting Programmatic Solutions (Number of countries, 2021)



Committed Green Investment Scenario

Figure 6: Green Investments Commitments Scenarios vs. mobilized to date (Million USD, 2021)



GGGI's ambition under Strategy 2030 and Roadmap 2025 is to help mobilize investment commitments of **up to 5.6 billion USD by 2025 and USD 16 billion by 2030**, and the WPB 2021-2022 document stated an estimated **USD 1.94 billion** to be mobilized by end 2022.

Results as of end 2021 show a rapid acceleration of GGGI's investment mobilization with **USD 5.1 billion mobilized in 2021** alone, against a target of 700 million, and from 14 projects in 13 countries. Projects and National Financing Vehicles (NFV) accounted for a total of USD 373 million in initial investment commitments while green and sustainable bonds total to USD 4.6 billion mobilized from public and private investors. Since 2015, GGGI helped catalyze a total of **7.2 billion USD**. This – in part – is a result of GGGI's forecasted focus on financing instruments such as green and sustainable bonds, but also of its heightened attention to the delivery of large projects, as evidenced by the successful mobilization of commitments for projects in Colombia (USD 276 million).

At the end of June 2022, GGGI had built a cumulative pipeline of green investments **valued at USD 9.3 billion (3.6 billion probability weighted)**. Based on results at mid-year of USD 428.5 million, and reviewing the pipeline of projects under development, the total for 2022 is likely to be around USD 1.4 billion, significantly exceeding its 2021-2022 and 2025 targets.

Strategic Outcomes Targets

A primary focus of Strategy 2030 is to deliver and report on GGGI's impacts through the achievement of its **six Strategic Outcomes**, with impact targets developed for Strategy 2030 and Roadmap 2021-2025. The two figures below show GGGI's progress over its 2025 and 2030 impact targets, based on its results at the end of 2021. It is worth noting here that the **impacts from the large 2021 investment mobilization results from thematic bonds were not counted in GGGI's 2021 results**, as the allocation of proceeds was not yet made by related parties, and that the numbers displayed in Figure 7, 8 and Table 2 **will change**

significantly after impacts from bonds are added. This will be done as part of the 2022 Annual results reporting process.

Figure 7: Progress over 2017-2030 Cumulative SO Attributed Impact targets

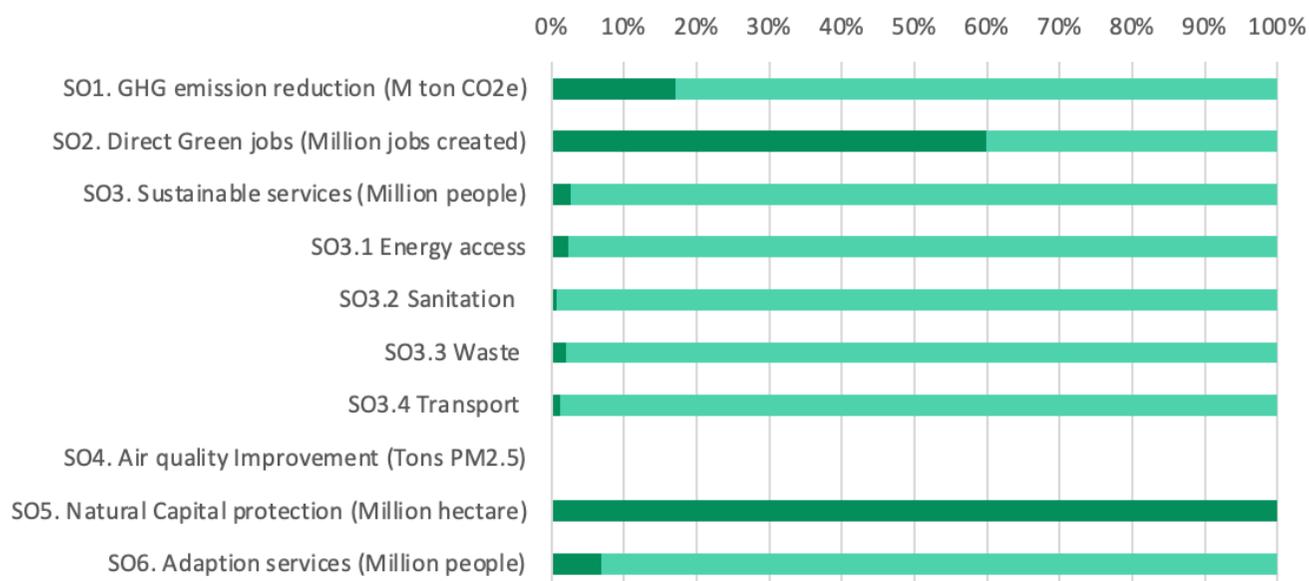
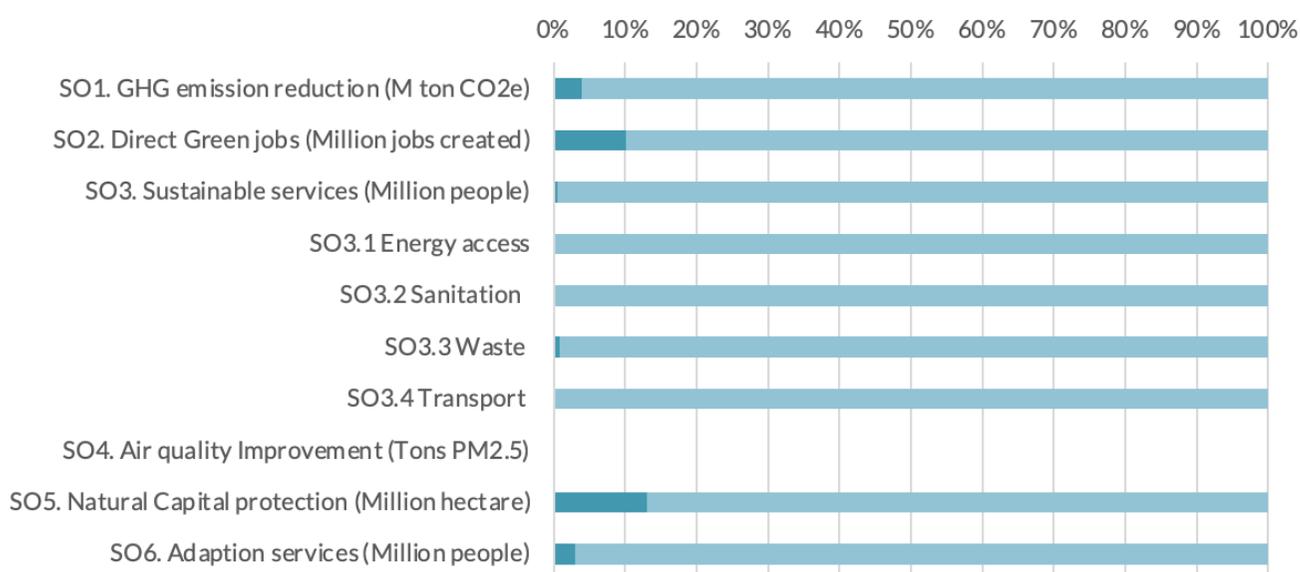


Figure 8: Progress over 2021-2025 SO Attributed Impact targets



As in Strategy 2030 and Roadmap 2021-2025, attributed impact targets were projected for the **WPB 2021-2022**. Table 2 below presents the 2021 progress against the various targets. 2021 is the first year that GGGI produces such organization wide impact assessments in terms of its Strategic Outcomes for the current year, (the first year of the new Strategy 2030), together with a “back-cast” for 2017-2021 – an effort to indicate the magnitude of past impacts using the same methodology.

Table 2: Progress over WPB 2021-2022 SO Attributed Impact targets (2021)

Strategic Outcome Targets	2021 Result	2021-2022 Target	2025 Target
SO1. GHG emission reduction (M ton CO2e)	11.91	85	300
SO2. Direct Green jobs (Million jobs created)	0.050	0.1	0.5
SO3. Sustainable services (Million people)	0.212	14	40
SO3.1 Energy access (Million people)	0.037	3	10
SO3.2 Sanitation (Million people)	0	2	4
SO3.3 Waste (Million people)	0.175	7	20
SO3.4 Transport (Million people)	0	2	6
SO4. Air quality Improvement (Thousand tons PM2.5)	NA	5	19
SO5. Natural Capital protection (Million hectare)	0.013	0.04	0.1
SO6. Adaption services (Million people)	0.059	0.7	2

Note: Not counting the attributed impacts to the 2021 green bonds (USD 5.1 billion mobilized)

Although GGGI's monitoring and reporting of attributed impacts is continuously improving over time, **it is still too early to draw conclusions on whether the organization is on track to meet its SO targets**, particularly as impacts from 2021 investment mobilization results from thematic bonds are not yet counted in 2021 results.² Despite this, impacts reported as of end 2021 show GGGI making progress towards the cumulative 2030 attributed SO impact targets (Figure 7) for SO1, SO2, and SO6, and has exceeded its SO5 target, while SO3.1, 3.2, 3.3 and 3.4 are experiencing slower progress.

Progress over attributed impact targets set for the periods 2021- 2025 (Figure 8) and 2021-2022 (Table 2) is also noted, with impacts counted in 2021 over attributed impacts targets for SO2, SO5, SO1 and SO6. SO3.1, 3.2, 3.3 and 3.4 targets are experiencing slower progress. Methodological guidance on SO4 impact estimations was finalized and endorsed in 2021 and has been applied to set corresponding 2022, 2025 and 2030 attributed targets. It will be applied in GGGI's results reporting as of 2022.

GGGI expects the quality and accuracy of these assessments to continue to improve as the organization gains experience. In 2023, together with the mid-term review of Roadmap 2021-2025, GGGI plans to **review and, where necessary, revise the methodology for SO impacts assessment**, with a view to improving the accuracy, based on several years of use, as well as experience gained by other organizations and documented in the literature. 2025 (and 2030) targets will also be reassessed and, when relevant, reviewed, based on two years of implementation of Strategy 2030, as it appears some targets may be modified to become more ambitious, while others may have been set too ambitious to begin with.

² GGGI is finalizing a methodology to allow these to be counted as part of its 2022 results and going forward.



4. GGGI's key priorities for the years 2023-2024

In line with Strategy 2030's ambition to shift in scale and level of ambition, and make a decisive contribution to SDGs and NDCs, **GGGI has set clear priorities and launched flagship initiatives to support its strategic goals** of (i) transforming the economies of its Members into a low-carbon and resilient economic development model and (ii) being recognized as a world class, effective, and agile intergovernmental organization.

For the 2023-2024 biennium, these include the **continuous scaling up of GGGI's green investment work and impact**, the support to a **decisive increase in climate ambitions and adaptation**, as well as to green recovery plans implementation, addressing the growing issue of food insecurity in countries affected, and accelerating the mainstreaming of Gender and Inclusion in our programming, while strengthening GGGI's ability to respond to the increasing global demand for its services.

4.1 Delivering green investment mobilization at scale

Financing instruments to scale up investment in Green Growth

Project preparation for green investments is one of the most significant ways GGGI can accelerate the green transition in its Member and partner countries, as the lack of bankable projects is widely recognized as one of the greatest global impediments to unlocking private sector billions, if not trillions. GGGI has devised new instruments to support the preparation of large investment projects.

In May 2021 GGGI internally launched the **Large Project Challenge** to accelerate the origination of large investment projects, with a minimum investment size of USD 50 million. The aim of this exercise was to stimulate GGGI's green and climate finance mobilization, which had been stagnant for several years, which would also boost the investment project pipeline. The first Large Projects Challenge projects selected jointly boosted GGGI investment project pipeline to **over USD 5 billion**, and it is currently valued at **USD 9.3 billion**.

The **Korea Green New Deal Fund (KGNDF)** Administration Agreement was concluded and signed between GGGI and the Republic of Korea Ministry of Economy and Finance (MOEF) in 2022 and \$25 million worth of proposals were signed in the first quarter of 2022. KGNDF is a great example of programmatic earmarking, using a **Trust Fund** as a funding mechanism. Its operational focus will ensure investment project

development reaches the finish line with required climate financing through needs assessment, master planning, feasibility study, project preparatory technical assistance, and policy/regulatory framework and required capacity building. **KGNDF** has emerged as one of the major funding windows for developing GGGI Global programs such as Green Hydrogen and BioCNG. It supports the systematic development of GGGI global programs through co-creation where similar activities in GGGI countries come together in the form of (multi-country, multi-year) programs in specific solution areas (e.g., Green Hydrogen, E- Mobility, Floating solar, Energy storage, Biofuels, Nature-based solutions etc.).

Green Bonds is an area GGGI is rapidly developing a global reputation in, having been recognized in 2021 for its support to the largest sustainability bond issuance in Peru, as of December 2021, funded through a partnership with the UK. In 2022, we have supported a private financial company in Vietnam to issue a green bond for USD 75 million and are working on a new partnership with the Government of Luxembourg for a USD 5 million green bond Trust Fund, to scale up issuances across multiple Member and partner countries.

THE ROLE OF GREEN BONDS IN CLOSING THE NDC AND SDG FINANCING GAP

The pandemic had a dramatic effect on the NDC and SDG financing gap in developing countries, which is estimated to have increased to USD 3.7 trillion by the end of 2021, a 50% increase compared to the pre-pandemic period.

Thematic bonds offer a novel approach to closing the development financing gap by leveraging capital market's potential to promote climate change mitigation and adaptation by setting policy incentives and de-risking measures to direct bond proceeds towards low carbon resilient projects and initiatives. With an estimated global capitalization of USD 129.3 trillion³, the bond market represents the main source of capital for sovereign governments and public and private financial institutions. Shifting only 2.8% of global issuances towards development financing gaps of developing countries would be sufficient to fill the NDC and SDG USD 3.7 trillion gap.

Green taxonomy and innovative financial solutions for the private sector, is also a growing area of demand, where GGGI started supporting both public and commercial banks in green taxonomy development as well as in developing a strong pipeline of bankable projects. The 2021 success of the **Peru Sustainable Bonds**, the world's largest sovereign sustainability bond, contributed to consolidate GGGI's role as an emerging leader in the sustainable finance space. GGGI's technical assistance is sought by governments, national development banks, local financial institutions, stock exchanges, and non-financial corporations to strengthen their capacity and systems to enter the green bond market. New GGGI-supported green bond and loan success stories – including the North American Development Bank US\$ 300 million Green Loan Program approved in June 2022 – show that the Peru feat was not a single outlier but a new strong product that GGGI will continue to offer. GGGI is engaged with a dozen counterparts to strengthen and grow thematic bond markets in developing countries. The main funders of GGGI's green bond technical assistance are the Green Climate Fund, the Government of the Republic of Korea, the Government of Luxembourg, the Government of the UK and the Andean Finance Corporation (CAF).

³ Bond Market Size » ICMA (icmagroup.org)

Table 3: GGGI Ongoing Green Bond Collaborations

	Country	Issuer Type	Bond Label	Funding
1	Colombia-Peru-Paraguay	Financial institutions	Green	Earmarked
2	Nicaragua	Sovereign	Green	Earmarked
3	Mexico	National Development Bank	Resilient	Earmarked
4	Ecuador	National Development Bank	Green	Earmarked
5	Ecuador	Sovereign	Blue	Earmarked
6	Peru	National Development Bank	Green	Earmarked
7	Saint Lucia	Sovereign	Blue / Green	Earmarked
8	Dominican Republic	Sovereign	Sustainability	Earmarked
9	Mexico - USA	Bilateral Development Bank	Green Loan	Earmarked
10	Viet Nam	Financial Institution	Green	Earmarked
11	Indonesia	TBD	TBD	Core

Becoming a leading player in international carbon trading facilitation under Article 6

Carbon Trading promises to be a significant area of harnessing finance in an economically efficient way as long as high-quality, fair trades are enabled, MRV systems are in place, and corresponding adjustments are agreed by governments. The Strategy 2030 Addendum added **Carbon Pricing** as a cross-cutting programmatic solution where GGGI has developed a globally recognized expertise in the piloting of carbon trading under Article 6 of the Paris Agreement, through its **Carbon Pricing Unit (CPU)**. Work in this area accelerated in 2022 thanks to the signing of a significant new agreement with Germany's International Climate Initiative (IKI) which focuses on establishing the trading architecture and potentially facilitating trades in four countries (Colombia, Pakistan, Thailand and Zambia). This builds on GGGI's currently established Article 6 programs supported by the Swedish and Norwegian governments.

GGGI intends to play a key role in accelerating global greenhouse emissions reductions by becoming a leader in catalyzing carbon trading under Article 6 of the Paris Agreement. We believe we are uniquely positioned to help **accelerate the uptake of carbon markets and transactions** in our Member and partner countries. GGGI developed a full concept to establish a **Carbon Transaction Platform** to help build a level playing field among platform members, to facilitate carbon transactions between buyers and sellers.

The **Carbon Transaction Platform** is envisioned to become a key enabler for GGGI Member countries to reach their net-zero, or carbon neutrality commitments. It is proposed as an umbrella program of GGGI's activities, such as capacity-building exercises and technical advisory services to originate and develop projects suitable for carbon transactions. The CTP's activities are organized and financed through three distinct modalities (a) earmarked projects to implement capacity building and technical advisory services, (b) trust funds to support capacity building and technical advisory services, and (c) trust funds to process

carbon transactions. GGGI completed three regional consultation webinars and a Global Event for the Carbon Transaction Platform (CTP). A global survey on Article 6 readiness was conducted, with inputs from over 70 participants across 29 Member and Partner countries; and an analysis paper with key findings will be published in Q3. The final decision to establish the CTP will be taken by the GGGI Council in October 2022.

4.2 Strengthening Climate Action and Adaptation

In recent years, GGGI supported 30 member and partner countries on **updating and enhancing NDCs** in the lead up to COP26. The year 2024 will mark the time for countries **to increase again the ambition of their climate commitments under their NDCs**, with a new round of NDCs updates and enhancements. In the meantime, GGGI will continue to provide support to Members and partners in establishing **Long-Term Low Emission and Resilient Development Strategies (LT-LEDS)** and targets toward mid-century carbon-neutrality in line with IPCC recommendations. This, in turns, should guide the next stage of NDC revisions, and GGGI expects to play an important role in **supporting NDC enhancement and ambition raise as well and transparency frameworks** and **MRV** work during the coming biennium.

GGGI's increased focus on **Adaptation** will help reduce exposure and vulnerability to climate change as a key concern for several GGGI Members and donors. The strong emphasis put in the 2023-2024 WPB on Climate Resilient Agriculture and Sustainable Forests is an indication that GGGI is **strengthening its work in this important area**. Further, GGGI will publish a strategic paper on its approach to climate adaptation in 2022 with the help of its Community of Practice on Adaptation that is hosted by CAID. While this is being elaborated, GGGI's adaptation practice can be understood under the following work areas¹) plan and analyze – working across National Adaptation Planning, **LT-LEDS**, with the application of its analytical and indexing tools; 2) design and invest – with focus on Climate Smart Agriculture, nature-based solutions, regional and scaled approaches for global challenges enable the organization to intervene to address the interactions between vulnerability and climate impact; and, 3) finance and influence – applying financing approaches to adaptation challenges. The organization is also building new areas of work to address the urgency of the climate crisis. New projects under development include approaches on "Anticipatory Action" and the connection between green growth, adaptation, and humanitarian relief.

With Senegal as the Chair of the Least Developed Countries (LDC) group in the UNFCCC negotiations until 2023, GGGI will continue to provide **climate diplomacy** support to the group, as a vehicle for ensuring climate action is in-line with LDCs needs and priorities. Moreover, with Indonesia chairing the G20 in 2022, GGGI has been supporting through the development of several background papers and expects to be supporting India as the new chair as of 2023.

4.3 Supporting Green Recovery Plans implementation

The urgent needs to 'build back better', greening stimulus packages, and supporting countries deliver their Paris Agreement commitments remain a high priority for GGGI. In 2022, we finally see steps towards post-COVID conditions, with more and more countries ending restrictions and opening their borders and

economies. At the same time, the war in Ukraine is expected to have large impacts on European budgets that may be diverted to support related costs.

Fostering a **Green Recovery** has been central to GGGI's Roadmap 2021-2025 and work program in countries since 2020. In the Addendum to its 2030 Strategy, GGGI reflected the importance of a Green and Resilient Recovery in the coming decade. By end 2021, GGGI had supported 15 countries in their Green Recovery efforts. In 2022, GGGI is estimating the impact of the recovery measures on NDC Mitigation and Adaptation targets and modeling future recovery scenarios to close the 1.5 degree of Celsius Gap and Green Jobs. Through its 2023-2024 work program, GGGI will **support member countries in accessing finance for green recovery projects** targeting the most adversely affected economic sectors.

For the preparation of WPB 2023–2024, as an effort to **scale up GGGI's impact in countries**, all country teams explained in their CBPs how their country programs will support a green recovery from the socio-economic impacts of COVID-19 and accelerate the pace of change towards the achievements of NDCs and SDGs. They also provide forecasted achievements in terms of investment mobilized, policies adopted and estimated impacts on GGGI SOs. GGGI programs in 2023- 2024, under the Base scenario, are expected to create more than **110,000 direct green jobs** the majority of which in Asia, and Africa, directly contributing to the economic recovery from the pandemic and other crises.

4.4 Tackling growing Food Insecurity

One of the direct effects of the conflict in Ukraine is the rise of **food insecurity**. Food insecurity is set to become a worrying trend, with 1.7 billion people– 553 million of which are already poor, and 215 million are already undernourished – are severely exposed to at least one of the Ukraine crisis's three global channels of transmission: rising food prices, rising energy prices, and tightening financial conditions. Given elevated levels of socioeconomic stress following the COVID-19 crisis and unfolding impacts of climate change, just one of these channels is enough to trigger collapse – debt distress, food shortages or blackouts. Exposure is present in most developing countries, no matter the level of income or the geographical location, with a third of the world's countries severely exposed, including 35 LDCs and 40 SIDS. GGGI has active programs in countries likely to be affected by food insecurity, particularly, but not limited to the Sahel region.

GGGI's programming in 2023-2024 is designed to help, whenever possible, to address these challenges. Through its growing portfolio of **Climate Resilient Agriculture** projects, countries could potentially help address the consequences of food shortages in this region if they do indeed arise, potentially partnering with specialized agencies like the World Food Program.

4.5 Accelerating Gender Equality and Social Inclusion

GGGI's **Climate Action and Inclusive Development (CAID)** unit leads the mainstreaming of Gender Equality and Social Inclusion (GESI) in GGGI's work, for which project level **Gender and Poverty Policy Markers** were introduced in 2019.

The 2021 – 2025 GGGI **Gender and Social Inclusion Strategy** and 2021-2022 Action Plan took effect in January 2021, which further brings GESI into alignment with Strategy 2030. The strategy provides a basis to further raise capacity across GGGI and identify expected social impacts and co-benefits associated with GGGI's Programmatic Solutions.

GGGI led the establishment of a **Gender Expert Group** on the Green Growth Knowledge Platform (GGKP) and has acted as its first Chair, which continues to position GGGI as a global leader in Gender-Just Transitions with the aim to, in collaboration with leading Green Growth/Green Economy institutions, develop tools and models in support of Members and Partners achievement of SDGs.

GGGI continues to enhance its capacity to effectively manage and measure results on gender and social inclusion with the relevant indicators in the Corporate Results Framework. We have taken incremental steps moving towards a results framework that allows for the measuring of impact on people and communities impacted by GGGI's program. Output level indicators now aim to measure number of people impacted by GGGI's program disaggregated by sex. GGGI has also set targets for gender and poverty aiming for 75% of projects to have significantly incorporated gender and poverty respectively. This is measured by the application of the gender and poverty markers, and GGGI will continue to improve markers application and raise awareness and capacity across country and sector level teams to meet these targets.

In 2021, GGGI also introduced a new policy on gender and diversity in events and knowledge generation, aiming for at least 1/3 female speakers, not including chair/moderator roles, and the number of capacity building activities that ensure representation of relevant/key stakeholder groups as well as low-and middle-income countries and small island states.

GGGI also tracks the number of capacity building activities that have at least 1/3 female speakers, not including chair/ moderator, and the number of capacity building activities that ensure representation of relevant/key stakeholder groups as well as low- and middle-income countries and Small Island Developing States (SIDS).

In the 2023-2024 WPB, GGGI's commitment in mainstreaming gender and social inclusion across its operations and programs remains strong, with all CBPs specifically outlining how they intend to account for GESI in their programs in alignment with Global Operational Priority 5 of the 2030 Strategy. It would be reinforced further under the Base with Core replenishment scenario by a dedicated allocation of Core funding.

4.6 Strengthening GGGI's Core Funding Base and Experts

Launching a Core Replenishment Drive

Core funding available to GGGI has gradually declined over the past years, while earmarked funding is growing fast. The share of core funding available for the organization has declined from about 80% in 2017-18 to about 27% in 2022. While the continuing growth in earmarked project and program funding is well aligned with GGGI Member demands as set forth in Country Planning Framework documents and in Country Business Plans, an important drawback of earmarked funding is earmarked funding cycle is slow and does not allow GGGI to respond rapidly to changing circumstances or Member demands. In addition, earmarked projects tend to follow well established track records and are not as amenable to explore new areas or start innovative new projects or new areas of intervention.

GGGI's Management together with the ROK government has launched an initiative to replenish the organization's Core resources, the **Core Replenishment Drive**. Launched on June 10, 2022, by GGGI's President and Chair, Dr. Ban Ki Moon, the Drive targets 16 countries that have previously provided core contributions or are currently providing earmarked funding to GGGI. It targets to mobilize additional core funding for GGGI amounting to **USD 20 million per year**, in addition to the current baseline of USD 15 million per year. The additional core funding would be allocated to (i) increased programming in existing vulnerable Member countries (ii) starting operations in new Member countries and (iii) to support global / cross-country programming and institutional priorities.

Managing our knowledge and expertise through Global Practices and Communities of Practices

As part of the implementation of Roadmap 2025, the Investment and Policy Solutions Division (IPSD) was refocused in 2021 as a group of **"Global Practices"** and **"Communities of Practices"** aligned with the Programmatic Solutions of Green Investments (PS1), Climate Action (PS2) and Poverty Eradication and Gender Equality (GOP 5). GGGI now has six (6) Communities of Practice and three (3) Global Practices. Global Practices offers cross-cutting services on key areas of GGGI engagement, aligning with the Global Operational Priorities of Green Investments, Climate Action and Poverty Eradication and Gender Equality, while Communities of Practice are webs of thematic experts brought together to provide specialist advice, quality assurance, technical guidance, knowledge sharing, as well as support to the development of strategic partnerships and relevant business development on each of GGGI's 11 Programmatic Solutions. Their focuses and work are presented in detail in Section 7.4.

5. Overview of Work Program and Budget 2023-2024

5.1 Planning Process

GGGI launched its WPB 2023–2024 preparation process in February 2022 following several consultations with staff and the Management Team. The WPB 2023-2024 Guidelines were shared internally to guide the overall process, timeline, and instructions for preparing inputs required for WPB 2023-2024 with the indicative budget resource envelope. The WPB Planning Directions were prepared and presented to GGGI's Management Programme Sub-Committee (MPSC) on April 28, 2022, and the Draft WPB 2023-2024 package was presented and discussed at the MPSC meeting on July 7, 2022. Key features of the final WPB 2023–2024 package include:

- (i) **An Overview of the Work Program and Budget 2023-2024** to present a summary of the three budget scenarios (**Base**, **Base with Core Replenishment** and **Plus** scenarios).
- (ii) Details of the **three (3) fully developed scenarios** including Resource allocation, Program analysis and estimates of Results and Impacts on against GGGI Strategic Outcomes and Targets set in the 5-Year Roadmap 2021-2025.
- (iii) **Country Business Plans (CBPs) and Global Business Plans (GBPs)** which have been prepared by all programmatic teams across GGGI using the templates provided in **Attachment 1**. Business plans are aligned with the Base Scenario, which is the most realistic scenario, and outline planned programs and indicative projects in GGGI Member and partner countries for the next biennium, as well as corresponding results and impact estimates.⁵

The **WPB 2023-2024 Budget Scenarios (Base, Base with Core Replenishment and Plus)** are presented in **Appendix 1**. The allocation covers the organization's overall revenue and expenditure for programmatic and non-programmatic activities through a combination of Core, Project earmarked and Program earmarked funds. The Base scenario sets forth a conservative yet most realistic estimate.

5.2 Overview of Resource and Allocation

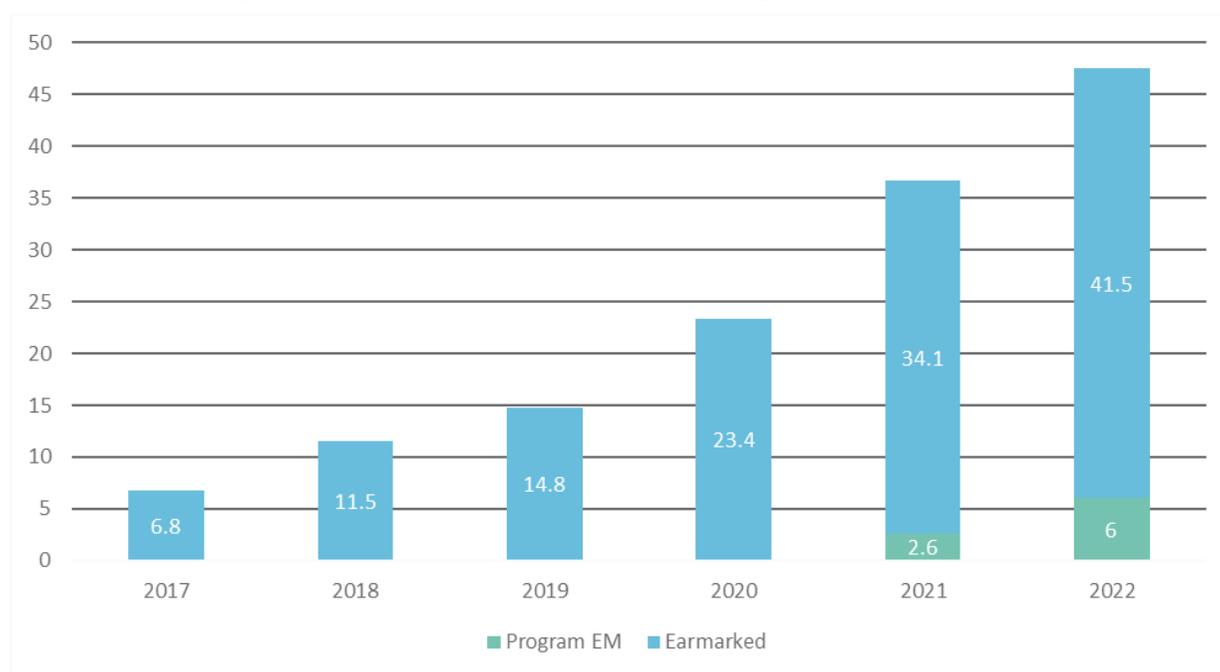
Background funding trends

In its early years, GGGI was primarily funded by Core funding, together with Earmarked funding from two key donors (the UAE and Norway). Core funding on average amounted **between 80% - 90% of total funding for the period up to 2016**. Beginning 2017, GGGI began to see large decreases in its Core funding. This trend was in keeping with global funding trends where many donors preferred to earmark their contributions. GGGI at that time did not have a large, earmarked funding base. This trend accelerated in recent years, a result of the significant challenges that governments are facing with in their response to the COVID19 pandemic and other crises.

⁵ While budgets in CBPs and GBPs represent GGGI teams' best estimate of highly likely resources available for their programs in the next biennium under the Base scenario, the earmarked budget of the Base scenario has been further reduced by 10% considering GGGI's historical budget increase rates.

GGGI put in place a **long-term strategy to replace lost core funding** by increasing its funding base through new earmarked funding. That strategy proved to be successful as demonstrated by the remarkable growth in **Earmarked funding** over the period 2017 – 2022. Earmarked funding has increased sevenfold over the period from USD 6.9 million in 2017 to a projected USD 47.5 million in 2022 as seen in the chart below. GGGI has increased the total number of resource partners for GGGI from 5 to about 30 in 2021 and expects it to increase again in 2022. New earmarked funding commitments in excess of USD 60 million were signed in both 2020 and 2021.

Figure 9: Evolution of GGGI Earmarked Funding 2017-2022 (Million USD)



In addition to increasing the amount of project earmarked funding, GGGI has also solidified its funding base by introducing **Program Earmarked Funding**, which GGGI received for the first time in 2021. Program earmarked funding differs from project earmarked funding in the degree of flexibility in its use, with the use of program earmarked being more flexible. It usually refers to funds given for a specific programmatic area or region or a combination of both. Use of these funds within the attributed program or region is generally unconstrained.

GGGI also established **Multi Donor Trust Funds (MDTF)** as another source of funding for its programmatic activities. A MDTF is a fund established by GGGI to manage funds on behalf of a donor or a group of donors. The MDTF can receive contributions from either a single or multiple partners. The MDTF then allocates such resources to support specific national, regional, or global development priorities as agreed with donors. The MDTF may transfer funds to implementing entities on behalf of the donor/s or it can utilize GGGI as the implementing entity or it can be a combination of the two. If GGGI is the implementing entity for the MDTF, as in the case of the GGGI Korea Green New Deal Fund, GGGI accounts for the funding as program earmarked.

The impact on GGGI of the increase in project earmarked funding and the coming on stream of both program earmarked funding and the establishment of MDTFs, has been not only to continue to be able to fund programs and project formerly funded with core, but also to **significantly expand programmatic activity**. Looking ahead to the WPB 2023-2024 period, **the funding trend outlined above is forecast to continue**, with increasing program and project earmarked funding. For the reasons above, program earmarked funding will continue to be an expanding ever-important source of funding for GGGI and, to an extent, will compensate for the reduction in Core funding.

Despite this, **Core resources remain the highest value form of resources for GGGI**, as it is unrestricted funding contributed to support GGGI's operations which can focus on organizational priority setting and building coherent programs with the maximum flexibility. The continued decrease in Core funding is considered a critical risk for GGGI, as adequate core enables us to maintain our agility and responsiveness to Members' requests and to scale up GGGI's response to emerging global priorities.

Limitations to GGGI's work because of limited core funding can be summarized as follows:

- **Minimal country core budgets**, which means the flexible resources to respond to government demands or initiate new projects are very low.
- **No new Member budgets**. When new countries join as Members, GGGI no longer has core resources to initiate a country program. While GGGI has been successfully developing earmarked projects in several cases, it does delay action on the ground- often for several years and is not successful in all cases.
- **Minimal global program / IPSD budgets**. Given that most earmarked funding is highly focused on country level action, GGGI currently has minimal core budgets to develop and maintain a small set of in-house tools and models to support country work and maintain central expertise to support country work in the key programmatic solutions, or to support knowledge sharing across countries. While 8 Global Programs were initially envisioned in Strategy 2030, GGGI has been able to launch and maintain only a small number of these. That is the reason why GGGI, in conjunction with its host Government of the Republic of Korea, has launched in 2022 a major campaign with the aim of increasing GGGI's core funding base: the **Core Replenishment Drive**.

Funding scenarios

For its 2023-2024 WPB, GGGI presents **three funding scenarios: Base, Base with Core Replenishment and Plus scenarios.**

Table 4: Summary of WPB 2023-2024 Budget by Scenarios (USD' million)

	Base Scenario	Base Scenario with Core Replenishment	Plus Scenario
Core	36.8	61.8	36.8
Program Earmarked	12.8	12.8	16.4
Project Earmarked	109.0	109.0	150.4
Total	158.6	183.6	203.6

- The **Base** scenario is GGGI's most realistic scenario with the best estimation of likely funding levels for the period while the **Base Scenario with Core Replenishment** and the **Plus** scenarios are aspirational targets for growth. All scenarios present a balanced budget with projected income equal to projected expenditures.
- The **Base** and **Base with Core Replenishment** scenarios differ in that the latter assumes a core replenishment campaign launched in the second half of 2022 will be successful and will mobilize USD 20 M per annum starting 2024. It is assumed that an additional USD 25 million over the biennium period will be raised (USD 5 million in 2023 and USD 20 million in 2024). The amounts of program and project earmarked remain the same under both scenarios.
- The **Base** and the **Plus** scenarios assume an identical level of Core resources under both scenarios. The Plus scenario includes additional projects that are in the pipeline with reasonable expectations and assumes no funding from the Core replenishment drive.

It should be noted, that based on GGGI's experience, some of the earmarked project funding included in the estimated revenue streams will either come on stream later than anticipated or may not materialize. At this stage, it is not possible to know which projects or for which countries that is likely to be. Thus, the actual detailed operating budgets which will be developed for both 2023 and 2024 will likely be less than the overall total envelope approved by the Council. The Council decision de facto establishes **an upper boundary for each country budget rather than a budget guarantee**. The operational budgets for individual countries and units will be in line with the approved envelope with some country budgets being less because as noted above either the projected earmarked funding is delayed or has not been approved.

Earmarked funding in all three scenarios is based on a combination of either signed agreements or projects in the project pipeline in GGGI's Constituent Relationship Management (CRM) system. The pipeline comprises detailed concrete project proposals/concept notes following ongoing discussions with clearly identified donors. The primary difference between the Base and Plus scenarios is the degree of prudence exercised by management in their estimation of likely earmarked funding to come on stream, and corresponding amounts.

The detailed WPB 2023-2024 Budget Scenarios (Base, Base with Core Replenishment and Plus) by country and unit are presented in **Appendix 1**.

Overhead (Non-Programmatic Costs)

GGGI defines overhead or non-programmatic costs as the **costs of the Office of the Director General (ODG) and the Operations Enabling Division (OED) division**. ODG comprises of: Governance; Strategy, Partnership and Communications; and the Green Climate Fund (GCF) Liaison Unit. OED includes Office of the Assistant Director-General; Legal services; Finance including procurement; Human Resource Management; Administrative Services, and Technology Services.

In the not-for-profit sector, a primary measure of efficiency is the **ratio of non-programmatic costs as a percentage of programmatic costs**. The lower the percentage the greater the efficiency of the organization. Over the past number of years, GGGI has taken specific actions to reduce the share of non-programmatic costs to 15%, in line with global standards – **non-programmatic spend has been reduced from 32% in 2016 to 15% in 2021 and is projected to remain at 15% for 2022**. This is ahead of the GGGI Council directive to bring non-programmatic costs down to 15% by 2023. This has been achieved primarily by investing in new systems; thereby automating many of its key processes including its project management information system (GGGI Online). This has enabled the reduction of staffing levels in many of its back-office units. GGGI is committed to **full cost recovery**. By this, we mean that the overhead rate charged on earmarked projects should match the real cost of providing back-office support to these projects, so that there is no subsidy of core resources to earmarked projects. Based on this principle the MPSC at their meeting in July 2018 approved an earmarked project overhead rate of 7% for GGGI's core donors and a rate of 15% on earmarked projects for non-core donors.

Reserves

The Council in August 2022 approved a working capital level of USD 20 million for GGGI. On January 1, 2021, GGGI had USD 20.1 million in reserves comprising of USD 15 million of working capital and USD 5.1 million of retained surplus. Following the August 2022 Council decision, GGGI has USD 20 million of working capital and USD 0.1 million of retained surplus. The USD 20.1 million represented 101 days of expenditures against an international benchmark of 90 – 180 days for working capital cover. The 2022 Operating budget is a balanced budget with expenditures being matched by revenues. GGGI is now projecting an operating surplus for 2022 of USD 0.5 million. Thus, GGGI expects to have reserves of USD 20.6 million at the beginning of the new WPB 2023-2024 period.

As GGGI operating expenditures continue to increase, reserve days will fall. If GGGI expenditures reach the annual base budget level of USD 79 million, reserve days will fall to 96 days which is towards the bottom end of the benchmark of 90 – 180 days. However, we note that annual operating expenditures are generally less than the approved upper limit in the approved WPB.

6. Scenarios Analysis for WPB 2023-2024

6.1 Base scenario – Resource allocation

Under the **Base Scenario** current estimates show a total indicative budget for the next biennium of **USD 158.6 million** comprising **23% core, 8% program earmarked** and **69% project earmarked**. This represents a total increase of USD 26.7 million or 20% compared to WPB 2021-2022 (Minus Scenario) and reflects the evolution of GGGI's funding sources: from a core funded organization to a predominantly earmarked funded one. For the 2023-2024 biennium, core resources are estimated at USD 36.8 million, program earmarked resources at USD 12.8 million, while project earmarked resources are estimated at USD 109.0 million. These are set out in Appendix 1.

Core Resources

GGGI traditionally was funded by five key core donors. These are **Korea, Norway, Denmark, the United Kingdom (UK) and Australia**. Following a change of government in Australia in 2020, GGGI lost its Australian core funding from 2021. In addition, GGGI was notified by the UK in March of 2022 that it would be unable to continue to provide core funding to GGGI at this current time. We are assuming for the biennial period under the Base Case Scenario that neither Australia nor UK will contribute core funding but that we will continue to receive core from Korea, Norway, and Denmark. Our best estimate of core funding is **USD 36.8 million** (inclusive of overhead recovery and investment income) for the biennium period or USD 18.4 million per year. This comprises the following:

Table 5: Core Resources for the period 2023-2024 (USD M)

Country	2023	2024	2023-24
	USD'M		
Korea ⁶	10.0	10.0	20.0
Norway ⁷	1.8	1.8	3.6
Denmark ⁸	1.5	1.5	3.0
Overhead recovery ⁹	4.7	4.7	9.4
Investment ¹⁰	0.4	0.4	0.8
Total	18.4	18.4	36.8

6 The annual core contribution from Korea is USD 10 million level. We are assuming that this will continue for both 2023 and 2024.

7 Norwegian funding of NKR 16.0 million per year was approved as part of a three-year core funding commitment to GGGI for 2021 through 2023. We are assuming that the annual amount of NKR 16.0 million will continue for 2024.

8 The Danish core contribution in 2022 amounted to DKR 10 million which is the third year of a core funding contribution agreement signed with Denmark in December 2020 for the period 2020-22. Denmark has recently carried out an intuitional review of GGGI and it is assumed that the current level of core funding will continue into the biennial period. The current uncertain financial situation in Europe in dealing with the impact of the Ukrainian war means that the Government of Denmark may have other funding priorities which makes this contribution uncertain

9 Overhead costs are recovered at the rate of 15% on earmarked projects from non-core donors and 7% from core donors. A rate of 15% is in line with GGGI's true overhead costs which are projected to remain at the 15% level for the period. Recoveries Overhead recoveries are treated as core resources for GGGI and used to fund non programmatic costs. Overhead recoveries are projected to increase to the USD 4.7 million level per year for the biennial period. This is in line with the projected increase in earmarked funding.

10 Investment income is projected to be at the USD 0.4 million per year.

Allocation of Core Resource

Core allocations approved in the WPB are provisional estimates, dependent on revenue to be realized, and are committed through management approval of the annual operational budget and pertinent projects and programs.

GGGI has a Council approved target of allocating 50% of its Core programmatic resources to LDCs and 60% to vulnerable countries (LDCs, SIDS and LLDCs). In 2021, GGGI was unable to meet either of those targets as with the decreasing share of Core in GGGI's overall funding, programmatic Core has lost its primary role as a programmatic budget allocation tool. Instead, Core funding has taken on a key role to (a) safeguard the integrity of the GGGI program; (b) originate new projects strategically and more rapidly through the internal PIN process (as earmarked project approval tends to take long) and (c) mitigate other key risks that may arise during the year.

For this WPB, the **methodology for allocating Core resources** has been adapted to reflect the reality of minimal core resources available (under the Base and Plus scenarios): rather than using past core budgets as the primary basis for allocation, **a standard base amount of USD 200,000** in core has been initially proposed for all countries where GGGI has a fully developed country program. A **smaller allocation of USD 100,000** per country is planned for "start-up" locations, where GGGI operations are not yet fully developed into country programs, and for some smaller countries. The use of the core allocation is guided by management approval process for projects and programs as described in its Project Cycle Management (PCM) framework.

In addition to the standard base amount of USD 100-200 thousand per country, management proposes to reserve (retain) an amount of **USD 2 million of core funding** to be allocated in a targeted way, based on needs (i.e., shortfalls in earmarked funding) and institutional priorities to respond to rapidly changing conditions in the external environment. As it is difficult to forecast with certainty which earmarked proposals currently submitted but not yet approved by donors for the entire WPB period of 2023-2024, this relatively small amount of funding will provide GGGI with a modicum of adaptability to respond to needs and ensure the consistency and integration of its agenda.

Program Earmarked Resources

Program earmarked funding of USD 12.8 million comprises of funding from the GGGI/Korea Green New Deal Trust Fund (USD 9 million); Luxembourg (USD 2 million) New Zealand (USD 1.7 million); and Denmark (USD 0.2 million).

Korea will provide funding of up to USD 10 million for the biennium period for the GGGI/Korea Green New Deal Fund. The funding agreement with the Ministry of Economy and Finance (MOEF) was signed in March 2022 and the first round of projects to be funded out of the KGNDF funds were submitted to MOEF in March 2022. It is assumed that a full set of activities will be operational in both 2023 and 2024 with an amount of close to USD 5 million per year. For prudence it is assumed that up to USD 1.0 million will be carried over into subsequent accounting periods.

New Zealand is providing NZ\$ 4.7 million (USD 3.5 million) for the period August 2020 to mid-2023 for activities in the Pacific region. The funding will help Pacific countries over the next three years to plan effectively for low-emission, climate resilient futures. It is assumed that this funding will be maintained from mid-2023 and a new agreement signed which will cover the period to at least the end of 2024. The amount currently estimated from NZ is USD 1.7 million for the period.

Denmark currently provides program earmarked funding for activities in India, Thailand, Indonesia, Ethiopia, Uganda and Burkina Faso. The current funding agreement comes to an end if 2022 but it is assumed that it will be renewed to cover the period 2023-2024. However, countries have taken a very conservative approach and have only included an amount of USD 0.2 million for the period.

It is anticipated that **Luxembourg** will provide USD 2M; USD 1.0 million for a regional program in the Pacific and USD 1.0 million for a global Green Bond Program.

Project Earmarked Resources

Project earmarked funding continues to increase and is projected to be USD 109 million over the biennium or USD 54.5 million on average per year. This compares to a budgeted amount of USD 44.4 million in 2022 which is an increase of USD 10.1 million or 23 percent increase year on year and in line with recent growth trends in project earmarked funding. Also, of particular note is that the number of new donors continues to increase. Table 6 contains a list of the top twenty donors project earmarked donors for the 2023-2024 period.

Table 6: Top Twenty donors – Base Scenario (USD M)

Resource Partner	Project	Base Scenario	Country
Green Climate Fund	Readiness program; National Adaptation Plans (NAPS)	19.7	Angola, Cote D'Ivoire, Burkina Faso, Ethiopia, Rwanda, Jordan, Morocco, Colombia, Mexico, Caribbean, Dominica Republic, Guyana, Indonesia, Lao, Sri Lanka, Thailand, Mongolia, Kyrgyzstan, Philippines, Fiji, Vanuatu, PNG, and Kiribati
Korea/ KOICA	Waste management Lao; Agriculture value chains Philippines, SL Ethiopia, Aral Sea Uzbekistan, Capacity building Pacific region and LAC region;	18.4	Lao, Philippines, Nepal, Uzbekistan, Kyrgyzstan, Pacific region, LAC region, Uganda, Ethiopia, Jordan
Germany/IKI	Supporting Preparedness for Article 6 Cooperation (SPARC6) Asia Low Carbon Buildings Transition Project	9.3	Colombia, Zambia, Pakistan, Cambodia, Vietnam, India, Indonesia, Thailand
Qatar / Qatar Fund for Development	Qatar country program/QFFD	9.4	Qatar, Pacific region, Caribbean region, Senegal
Korea / Ministry of Economy and Finance	Korea Green New Deal Fund Program	9.0	Global

Luxembourg	Solar Power-Driven Access (Vanuatu); Green Bonds in Vietnam; Waste to Resources in Rwanda; Luxembourg Program (Pacific region and Global)	6.6	Vanuatu, Vietnam, Rwanda, Pacific region, Caribbean
Norway	Country program Indonesia & Colombia; Support GRIF; Agroforestry Peru; Article 6	5.0	Indonesia, Colombia, Guyana, Peru, Article 6 (Global)
AKCF	Solid Waste	5.0	Lao, Philippines, Cambodia, Thailand, Vietnam, Asia region
European Union	Greening Uganda's urbanization & industrialization; Switch project in garment sector of Cambodia	4.8	Uganda, Cambodia, Vietnam, Cote D'Ivoire, Hungary
Canada	Nature based solutions Indonesia, Climate Finance Access Network Pacific	4.7	Indonesia, Pacific region,
Australia/ DFAT	Climate Resilient Green Growth in Papua New Guinea	4.3	PNG
SIDA and Swedish Energy Agency	MRV and Article 6	3.4	Burkina Faso/ Article 6
United Arab Emirates	UAE Country program	3.0	UAE
Korea/ Ministry of Agriculture Food and Rural Affairs	Climate Smart Agriculture in Senegal	2.5	Senegal
FCDO/UK BEIS	Scaling up Green Growth Policy implementation in Colombia; Expansion of CO2 Accelerating development of new bioeconomy businesses (Colombia); Accelerating Green Finance (Mexico); Creation of a Transitional Climate Finance Unit (Uganda)	2.1	Colombia, Mexico, Uganda
New Zealand	Renewable Energy; Program LECRD	1.9	Indonesia;
Bill and Melinda Gates Foundation	Promoting City-Wide Inclusive Sanitation through Climate Resilience and Green Growth	1.8	Senegal, Nepal
GIZ	Pacific NDC Hub, ASEAN Municipal Solid Waste, Mongolia NAMA Facility	1.7	Pacific region, Mongolia, Lao
UNEP	CBIT, GGKP	1.5	Fiji, Global
USAID/ US State Department	Narmada Landscapes Restoration (India); Sustainable Rural Electrification (Fiji); Mini-Grid Feasibility Studies (Tonga)	0.9	India, Fiji, Tonga
Others		6.8	
Total		121.8	

The budget does include several safeguards that mitigate against the risk of resources not materializing.

1. Of the total of USD 158. million approximately USD 79 million, or 50%, is for staff costs. New hires amounting to USD 17.3 million will only proceed if the earmarked funding is secured and comes on stream.
2. In addition, also included in the total of USD 109.0 million of project earmarked funding is USD 61.1 million operational costs. These costs will only be incurred if the earmarked funding is secured and comes on stream.
3. If core resources of USD 36.8. million are not realized, GGGI will still have sufficient reserves to allow for an orderly restructuring of GGGI's program portfolio, staffing, and other expenditures. Management is forecasting USD 20.6 million in reserves at 31 December 2022.

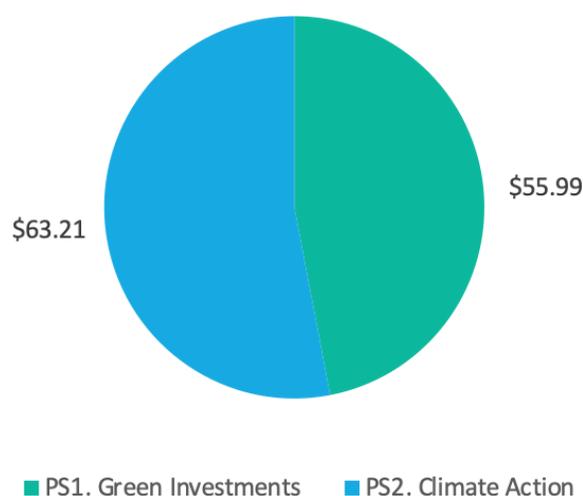
6.2 Base scenario – Programmatic Solutions Analysis

This section presents an analytical perspective of the 36 Country Business Plans and 2 Global Business Plans prepared as part of WPB 2023-2024 and submitted under the Base Scenario.

It provides an overview of thematic focuses of GGGI's programming in the coming biennium, through Programmatic Solutions and planned impacts over GGGI's key intermediate outcome (IO1. Green investment commitments mobilization) and six Strategic Outcomes, at global and regional levels. The prioritization trends that appear programmatically and geographically are reviewed against Roadmap 2021-2025 and Strategy 2030 targets.

The analysis of the CBPs has shown, for the 2023-2024 Base Scenario budget, a total of 183 projects across 36 countries. All GGGI projects must be mapped to either or both Green Investments (Programmatic Solution 1) and Climate Action (Programmatic Solution 2), corresponding to priority focus areas for GGGI under Strategy 2030.

Figure 10: Distribution of GGGI's 2023-2024 portfolio between Programmatic Solutions 1 and 2 (BASE, USD M)



GGGI's 2023-2024 global portfolio is expected to remain balanced, overall, between projects targeting Climate Action (PS2) and policy and Green Investment (PS1), with a stronger focus on Green investment in Latin America and the Caribbean (LAC) and the Pacific, while Middle East and Europe (Other regions) focus primarily on Climate Action and policy.

Figure 11: Distribution of GGGI's 2023-2024 portfolio per Programmatic Solutions 3-11 (BASE, USD M)



The 2023-2024 budget distribution across Programmatic Solutions 3 to 11 indicates that **Climate Resilient Agriculture (PS3)** is expected to account for GGGI's largest programmatic solution, with a budget close to USD 19 million, followed by **Waste Management (PS6)**, **Carbon pricing (PS11)** and **Sustainable Forests (PS4)** (Figure 11).

This distribution reflects the **growing importance of climate adaptation in GGGI's portfolio**, driven by projects of larger size in Asia and Africa. The recent growth of GGGI's carbon pricing activities under the Carbon Pricing Unit is also well reflected. It aligns with GGGI's institutional priorities set for the biennium.

Growth and expansion of Programmatic Solutions

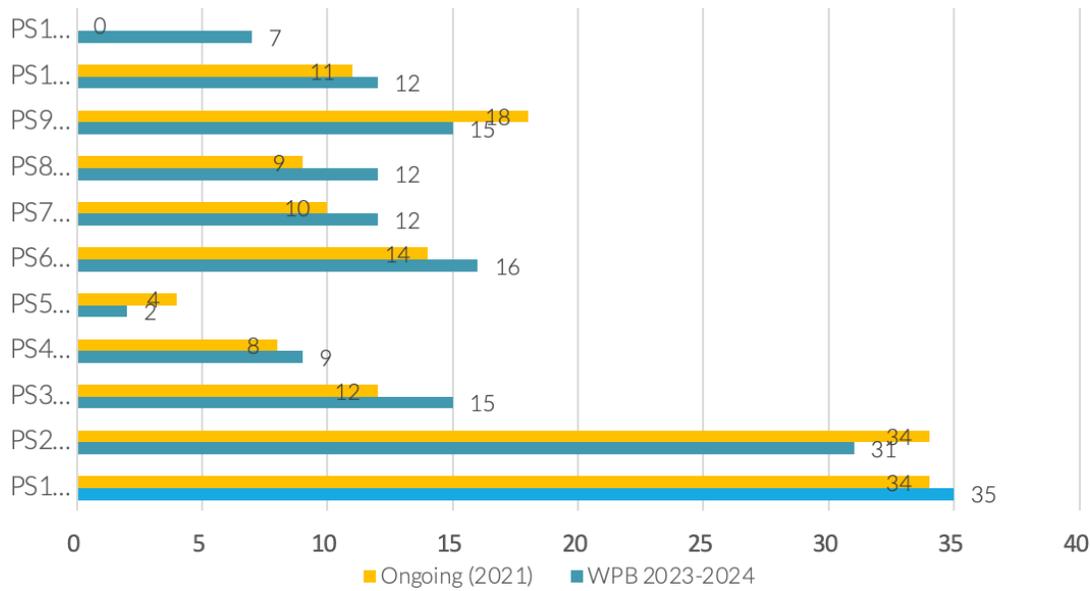
Growth and expansion in programmatic solutions over the biennium vary per country and per region. All countries are expected to be implementing **Green Investments (PS1)** and **Climate Action (PS2)**. Figure 12 shows the number of countries which are expected to work on each programmatic solution.

Together with the expansion of GGGI's programs, countries are expanding their programmatic choices, although the **vast majority of GGGI' countries have worked planned over a maximum of 2 to 3 programmatic solutions** during the coming biennium, showing a clear intent to maintain a strategic focus.

Compared with 2021, the largest increase in the uptake of programmatic solutions by countries (PS11. Carbon Pricing (+7) put aside¹¹), is in favor of. **Climate Resilient Agriculture (PS3, +3)** and **Green Buildings (PS8, +4)**, while the number of countries focusing on **Renewable energy (PS9, -3)**, **Coastal resilience (PS5, -2)** is expected to decrease slightly. This represents a change compared with the current WPB-2021-2022 which has been further analyzed to define how GGGI can take action to adjust programmatic focuses to meet priorities which may not be reflected in the portfolio composition, now predominantly driven by earmarked funding.

¹¹ PS11 was introduced as a programmatic solution in 2022.

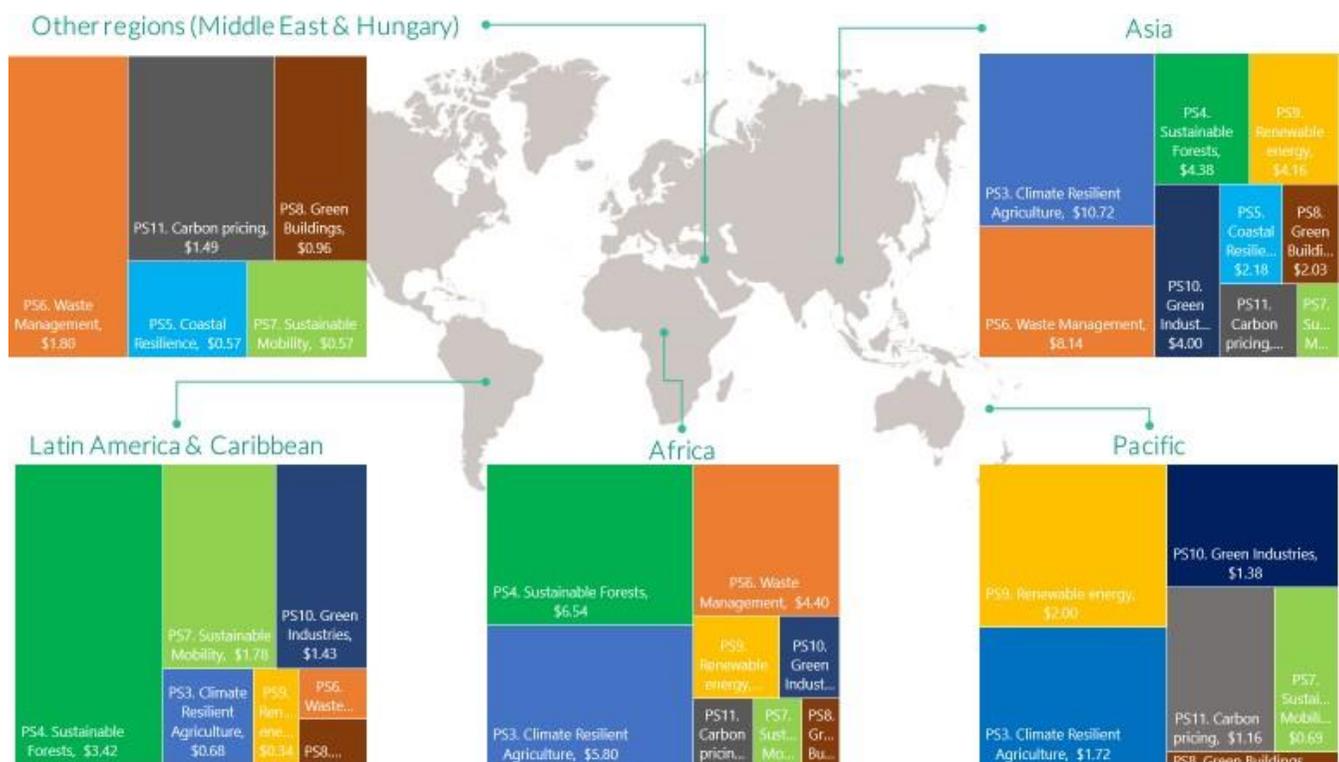
Figure 12: Growth and Expansion of Programmatic Solutions in 2023-2024 (BASE, Number of countries)



Geographical distribution of Programmatic Solutions

This section presents an overview of the **key programmatic focuses of GGGI's portfolio of projects in each region**. Results are displayed using the USD value budgeted for projects in each programmatic solution. The scheme below clearly depicts regional differences in priorities of GGGI's predominantly earmarked project portfolio over 2023-2024.

Figure 13: Distribution of GGGI's 2023-2024 portfolio per Programmatic Solutions per Region (BASE, USD M)



The scheme above clearly depicts regional differences in priorities of GGGI' predominantly earmarked project portfolio over 2023-2024.

Asia – GGGI's main programmatic focus in Asia during the 2023-2024 biennium is expected to be **Climate Resilient Agriculture (PS3)**, with several larger projects being implemented in for example, Uzbekistan, the Philippines, and Nepal. **Waste management (PS6)** is also key in several country programs including for instance Lao PDR, Cambodia, Thailand, and Vietnam with a large regional initiative planned on waste to energy and methane reduction in ASEAN countries. Renewable energy (PS4) remains an important area for programming particularly in India. **Green industries (PS10)** also benefit from projects in five countries, and **Coastal Resilience (PS5)** will be introduced for the first time in the region in Indonesia.

Africa – GGGI's main programmatic focus in Africa during the 2023-2024 biennium is expected to be **Sustainable Forests (PS4)**, driven by larger projects in Ethiopia, Togo, as well as **Climate Resilient Agriculture (PS3)**, with, among others, engagements in Senegal, Cote d'Ivoire, and Burkina Faso. This confirms the importance of climate adaptation in GGGI's Member countries on the continent and is expected to support increased food security in targeted countries. **Waste management (PS6)** is also an important area of focus with projects in several countries, for instance Uganda, Rwanda, Morocco and Senegal.

Latin America and the Caribbean – **Sustainable Forests (PS4)**, is expected to be the main programmatic focus for the LAC region, with projects in, for instance, Colombia, Peru and Guyana reflecting the region's importance as one the world's main carbon sink and biodiversity hotspot. Work on **Sustainable Mobility (PS7)** is expected to further develop in Mexico while **Green Industries (PS10)** expands in the Caribbean and Colombia.

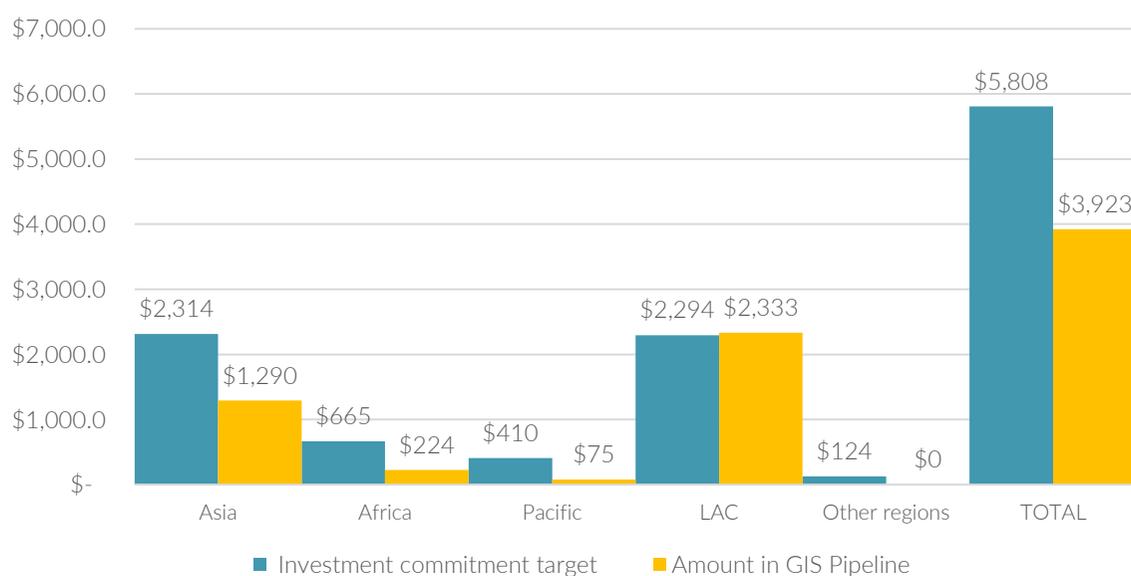
Pacific – **Renewable energy (PS9)**, **Climate Resilient Agriculture (PS3)**, and **Green Industries (PS10)** are expected to be GGGI's main programmatic focuses in the Pacific in the next biennium, in line with current engagements.

Other regions – In the Middle East and Hungary, programming in the 2023-2024 biennium is expected to focus primarily on **Waste Management (PS6)**, with waste focused projects in Jordan, and Qatar. **Carbon pricing (PS11)** will also be introduced with new capacity building oriented programs in UAE and Qatar.

6.3 Base scenario - Green Investments Growth and Projections

Countries' projections of the total expected green investment commitment mobilization in 2023-2024 amounts to **USD 5.8 billion (Figure 14)**. This figure is based on investment commitment mobilization targets included for 91 projects out of a total of 183 projects in business plans. It exceeds GGGI's current investment pipeline, valued at 3.9 billion for the biennium and related investment targets. **It reflects both existing investment projects and the additional ambition of country teams** for mobilization of investment commitments in 2023-2024.

Figure 14: 2023-2024 Investment commitments targets compared with current pipeline (BASE, Region, M USD)



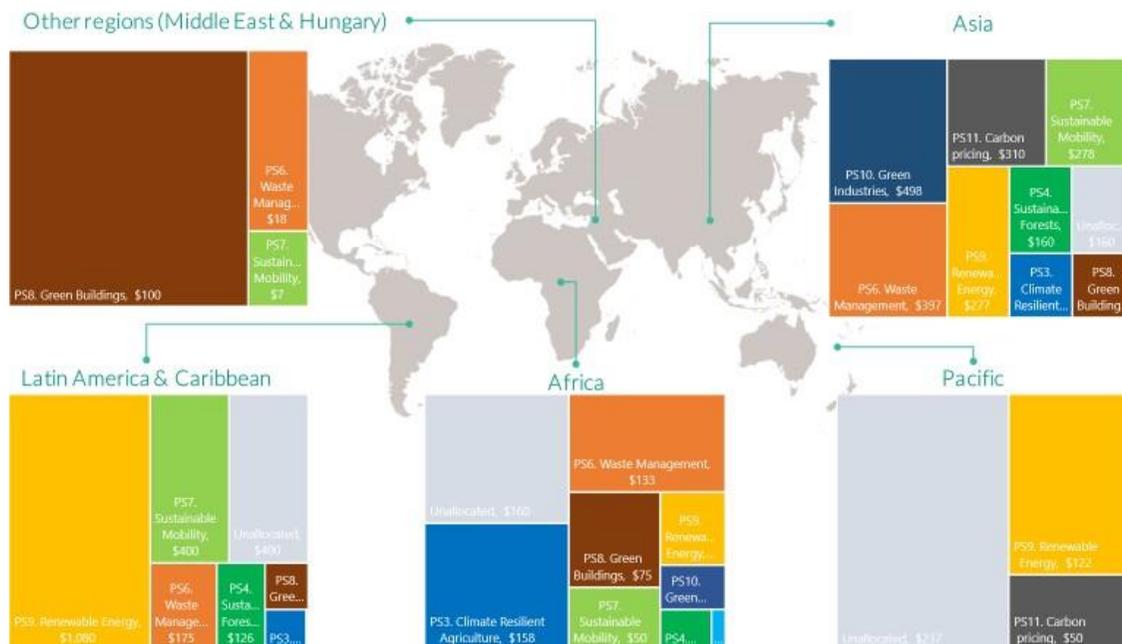
Among the total, **Asia and LAC have the most ambitious forecast**, planning to deliver investment commitments for USD 4.6 billion out of the total USD 5.8 billion. Large investments projects are, for instance, planned in Colombia, Mexico, Indonesia, India, Nepal, Thailand the Philippines, and Vietnam. These includes one very large wind farm project (USD 935M), in Colombia as well as several mid to large size investments. Africa combines small, mid, and large size investments with the largest planned in Rwanda, Senegal and Burkina Faso. The **Pacific's** pipeline of investments is mostly comprised of mid to large size investments in PNG and Fiji, while limited work in planned on green investment in the Middle East and Hungary, reflecting the priority put by Members in these regions on other matters such as Climate Action.

Figure 15: 2023-2024 Global distribution of 2023-24 Investment mobilization target across Programmatic Solutions 3-11 (BASE, USD M)



Overall, GGGI’s green investment mobilization work in 2023-2024 is planned to target primarily **Renewable energy (PS9)**, **Sustainable Mobility (PS7)** and **Waste Management (PS6)**. The “Unallocated” category in Figure 15 represents projects with investment commitment mobilization targets, where targeted programmatic solutions are yet to be established such as, for instance, **thematic bonds, where allocations happen only after issuance**, or new projects that target investment mobilization in multiple sectors (such as, for instance, climate investment pipeline development projects funded under GCF Readiness). These represent around **USD 957 M** out of the total USD 5.8 billion.

Figure 16: 2023-2024 Regional distribution of 2023-24 Investment mobilization target across Programmatic Solutions 3-11 (BASE, USD M)



Under the **Base scenario** the regional distribution of investment targets is as follows:

Asia – Asia’s investment work during the 2023-2024 biennium is expected to focus primarily on **Green Industries (PS10)**, which mostly includes Green Hydrogen projects and industrial energy efficiency, and with investment work planned in India, Cambodia, Lao PDR, Nepal, the Philippines, and Vietnam. Investment mobilization for **Waste Management (PS7)** projects, is due to be mobilized in countries such as India, Lao PDR and Thailand, while investment targeting **Sustainable Mobility (PS7)** is also expected to shape up during the biennium in countries like the Philippines and Nepal and Lao PDR. A small portion of Asia’s investment targets is not yet targeted at specific programmatic solutions corresponding to a thematic bonds program in Cambodia and carbon pricing engagement in Lao PDR.

Africa –GGGI’s investment work in Africa during the 2023-2024 biennium is expected to focus primarily on **Climate Resilient Agriculture (PS3)**, with large investments supported in Burkina Faso, Senegal, and **Waste Management (PS6)**, particularly in Uganda and Rwanda. Additional work on green investment is planned as part of several new GCF Readiness projects, in, for instance, Uganda, Rwanda, Cote d’Ivoire, therefore displayed as “Unallocated” in the graph, as underlying investment projects are not yet identified.

Latin America and the Caribbean – GGGI’s investment work in LAC during the 2023-2024 biennium will primarily target **Renewable energy (PS9)**. In particular, GGGI plans to bring assistance to investment mobilization for Colombia’s largest wind farm (800MW), for a targeted amount of USD 935 M; in addition to solar projects in the Caribbean, and Guyana. Investment preparation work is also planned for **Sustainable Mobility (PS7)** projects particularly in Mexico, **Waste Management (PS6)** in Mexico and **Sustainable Forests (PS4)** in Guyana, Colombia and Peru. The “Unallocated” portion corresponds to a new regional thematic bonds program targeting several countries.

Pacific – GGGI’s investment work in the Pacific in 2023-2024 is expected to primarily target **Renewable energy (PS9)**, including Rooftop Solar and Rural Electrification in Fiji as well as investment in mini-grids in Tonga. **Carbon pricing (PS11)** also makes up a share of planned investment mobilization target thanks to a new program on Blue carbon in Papua New Guinea. A large portion of the investment targets is not yet allocated to specific programmatic solutions, as several new projects target the mobilization of investment, with focus sectors to be defined jointly with governments during project implementation.

Other regions – In the Middle East and Hungary, GGGI’s investment work Hungary is expected to focus on investments in **Green Buildings (PS8)** in Jordan, Qatar and Hungary, completed by **Waste Management (PS6)** in Qatar and **Sustainable Mobility (PS7)** in Jordan.

6.4 Base scenario - Impact over Strategic Outcomes

A primary focus of Strategy 2030 is to deliver and report on GGGI's impacts through the achievement of its six SOs. The six SOs were introduced in 2017 as part of the Refreshed Strategic Plan 2015-2020 representing the primary targeted areas of GGGI's interventions. In 2018-2019, GGGI developed approaches and methodologies for estimating the impacts from interventions in its country programs and an approximation of targeted impacts over its six strategic outcomes. The **SO Technical Guideline**, launched in January 2020, outlines concepts, approaches, and methodologies for the estimation of expected SO impacts of current projects and approximate the scale of planned activities. These methodologies were used to develop the 2030 and 2025 SO impact targets in Strategy 2030 and the Roadmap 2021-2025. GGGI continues to refine and improve methodologies and targets and their underpinning evidence and plans to conduct a review of methodologies in 2023 as part of the mid-term review of Roadmap 2021-2025.

In their Country Business Plans, each team was asked to provide **estimates of ex-ante SO impacts** for the related program in the years 2023-2024. These cover two types of impacts:

Attributed impacts, which are ex-ante impact estimates resulting exclusively from GGGI's project activities that have direct causal links to GGGI's Strategic Outcomes, mostly a result of investment commitments to be mobilized during the biennium.

Contributed impacts, which capture the level of impact that GGGI activities contribute towards, helping achieve its Members' and Partners' NDCs and SDG targets. They are essentially a share of Members' NDC and SDG targets in sectors that GGGI is contributing to.

Figure 17: Distribution of GGGI's 2023-2024 portfolio per SOs targeted (BASE, USD M)



Note: SO1: GHG emission reduction; SO2: Creation of green jobs; SO3.1: Increased access to clean affordable energy; SO3.2: Increased access to improved sanitation; SO3.3: Increased access to sustainable waste management; SO3.4: Increased access to sustainable public transport; SO4: Improved air quality; SO5: Adequate supply of ecosystem serviced ensured; SO6: Enhance adaptation to climate change

Under the Base scenario, GGGI's portfolio in 2023-2034 is expected to primarily target **mitigation (SO1, GHG emissions reduction)** and **adaptation to climate change (SO6, enhanced adaptation to climate change)**, as well as the **creation of green jobs (SO2)**.

Table 7: 2023-2024 Strategic Outcomes Attributed impact estimates (BASE)

2023-2024 Strategic Outcomes Attributed estimates									
	SO1 (mtCO2e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4	SO5 (m-ha)	SO6 (m)
WPB 2023-2024 Base	208.38	0.11	0.78	0.04	17.48	0	0.42	0.08	2.20
2021-2025 Targets	300.00	0.50	10.00	4.00	20.00	6.00	19.00	0.10	2.00
2017-2030 Cumulative Targets	1000	2	30	10	80	20	55	0.5	8

Note: SO1: GHG emission reduction; SO2: Creation of green jobs; SO3.1: Increased access to clean affordable energy; SO3.2: Increased access to improved sanitation; SO3.3: Increased access to sustainable waste management; SO3.4: Increased access to sustainable public transport; SO4: Improved air quality; SO5: Adequate supply of ecosystem services ensured; SO6: Enhance adaptation to climate change

Programs implemented during the 2023-2024 biennium are expected to deliver the following impacts over GGGI's six strategic outcomes: avoiding the emission of **208 million tons of CO2e**, creating **110,000 direct green jobs**, improving the access to sustainable services (clean energy, sanitation, waste management and transport) for **18.3 million people**, reforesting or protecting **80,000 hectares of forests** and supporting **2.2 million people to adapt to climate change**.

Table 8 : 2023-2024 Strategic Outcomes Attributed impact estimates per Region (BASE)

Expected Attributed SO Impact estimates per Region									
	SO1 (mtCO2e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4 (th)	SO5 (m-ha)	SO6 (m)
Asia	130	0.0344	0	0.024	10.962	0	0	0.017	0.975
Africa	59	0.0337	0.694	0.010	6.443	0	0	0.005	0.450
Pacific	3	0.0223	0.020	0	0.010	0	0	0	0.435
LAC	12	0.0172	0.067	0	0.065	0	0	0.060	0.338
Other regions	4	0.0017	0	0.003	0.003	0	0.42	0	0.003
TOTAL WBP Base	208.38	0.11	0.78	0.04	17.48	0.00	0.42	0.08	2.20
2021-2025 Targets	300.00	0.50	10.00	4.00	20.00	6.00	19.00	0.10	2.00

Table 8 above shows the breakdown of SO attributed impacts estimates under the Base scenario and across Regions. The larger part of the impacts on **GHG emission reductions (SO1)** is expected to be induced by programs in Asia and Africa with large impacts planned, for instance, in Indonesia and Morocco. With regards to **green jobs creation (SO2)**, programs in Asia have put forward the highest ex ante impact estimates, although Africa and the Pacific closely follow. Main impacts over **Improved access to energy (SO3.1)** are to be delivered in the Africa region, while programs in Asia and Africa have put forward sizeable impact estimates over access to **improved sanitation (SO3.2)**, and **waste management (SO3.3)**. First estimates

were provided for impacts over the improvement of air quality, Jordan and the Philippines. Programs in LAC are expected to deliver the largest impacts over the **preservation of ecosystems** (SO5), while the estimated number of people supported to **cope with climate change** (SO6) provided by Asia, Africa and the Pacific are the highest.

Table 9: 2023-2024 Strategic Outcomes Contributed impact estimates (BASE)

Expected Contributed SO Impact estimates per Region									
	SO1 (mtCO2e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4 (th)	SO5 (m-ha)	SO6 (m)
Asia	65.48	0.02	0	0	7.50	0	0	0.03	23.10
Africa	105.51	1.59	105.51	0	0	0	0	0.02	1.65
Pacific	40.60	0	40.60	0	0	0.02	0	0	0.01
LAC	499.07	2.64	499.07	0	0	0	0	1.89	0.10
Other regions	98.27	5.24	98.27	0	0	0	0	0	0
TOTAL WPB Base	808.93	9.49	743.45	0	7.50	0.02	0	1.94	24.86
2030 Targets	1,600	4	90	50	400	NA	NA	20	16

The table above shows the breakdown of **Contributed SO impacts estimates** across Regions. Estimation of contributed impacts is challenging in the absence of national policy targets as GGGI defines Contributed impacts as a share of the approximated gap toward NDC and SDG targets of a country that are relevant to the SOs¹². This was often the case in CBPs for SO3.2, SO3.4 and SO4, which explains the absence of contributed impact estimates over these. Details of contributed impacts can be found in the Results framework sections of Country Business Plans in Attachment 1.

6.5 Base + Core Replenishment Scenario - Resource allocation

The difference between the **Base and the Base with Core Replenishment** scenarios is that in the latter, we have assumed that, in line with the objective set out in the Core Replenishment Drive of raising USD 20 million dollars in Core per annum, an additional **USD 25 million** of Core funding will be raised for the years 2023-2024. The level of both program (USD 12.8 million) and project earmarked (USD 109 million) remain similar under the Base and Base with Core Replenishment scenarios.

It is a priority for management to **mobilize additional core resources** for the biennium period. This will be done as part of the **Core Replenishment drive** led by our host government, the Republic of Korea. We recognize that with a new government in Australia, the United Kingdom yet to decide on future funding from 2023 onwards, and new donor countries interested in GGGI, the time is right for GGGI to launch another core funding replenishment campaign. We state this whilst recognizing the difficult external funding environment due to the ongoing uncertainty brought about by ongoing crises such as the armed conflict in Ukraine, and growing food insecurity in several parts of the world, increasing inflation and food prices while at the same time, governments strive to rebuild back their economies following the COVID pandemic.

Part of the rationale for the **Core replenishment drive** is that GGGI faces a **strong increasing demand from emerging and developing economies for its services**. Currently we are unable to meet that new demand. The Core Replenishment Drive, if successful, will mobilize an additional USD 20 M per annum. Thus, the assumption in the scenario is that GGGI would succeed to obtain **USD 25 million of extra Core in 2023-2024** (USD 5 million in 2023, USD 20 million in 2024) The additional core resources have been allocated tentatively in correspondence with the priorities of the Core Replenishment Drive. For the period 2023-2024, we propose that additional core resources planned for 2023-2024 under this scenario will be utilized for the following set of activities:

1. **USD 12.5 million for increased programming in GGGI's Vulnerable Member countries:** Increased core budgets for the 18 vulnerable countries (LDCs, SIDS and LLDCs) where GGGI operates, with an additional Core allocation of USD 8 million to existing vulnerable countries (USD 0.5 million per country except for Pacific where the allocation is USD 0.3 million per country), and USD 4.5 million remaining to be allocated centrally. The remainder is to be used for projects developed by country programs in vulnerable countries, allocated through the GGGI PIN process, respecting the allocation of at least 60% of the total budget to go to vulnerable countries, and in line with the Work Program and Budget.
2. **USD 7.5 million to start operations in new Member countries.** This funding would enable GGGI to start operations in new Member countries immediately for new countries approved by Council in the Work Program and Budget. Council may also approve use of this funding for countries that have started the Membership process (partner countries). There is an increasing demand from new countries for GGGI to initiate programming. Currently we do not have the core resources to make that initial investment needed to kick start new country activities. We are required to wait for earmarked funding which can be difficult to raise without a track record in that country. We have allocated USD 4.2 million for 7 new countries (USD 0.6 million per country) with USD 3.3 million remaining to be allocated centrally for other countries which may become Members during the period.
3. **USD 5 million for global / cross-country programming.** This funding would go to the programs now operated by IPSD, global programs to strengthen GGGI's CAID team, the Communities of Practice that house the expertise on GGGI's programmatic solutions, as well as GGGI's knowledge sharing across country programs and globally. Budgets to be approved as part of the Council approved Work Program and Budget.

12 Definitions and details of the methodology can be found in GGGI's Strategic Outcomes Guideline available here: [GGGI-Technical-Guideline-No.-6-1.pdf](#)

Table 10: Proposed 2023-2024 allocation of the additional Core funding under the Base + Core replenishment scenario (USD M)

Country/Unit	Additional Core allocated (USD M)
Kyrgyz Republic	0.60
Cambodia	0.50
Lao PDR	0.50
Mongolia	0.50
Nepal	0.50
Pakistan	0.60
Turkmenistan	0.60
Uzbekistan	0.50
Caribbean	0.50
Costa Rica	0.60
Ecuador	0.60
Guyana	0.50
Paraguay	0.60
Angola	0.60
Burkina Faso	0.50
Ethiopia	0.50
Rwanda	0.50
Senegal	0.50
Togo	0.50
Uganda	0.50
Fiji	0.30
Kiribati	0.30
PNG	0.30
Tonga	0.30
Vanuatu	0.30
IPSD Global Programs, Practices and CoPs	3.50
CAID GESI	1.50
Central Fund to be allocated to vulnerable countries	4.50
Central Fund to be allocated to new countries	3.30
Grand Total	25.00

6.6 Base + Core Replenishment Scenario - Programmatic Solutions Analysis

The analysis in sections 6.6 to 6.8 is focused on **additional results and impacts that we have estimated could occur if GGGI was to access USD 25 million of additional Core funding**, and for the **portion which has been allocated as described above**. In line with Country Planning Frameworks, and priorities of targeted countries, each relevant team, in targeted vulnerable countries, new countries and IPSD, has provided a tentative allocation of the additional Core amount across GGGI's 11 programmatic solutions, as well as a high-level estimate of the additional investment it may help mobilize in each PS for the coming two years.

The results and impacts described below are thus to be understood as **additional to the ones described in the Base scenario** above and **conditioned by the success of the Core Replenishment drive**.

Figure 18: Distribution of GGGI's 2023-2024 additional allocated Core budgets across Programmatic Solutions 3-11 (**BASE + Core**, USD M)



Based on submitted plans from country and regional teams, additional Core budgets allocated to vulnerable and new Member countries under the Base with Core replenishment scenario would be primarily directed at investing in **Climate Resilient Agriculture** (PS3), **Renewable energy** (PS9) and **Sustainable Mobility** (PS7). Under the WPB Base scenario PS9 and PS7 represent areas of GGGI's portfolio which bear significant potential for green investment mobilization, but which are **relatively under funded** by existing earmarked funds available to GGGI. The extra Core would complement available funds to strengthen GGGI's programming in these areas.

Figure 19: Regional distribution of GGGI's 2023-2024 additional allocated Core budgets across Programmatic Solutions 3-11 (BASE + Core, USD M)

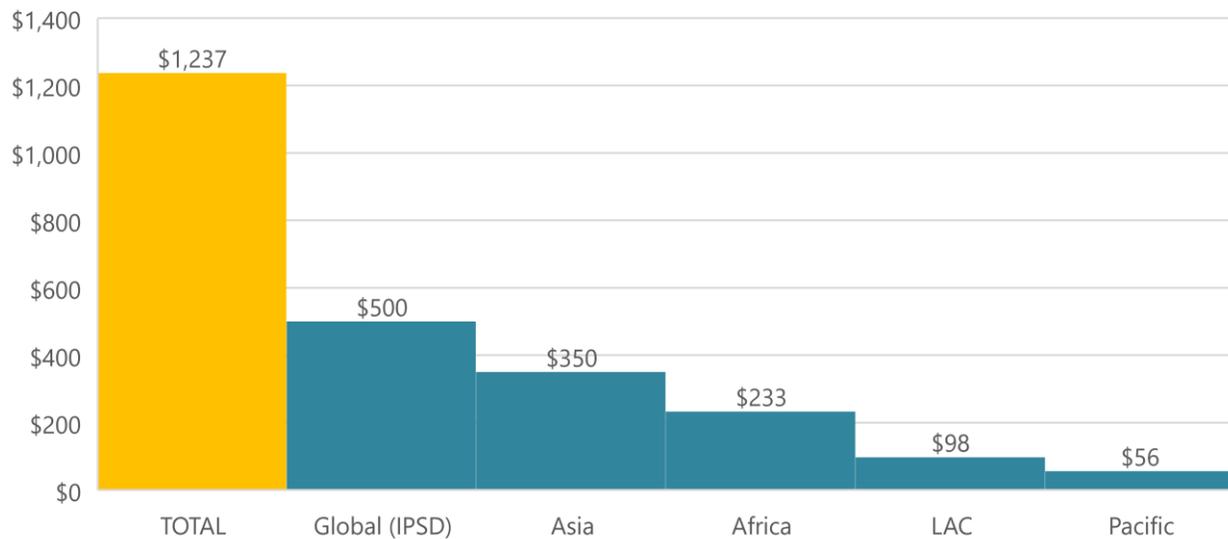


The regional breakdown by Programmatic solutions of the additional Core allocations to vulnerable and new Member countries, clearly show the relative importance of different Programmatic solutions across regions. In **Asia**, the additional core would be primarily used to invest in **Climate Resilient Agriculture (PS3)** and **Sustainable Mobility (PS7)**, while in **LAC**, **Sustainable Forests (PS4)** and Renewable Energy (PS9) would be the main focuses. Countries in **Africa** would reinforce their **Climate Resilient Agriculture (PS3)** and **Renewable energy (PS9)** portfolios while, in the **Pacific**, **Sustainable mobility (PS7)** and **Climate Resilient Agriculture (PS3)** would be the main priorities for these additional re- sources. It is important to note that these programmatic allocations are tentative and reflect current perceived priorities for additional investment in countries targeted by the Core replenishment drive. They are likely to change in as country programs and the priorities of Members evolve.

6.7 Base + Core Replenishment Scenario - Green Investments Growth and Projections

Relevant Country and Global teams also estimated what additional investment they would be able to mobilize thanks to the additional Core funding allocated under the Base with Core replenishment scenario. It is estimated that USD 17.2 million of additional allocated Core funding could result in the mobilization of more than **USD 1.2 billion in green investment commitments over the biennium**, in addition to the **USD 5.8 billion** forecasted under the Base scenario.

Figure 20: 2023-2024 Distribution of additional investment commitments targets across Regions and IPSD (BASE + Core, M USD)



Country teams (in vulnerable and new countries targeted by the allocation) have estimated the additional Core could support the mobilization of an additional USD 737 million, while the investment of USD 5 million in global / cross-country programming could delivered up to USD 500 million of additional investment commitments. It is likely that some of these investments' commitments would be mobilized beyond 2022, as the delivery of these additional targets is highly sensitive to when the additional Core can be made available to GGGI, and in which amounts.

Figure 21: 2023-2024 Distribution of additional investment commitments targets across PS3-11 (BASE + Core, M USD)



These additional investment commitments would primarily target investment projects in **Renewable energy (PS9)**, **Sustainable mobility (PS7)** and **Climate Resilient Agriculture (PS3)**, with a strong focus put on **Sustainable mobility** in Africa and the Pacific, while LAC would focus on **Coastal resilience (PS5)** and Asia on **Renewable energy (PS9)**.

6.8 Base + Core Replenishment Scenario - Impact over Strategic Outcomes

As part of the Base with Core Replenishment scenario, high-level impact estimates for the allocation of additional Core funding were developed. In contrast to the ones included in the Base and Plus scenario, which were developed by country teams (bottom-up estimation), these were made using investment multipliers (top-down estimation), outlined in **GGGI Strategic Outcomes Guideline**. As such, they should be understood as an order of magnitude of what the additional Core allocated across programmatic solutions could generate.

Table 11: 2023-2024 Strategic Outcomes Attributed impact estimates per Region (BASE + Core)

Additional 2023-2024 Strategic Outcomes Attributed impact estimates per Region									
	SO1 (mtC O2e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4 (th.t)	SO5 (m- ha)	SO6 (m)
Asia	20.64	0.04	0.73	0.42	0.60	0.39	1.057	0.013	0.225
LAC	3.68	0.02	0.03	0.00	0.00	0.00	0.020	0.005	0.087
Africa	13.71	0.02	0.23	0.43	0.62	0.69	1.617	0.005	0.081
Pacific	3.46	0.01	0.07	0.00	0.00	0.17	0.395	0.002	0.041
Global (IPSD)	28.36	0.04	0.69	1.02	1.46	0.75	1.965	0.011	0.187
TOTAL Core replenishment	69.85	0.13	1.74	1.87	2.69	2.00	5.054	0.037	0.622
Base Scenario	208.38	0.11	0.78	0.04	13.48	4	0.42	0.08	2.20
Base with Core replenishment	278.23	0.11	2.52	1.91	20.17	2.00	5.48	0.12	2.82

Note: SO1: GHG emission reduction; SO2: Creation of green jobs; SO3.1: Increased access to clean affordable energy; SO3.2: Increased access to improved sanitation; SO3.3: Increased access to sustainable waste management; SO3.4: Increased access to sustainable public transport; SO4: Improved air quality; SO5: Adequate supply of ecosystem serviced ensured; SO6: Enhance adaptation to climate change

Under the Base with Core replenishment scenario, it is estimated that the **additional allocated Core** funding could, in addition to the impacts of the Base scenario, help avoid the emission of **69 MtCo2e**, create **130,000 green jobs**, help **8.3 million people access sustainable services**, avoid the emissions of **5 thousand tons of PM2.5 emissions**, protect **37,000 hectares of natural capital** and support more than **620 thousand people to adapt to climate change**.

6.9 Plus Scenario -Resource allocation

The **Plus Scenario** is comprised of USD 36.8 million in core contributions, USD 16.4 million in program earmarked and USD 150.4 million in project earmarked funding, totaling **USD 203.6 million**. These are also set out in Appendix 1. It formed of the **most optimistic funding estimates** provided by teams in their CBPs and GBPs.

Core Resources

We have assumed that the level of core resources in the Plus Scenario and the same Core allocation as in the Base scenario.

Program Earmarked Resources

Program earmarked under the Plus Scenario includes not only the funding included in the Base Case Scenario but also an amount of \$ 4.0 million (€4 million) of program funding from Luxembourg for activity in the SIDS (Pacific/Caribbean regions of € 1.0 million per year) and a global bonds program (also of € 1.0 million per year). This is based on ongoing discussions with Luxembourg and it is assumed that a funding agreement will be signed before the end of 2023. We have not included program earmarked funding from any other donor even though we are in discussions with some new countries.

Project Earmarked Resources

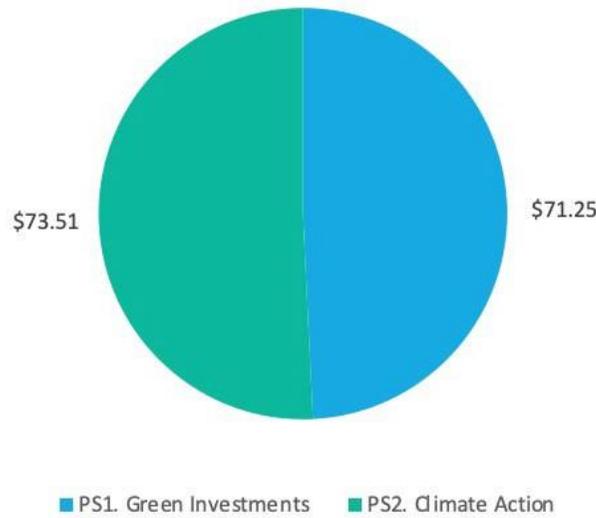
The difference between the Plus Case Scenario and the Base Case is the amount of project earmarked funding estimates with the Plus Case taking a more optimistic view and the Base Case taking the more conservative view. The increase in project earmarked between the Base and the Plus scenarios amount to **USD 41.4 million** and will only be expended if it is raised. There is no exposure for GGGI in this scenario.

6.10 Plus Scenario - Programmatic Solutions Analysis

This section presents **an analytical perspective of the Plus scenario, formed by the more optimistic budget and results estimates submitted by team in the first versions of their 36 Country Business Plans and 2 Global Business Plans.**

The analysis of CBPs under the Plus scenario shows a total of **208 projects across 36 countries**. All GGGI projects are mapped to either or both Green Investments (Programmatic Solution 1) and Climate Action (Programmatic Solution 2).

Figure 22 Distribution of GGGI's 2023-2024 portfolio between Programmatic Solutions 1 and 2 (**PLUS**, USD M)



Under the Plus scenario, GGGI's 2023-2024 global portfolio adds several projects under Green investment (PS1), which as a result further balances GGGI's portfolio between the two overarching priorities of **Climate Action (PS2)** and policy and **Green Investment (PS1)**. Latin America and the Caribbean (LAC) remains focused primarily on Green investment (PS1), and Middle East and Europe (Other regions) on Climate Action and policy, while other regions are balanced between both.

Figure 23: Distribution of GGGI's 2023-2024 portfolio per Programmatic Solutions 3-11 (**PLUS**, USD M)

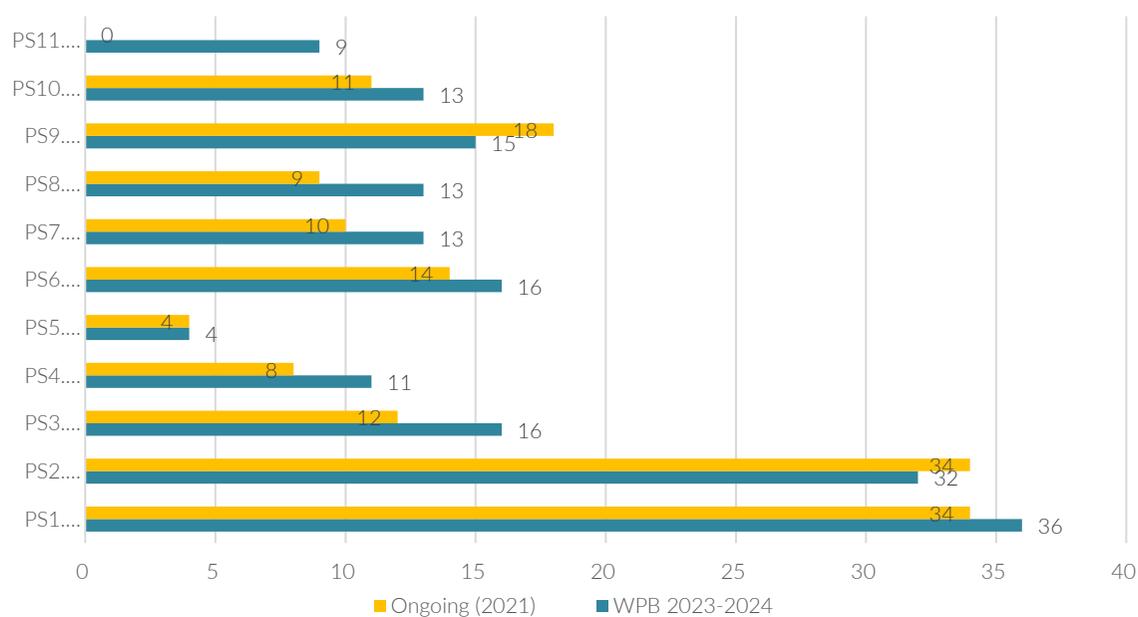


The Plus scenario 2023-2024 budget distribution across Programmatic Solutions 3 to 11 is similar to the Base in that **Climate Resilient Agriculture (PS3)** and **Waste Management (PS6)** are the key programmatic solutions targeted. **Sustainable Forests (PS4)** however precedes **Carbon pricing (PS11)** in this scenario, due to higher budget estimates and the addition of additional projects in LAC and Africa.

Growth and expansion of Programmatic Solutions

Growth and expansion in programmatic solutions in the Plus scenario follows the same trend as in the Base scenario with the only notable difference that two additional countries added projects focusing on **Carbon Pricing** (PS11), **Coastal resilience** (PS5) and **Sustainable forests** (PS4). The gap identified under the Base scenario with regards to Renewable energy (PS9) remains.

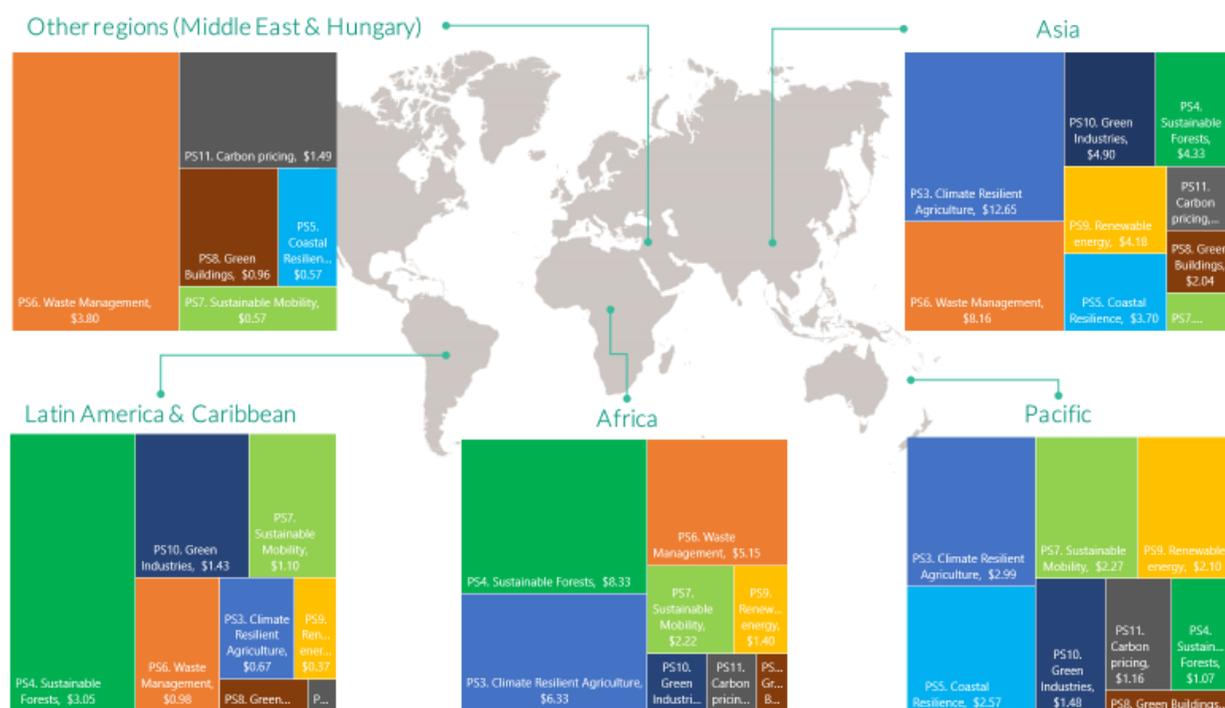
Figure 24: Growth and Expansion of Programmatic Solutions in 2023-2024 (PLUS, Number of countries)



Geographical distribution of Programmatic Solutions

Under the Plus scenario the geographical distribution of Programmatic solutions varies due to higher anticipated project budgets and the addition of earmarked projects not included in the Base scenario.

Figure 25: Distribution of GGGI's 2023-2024 portfolio per Programmatic Solutions per Region (PLUS, USD M)



Asia – The Asia portfolio is reinforced in the areas of **Sustainable forests** (PS4), **Climate Resilient Agriculture** and **Coastal Resilience** (PS5).

Africa – The three main programmatic focuses (PS4, PS3, PS6) under the Base scenario are strengthened and **Sustainable Mobility** (PS7) develops further driven by projects in Angola, Cote d'Ivoire and Rwanda.

Latin America and the Caribbean – programmatic focuses remain very close to the ones in the Base scenario, with the addition of projects under **Waste Management** (PS6).

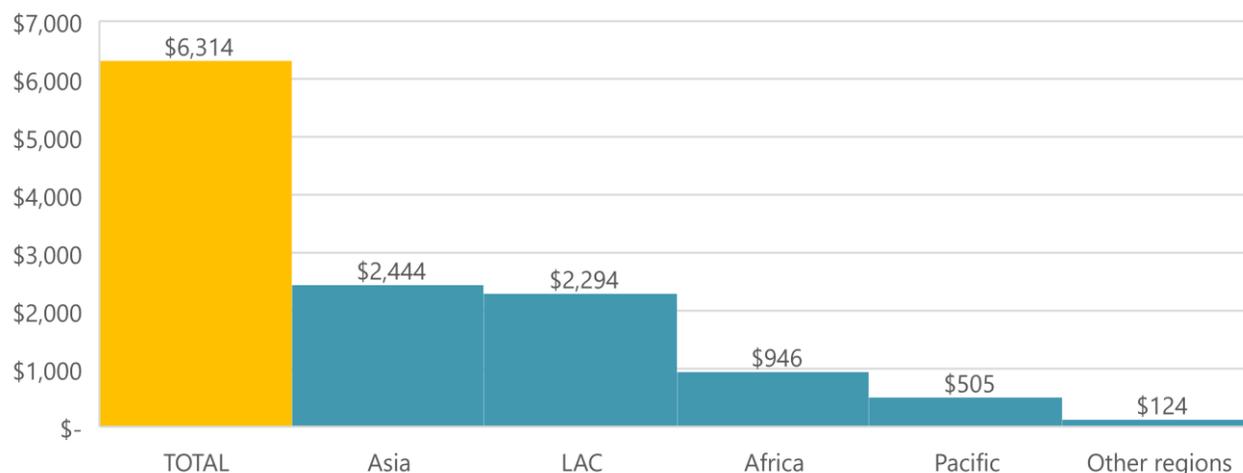
Pacific – Under the Plus scenario, programmatic focuses in the Pacific change significantly with **Climate Resilient Agriculture** (PS3), **Coastal Resilience** (PS5) and **Sustainable Mobility** (PS7) taking precedence over Renewable energy (PS9), which is the main focus under the Base scenario.

Other regions – In the Middle East and Hungary, the focus on **Waste Management** (PS6) is largely reinforced, while other programmatic focuses are like the ones in the Base scenario.

6.11 Plus Scenario - Green Investments Growth and Projections

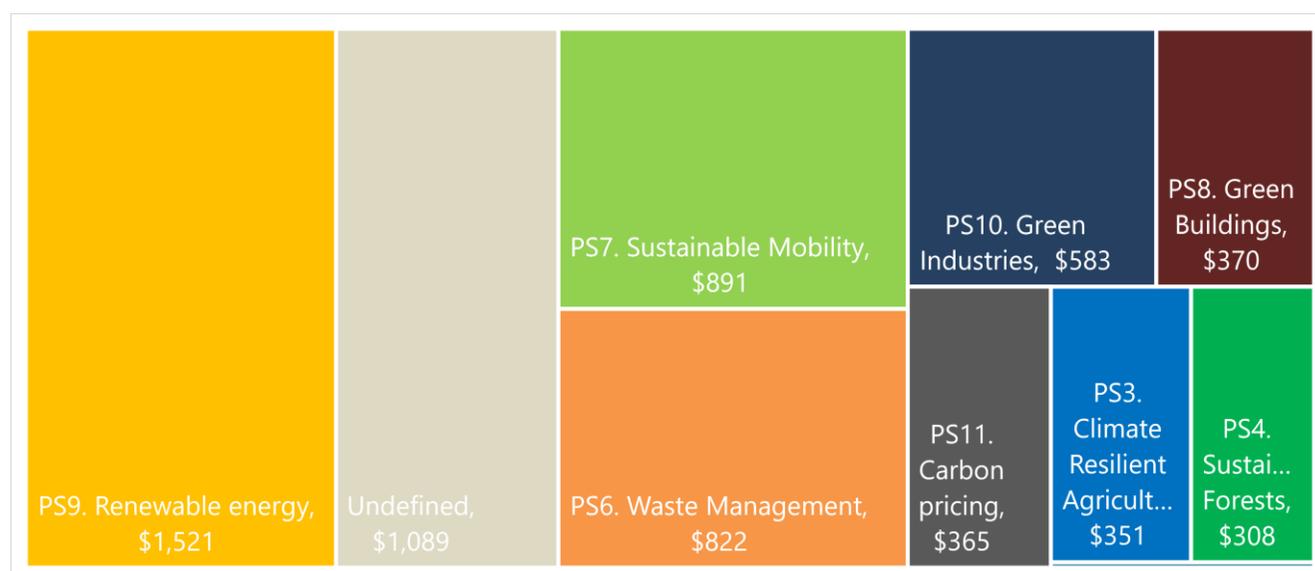
Under the Plus scenario, Countries' projections of the total expected green investment commitment mobilization in 2023-2024 amounts to **USD 6.3 billion (Figure 26)**, or USD 500 million additional compared with the Base scenario.

Figure 26: 2023-2024 Investment commitments targets (PLUS, Region, M USD)



Under the Plus scenario, **Asia, Africa and the Pacific** significantly raise their green investment mobilization ambition (Africa: Base USD 665 M -> Plus USD 946 M; Asia: Base USD 2,3 billion -> Plus USD 2,4 billion, Pacific: Base USD 410 -> Plus USD 504 M). LAC and the Middle East and Hungary retain an identical green investment commitment target in the Base and Plus scenarios.

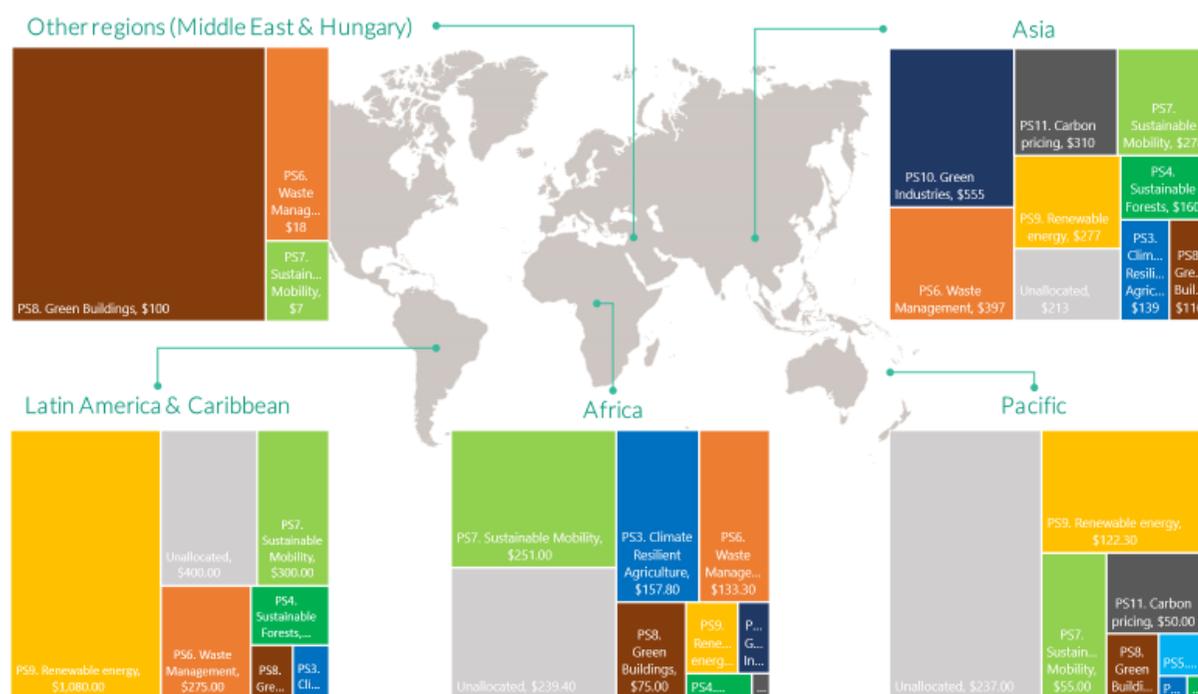
Figure 27: 2023-2024 Global distribution of 2023-24 Investment mobilization target across Programmatic Solutions 3-11 (investment mobilized, PLUS, USD M)



Overall, the distribution of GGGI's green investment mobilization work in 2023-2024, under the Plus scenario

is similar to the one under the Base scenario, at the difference that amounts planned to be mobilized are increased under each category. **Renewable energy (PS9)**, **Sustainable Mobility (PS7)** and **Waste Management (PS6)** remain the main focuses of GGGI's investment work. The "Unallocated" category grows from USD 957 M under Base to close to USD 1.1 billion under Plus.

Figure 28: 2023-2024 Regional distribution of 2023-24 Investment mobilization target across Programmatic Solutions 3-11 (PLUS, USD M)



Asia – under the Plus scenario, Asia’s investment work during the 2023-2024 biennium remains focused on **Green Industries (PS10)**, **Waste Management (PS7)** and **Carbon pricing (PS11)** with a higher ambition for PS10 and a larger amount of investment mobilization target “Unallocated” to specific programmatic solutions.

Africa –The Plus scenario introduces changed for GGGI’s investment work in Africa during the 2023-2024 biennium with **Sustainable Mobility (PS7)** taking precedence over **Climate Resilient Agriculture (PS3)**, and a larger amount of “Unallocated” investment projects.

Latin America and the Caribbean – The distribution of investment target by programmatic solutions in LAC is identical under the Base and Plus scenarios.

Pacific – Under the Plus scenario, the Pacific region is able to add investment commitments mobilized under several pro- grammatic solutions. While **Renewable energy (PS9)**, remains the main focus, investments in **Sustainable Mobility (PS7)**, **Green buildings (PS8)** and **Coastal resilience (PS5)** appear among the targeted

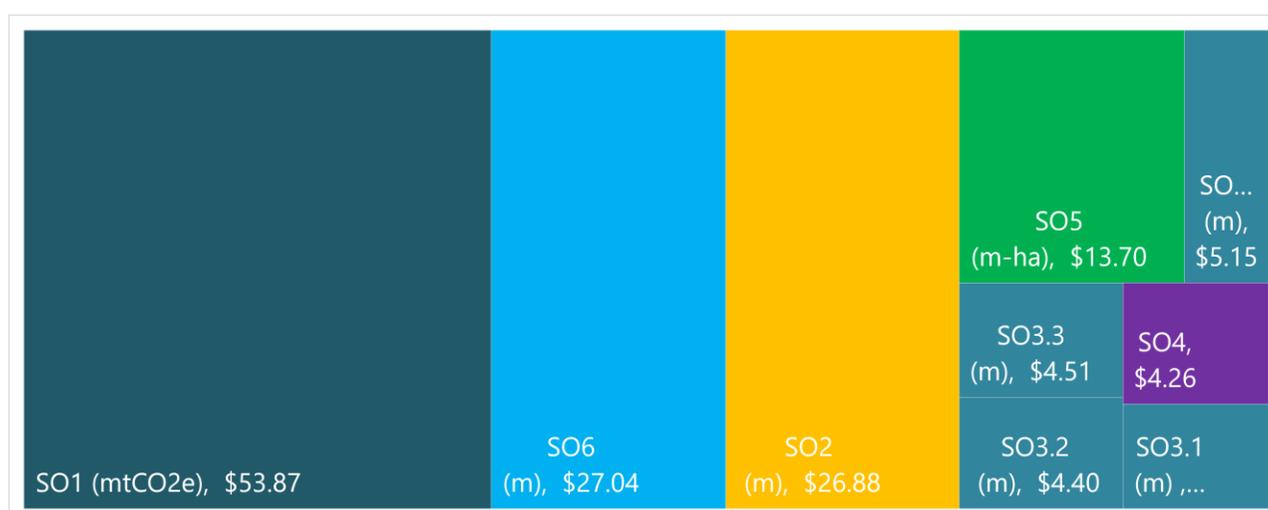
areas.

Other regions – The distribution of investment target by programmatic solutions in the Middle East and Hungary is identical under the Base and Plus scenarios.

6.12 Plus Scenario - Impact over Strategic Outcomes

Impact estimates over GGGI's six SOs provided by teams in their Country Business Plans under the Plus scenario are presented below.

Figure 29: Distribution of GGGI's 2023-2024 portfolio per SOs targeted (**PLUS**, USD M)



Note: SO1: GHG emission reduction; SO2: Creation of green jobs; SO3.1: Increased access to clean affordable energy; SO3.2: Increased access to improved sanitation; SO3.3: Increased access to sustainable waste management; SO3.4: Increased access to sustainable public transport; SO4: Improved air quality; SO5: Adequate supply of ecosystem services ensured; SO6: Enhance adaptation to climate change

Under the Plus scenario, GGGI's portfolio in 2023-2034 remains focused on targeting impacts over **mitigation (SO1, GHG emissions reduction) and adaptation to climate change (SO6, enhanced adaptation to climate change)**, as well as the **creation of green jobs (SO2)**. This is identical to the Base scenario.

Table 12: 2023-2024 Strategic Outcomes Attributed impact estimates (PLUS)

2023-2024 Strategic Outcomes Attributed estimates									
	SO1 (mtCO2e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4 (th. t)	SO5 (m-ha)	SO6 (m)
WPB 2023-2024 Base	208.38	0.11	0.78	0.04	17.48	0	0.42	0.08	2.20
WPB 2023-2024 Plus	219.57	0.25	0.80	0.05	17.48	0	0.42	0.08	2.26
2021-2025 Target	300.00	0.50	10.00	4.00	20.00	6.00	19.00	0.10	2.00
2030 Cumulative Target	1000	2	30	10	80	20	55	0.5	8

Note: SO1: GHG emission reduction; SO2: Creation of green jobs; SO3.1: Increased access to clean affordable energy; SO3.2: Increased access to improved sanitation; SO3.3: Increased access to sustainable waste management; SO3.4: Increased access to sustainable public transport; SO4: Improved air quality; SO5: Adequate supply of ecosystem serviced ensured; SO6: Enhance adaptation to climate change

Under the Plus scenario, programs implemented during the 2023-2024 biennium are expected to deliver the following impacts of GGGI's six strategic outcomes: avoiding the emission of **220 million tons of CO2e**, the creation of **250,000 direct green jobs**, the improved access to sustainable services (clean energy, sanitation, waste management and transport) for **18.3 million people**, **80,000 hectares of forests reforested or protected** and **2.26 million people with an enhanced capacity to adapt to climate change**.

Table 13: 2023-2024 Strategic Outcomes Contributed impact estimates (PLUS)

Expected Contributed SO Impact estimates per Region									
	SO1 (mtCO2e)	SO2 (m)	SO3.1 (m)	SO3.2 (m)	SO3.3 (m)	SO3.4 (m)	SO4 (th. t)	SO5 (m-ha)	SO6 (m)
Asia	1800.05	0.02	0	0	7.5	0	0	0.0287	23.94
Africa	164.82	5.46	0	0	0	0	0	0.647	1.65
Pacific	40.60	0	0.005	0	0	0.02	0	0	0.01
LAC	919.06	2.64	0.0004	0	0	0	0	1.89	0.10
Other regions	87	5.24	0	0	0	0	0	0	0
TOTAL WPB Plus	3011.55	13.37	0.01	0	7.5	0.02	0	2.57	25.71
TOTAL WPB Base	808.93	9.49	0.01	0	7.5	0.02	0	1.94	24.86
2030 Targets	1,600	4	90	50	400	NA	NA	20	16

The table above shows the breakdown of SO contributed impacts estimates across Regions under the Plus scenario. Although the same estimation difficulties as with Base estimates were encountered, contributed estimates under the Plus scenario give an order of magnitude of a possible contribution of GGGI programs to national ambitions and policy targets under this more optimistic scenario.

7. Managing Operations, Results and Risks

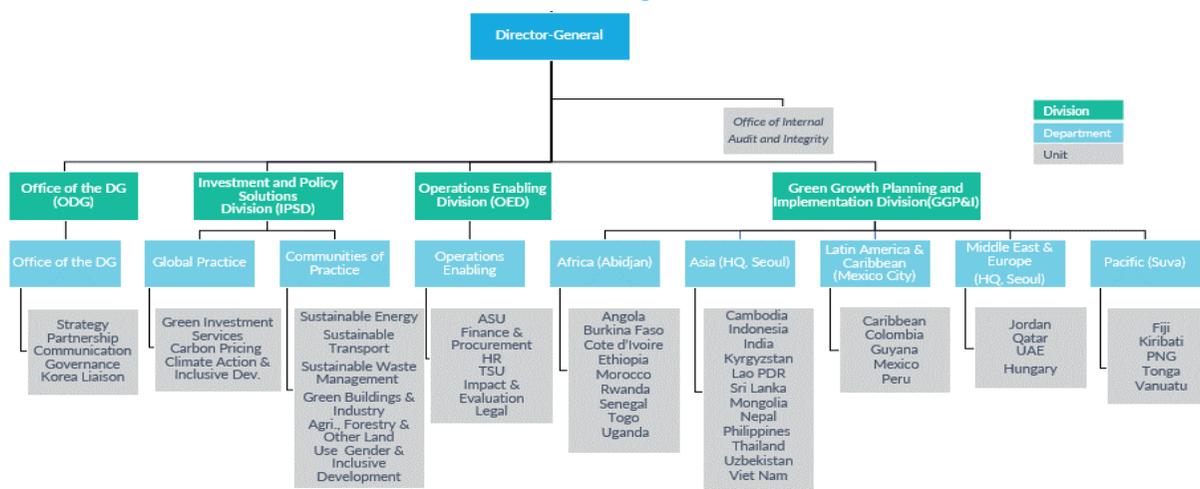
7.1 Enabling effective and efficient operations

Organizational structure

One of Strategy 2030’s key global operational priority is to **maintain an efficient, high performing and agile organization**. To assist in the achievement of this goal GGGI has created a business process reform group (iGrow) which continually reviews and improves existing business processes. GGGI recognizes that it is fundamental to provide corporate support for improved delivery of programmatic and operational priorities and to strengthen transparency and integrity. The aim is to ensure GGGI’s business model is geared toward the delivery of its intermediate outcomes and SO impacts, enabling the organization to become a more nimble, flexible, efficient organization as well as to make GGGI an attractive place to work.

In the not-for-profit sector a primary measure of efficiency is the ratio of non-programmatic costs as a percentage of programmatic costs. The lower the percentage the greater the efficiency of the organization. Over the past number of years GGGI has taken specific actions to reduce the share of non-programmatic costs to 15%, in line with global standards – **non-programmatic spend has been reduced from 32% in 2016 to 22% in 2019 to 16% in 2021 and 15% in 2021**. This is ahead of the GGGI Council directive to bring non-programmatic costs down to 15% by 2023. Actions undertaken in recent years include restructuring the Operating Enabling Division (Finance, HR, Procurement, IT, Administrative services) to reduce headcount and thereby costs. This has largely been achieved by using technology to automate and streamline GGGI’s business functions. In addition, restructuring of Office of the Director General (which includes Strategy, Partnerships, Communications and Governance) was also undertaken again with a reduction in headcount.

Figure 30: GGGI’s Organization Chart



The **Office of the Director General (ODG)** and the **Operations Enabling Divisions (OED)** provide corporate, strategy, governance, communications, partnerships, financial and back-of-office support functions, thus enabling the smooth delivery of GGGI’s operations.

The **Office of Director-General (ODG)** is responsible for directing strategic planning, providing advisory support to the Director-General (DG). ODG plays a catalytic role in securing GGGI's sustainability through coordinated resource mobilization and donor relations, strengthening GGGI's global brand by ensuring relevant programs, visibility of results and strategic networking, and ensuring effective decision-making and accountability by supporting management and operational coordination among divisions. ODG is comprised of five Units: (i) Governance, (ii) Strategy, (iii) Partnership (with GCF Liaison and European liaison), (iv) Communications, and (v) Korea Liaison Unit.

The **Operations Enabling Division (OED)** is responsible for managing the corporate functions and systems, including project impact and evaluation that enable the programmatic areas to achieve their result more effectively and efficiently, and within GGGI's mandate. OED supports all parts of GGGI to deliver and demonstrate CPF and manages the following corporate and service functions: (i) legal services, (ii) Impact and Evaluation, (iii) administration, (iv) finance and procurement, (v) human resources, and (vi) technology.

7.2 Risk Management

GGGI's adopted a **Risk Management Framework (RMF)**, designed to systematically identify high and significant risks and to put in place controls for managing those risks so as to minimize their occurrence to the extent possible or minimize their impact on the ongoing operations of GGGI should they occur.

GGGI manages its risks under seven risk headings. These are Organizational Structure and Governance; Operational Program and Portfolio Management, Legal, Financial Management & Operations, Human Resources, IT, Data, and Asset Management; and Working Environment. Under each heading specific risks are identified. Each identified risk is then evaluated as to the likelihood of it occurring; the likely impact should the event come to pass; mitigation measures in place to control the risk; any residual risk; and the manager responsible for managing those risks; The likelihood of occurrence and likely impact of each identified risk are scored on a scale of low, medium or high.

The Director-General oversees implementation of the RMF and reports biannually on risk management to the GGGI MPSC and publicly to the Council in the Annual Report. This involves Council's review and provision of advice on the appropriateness of the risk assessment, effectiveness, and adequacy of risk mitigation and management. GGGI's Management Team monitor the RMF by using a Risk Management Matrix. This provides a tool for internal consultation and assessment of risks with indications of the rating and ranking system. It includes risk mitigation measures, which, in turn, are implemented through the daily operations of GGGI by assigned accountable staff. In a situation where risks that would impact GGGI significantly escalate to a high likelihood of occurrence, the MT would support the Director-General to identify options for reducing the probability of risk from occurring and the impact on the organization.

The RMF has been rolled out to all countries. The latest updated RMF with input from all countries was carried out during the period May/June 2022. A small number of additional risks were identified, and a few

had a higher country rating than the overall GGGI rating as an organization. These have been incorporated into the main RMF.

The **primary current risk identified is a potential negative financial impact on GGGI arising from the increasing demands on GGGI's contributing members country budgets.** Additional resources are required by different players of the global community in dealing with the fallout from the war in Ukraine together with the food crisis across the Sahel, the Horn of Africa, Yemen and Afghanistan. There are also a number of major replenishments planned to be launched later in 2022. These include GCF and the Global Fund. All of these likely reduce the amounts of funding available. Identified risks are a continuing reduction in core funding from one of GGGI's core donors and/or a slowdown in either the implementation of earmarked funding or delays in signing of new contracts. Controls for effectively managing this risk include:

1. The Government of Korea will lead a **Core replenishment drive** to increase the level of core funding for GGGI in the 2nd half of 2022.
2. GGGI has in place **sufficient reserves to weather a downturn in funding** in the short to medium term, or if necessary to allow for an orderly restructuring of GGGI's program portfolio, staffing and other expenditures. On January 1, 2022 GGGI had USD 20.1 million in reserves. Management are currently projecting an operating surplus of USD 0.5 million for 2022. This will result in USD 20.6 million of reserves at the beginning of the WPB period and will be available to minimize any financial downturns. Reserves of USD 20.6 million comprising USD 20 million of working capital and USD 0.6 million of retained surplus equate to 121 days of working capital against the international benchmark of 90-180 days.

7.3 Investing in People

GGGI is committed to **continuously supporting and developing our talents and our organization's capacity.** GGGI has had strong growth in staff headcount in line with our significant increase in earmarked funding in the previous WPB period and we anticipate that we will further increase in the 2023-2024 WPB. GGGI's staff have been and continue to be instrumental in the delivery of GGGI's mission and its success to date.

Our People and People Strategy: To further support GGGI as a great place to work, a **People Strategy** will be developed and launched in 2022, prior to the start of the WPB 2023-2024. The Strategy will serve as a framework for our people strategic goals and our priorities in the short, medium and long-term, backed up by an operational plan for the WPB period. Underpinning the strategy will be greater use of HR metrics to inform actions, priorities and decisions.

Staff Engagement: GGGI is committed to having a highly engaged and diverse staff workforce, delivering and behaving in line with our five core values of integrity, inclusive, transformational, boldness and excellence. We will continue to conduct an annual staff engagement survey, targeting an engagement score of 80%, alongside being a mechanism to obtain staff feedback on key issues such as leadership and vision,

performance management, reward and recognition, learning and development, career and progression, well-being, diversity, equity and inclusion and respectful workplace. Action planning to address areas for maintenance and improvements is integral to this feedback mechanism. Organization-wide and divisional actions plans are monitored by GGGI's Management team, with external reviews of progress performed with the involvement of GGGI's Staff Council.

Reward and recognition: GGGI will implement in Q1 2023 the Council and Assembly approved outcome of our salary benchmarking exercises for international and national staff. We will conduct another exercise in 2025 as part of our commitment to being market competitive.

Respectful and Healthy Workplaces: We believe in multiple perspectives coming together, learning, and innovating to generate new ideas and develop new ways of doing things. We do this by ensuring that our recruitment, promotion and development opportunities are mindful of diversity and inclusion, **paying particular attention to gender balance and a multi-generational talent make-up.** We will run awareness building and training to emphasize awareness and our zero- tolerance approach to behaviors that are not in line with our values and organizational culture. We will have updated flexible working arrangements that enable staff to better manage work and life whilst remaining highly productive.

Delivering High Performance and Knowledge Sharing: We have a robust **performance management system** which recognizes and rewards excellent performance, an annual promotions exercise arising from performance reviews and a mobility program for international staff to encourage personal and career development. To ensure continued effectiveness of the system and programs noted, we will undertake a 'lessons learned' exercise after each cycle and revise/enhance accordingly. We will also aim to deploy 50% more special assignments to enhance career development and knowledge sharing within GGGI. During this WPB period, we will develop a **Staff CV database** to support **capability identification and mapping for current and future skill** requirements and refresh our new hires onboarding and reboarding program to create greater sense of belonging and enable them to deliver impact more quickly. We will develop a pilot program for emerging talent (Young Professional Program) to provide time-limited staff appointments arising from our established Internship Program.

Leadership and Managerial competencies: A key driver for staff engagement is leadership and managerial competencies. GGGI will roll-out targeted development programs for this cadre focusing on inspiring leadership and people management skills to lead with impact and competence.

7.4 Managing knowledge and expertise through Global Practices and Communities of Practices

As part of Roadmap 2021-2025, GGGI's Investment and Policy Solutions Division (IPSD) was refocused in 2021 as a group of "**Global Practices**" and "**Communities of Practices**" aligned with the Global Operational Priorities (GOP) of Green Investments (GOP 1), Climate Action (GOP 2) and Poverty Eradication and Gender Equality (GOP 5). In 2022, GGGI assessed the work of COPs, resulting in adjustments in structure. GGGI now has six (6) Communities of Practice and three (3) Global Practices as described in Figure 31.

Figure 31: GGGI's Global Practices and Communities of Practice



Global Practices

Global Practices offer cross-cutting services on key areas of GGGI engagement, aligning with its Global Operational Priorities of Green Investments, Climate Action and Poverty Eradication and Gender Equality. As such, the GPs are responsible for the strategic development and the global results narrative in their engagement areas. The GPs are headed by a manager with a specialized team offering services to all Member and partner countries including delivery of capacity building and awareness raising, development and maintenance of key tools, PIN review and quality assurance, resource mobilization, analytical work, knowledge sharing, as well as global representation and business development. GGGI has three (3) Global Practices:

(i) The **Green Investment Services (GIS)** Global Practice serves GGGI's ambition of catalyzing and accelerating access to **climate finance and green investment** in support of Member and Partner countries in mobilizing green finance needed for meeting their NDCs and green growth targets. GIS scales the mobilization efforts by expanding GGGI's engagements around **green/climate bonds** and by greening domestic banks in emerging markets, while developing and deepening partnerships with strategic investors, institutions, and platforms with a deep understanding of, and a long-term commitment to, green growth in developing countries and emerging markets. GIS Global Practice is collaborating with leading organizations in the field. In 2021, USD 5.1 billion were mobilized from 14 projects against a USD 700 million target. Portfolio also broadened significantly to include large-scale projects, especially thematic bonds issued by governments of Peru and Mexico. Going forward, GIS will focus on **blended finance, replication and upscaling** through best-practice models, thematic bonds, and partnerships.

(ii) The **Climate Action and Inclusive Development (CAID)** unit and Global Practice leads the support for Member and partner countries in developing an enabling policy environment for green growth transformations and climate action through evidence-based analysis and broad stakeholder engagements. The unit houses world class technical expertise in Economic Modelling of Green Growth, whose analysis is

pivotal for the development of **NDCs, LT-LEDS, NAPs**, and relevant national green growth plans. This work is reinforced by the Green Growth Index and Simulation Tool, which provides Members and partners with a framework to test policy solutions. The unit also houses a team of **MRV** experts, focused on the development of systems for impact measurements. Furthermore, through its **Climate Diplomacy** work, it supports LDC members in their engagements in UNFCCC process, and experts in gender and social development lead the mainstreaming of **Gender Equality and Social Inclusion (GESI)** in GGGI's work. Finally, GGGI's **Adaptation work** is also guided by the unit's expertise, with support to the elaboration and implementation of **National Adaptation Plans (NAPs)**, the development of new areas of focus such as Anticipatory Action, and the formulation of adaptation-focused adaptation and investment projects together with country-teams from GGP&I.

(iii) The **Carbon Pricing Unit (CPU)** and Global Practice aims to support GGGI's Member and partner countries to set a price for carbon and access carbon finance. It plays an increasingly important role in delivering GGGI's strategic outcomes, primarily by unlocking **international carbon finance** to increase ambition, above and beyond countries' climate commitments under the Paris Agreement, but also by building knowledge and awareness on the mitigation potential of well-designed carbon pricing policies. It provides key services in carbon pricing **policy design**, development of **regulatory frameworks** and **institutional capacity**, design and **structuring of transactions**, and thought leadership.

Communities of Practice

Communities of Practice (CoP) are networks of thematic experts brought together to provide specialist advice, PIN review and quality assurance, technical guidance, knowledge sharing, analytical work as well as support to the development of strategic partnerships and relevant business development aligned with the Global Operational Priorities 3 and 4 – containing the theme focused Programmatic Solutions. In line with Strategy 2030, GGGI has structured six formal CoPs based on its Programmatic Solutions:

- i. Sustainable Energy
- ii. Sustainable Transport
- iii. Sustainable Waste Management
- iv. Green Buildings and Industry
- v. Agriculture, Forestry and Other Land Use
- vi. Gender Equality & Social Inclusion

Sections below describe the work of CoPs in 2021-2022, and their plans and priorities for the biennium 2023-2024.

Sustainable Energy

Sustainable energy is one of the major areas of intervention for GGGI. Sustainable Energy forms the largest part of GGGI's green investment mobilization portfolio. The sustainable energy CoP provides support to develop **approaches, guidance, and programs to create impact at-scale** such as Global/ Regional

programs for **clean energy transition in GGGI Member and partner countries**. The CoP develops new areas, provides thought leadership, develops strategic partnerships, and builds organizational capacity to respond to a rapidly changing energy landscape and experiment with new ideas.

In 2021-2022, achievements of the Sustainable Energy CoP include the support to:

- i. the development of the world's largest floating solar project, a **600 MW floating solar project in India**, as Independent technical and financial advisor to the Government of India. The project has achieved financial closure for 300 MW and will receive green financing of over USD 350 million when fully implemented.
- ii. GGGI's **BioCNG global program** with India, Indonesia, and Thailand as target countries. BioCNG is seen as a sustainable source of energy from organic waste that will be key for clean energy transition in countries that are rich in organic waste.
- iii. the development of GGGI's **Global Green Hydrogen program** in countries including India, Indonesia, Morocco, and Nepal. Green hydrogen is largely seen as key for hard to abate industries and carrier of sustainable energy.
- iv. the concept of **Integrated Resource Planning (IRP)** for generation, transmission and distribution of the grid electricity that will help in absorbing higher levels of renewable energy in the grid. The concept was adopted by the state of Himachal Pradesh in India. The CoP also developed partnership with the World Bank that as agreed to provide USD 200 million results-based financing for the state of Himachal Pradesh based on the GGGI support for IRP.

In 2023-2024, the Sustainable Energy CoP will continue to a) **support strategies on clean energy transition** in member and partner countries, (b) generate new opportunities and respond to changes originating outside the organization by developing new areas of interventions, (d) stretch formal organization structure boundaries and **experiment with ideas that are critical to achieve global climate security**, enable GGGI to achieve and maintain technical knowledge required to deliver excellence in project development and implementation of the sustainable energy projects and programs. Consequently, the work of the Sustainable Energy CoP will focus in the following areas

- i. Strengthening and expanding the Green Hydrogen and the BioCNG global program
- ii. Developing Clean Energy Transition Regional programs
- iii. Developing Energy Access Regional programs in Africa and the Pacific
- iv. Developing a new practice area on energy storage to support accelerated renewable energy deployment

Sustainable Transport

The Sustainable Transport CoP targets its interventions and investments in i) mainstreaming **sustainable**

transport strategies into national, sub-national, regional, local, and sectoral policies and development plans ii) linking sustainable transport solutions to existing **transport infrastructure & system investments**; and iii) facilitating the participation of the **private sector** in the sustainable transport industry.

In 2021-2022, GGGI actively supported **sustainable transport activities in 15 countries**, with 7 countries in Asia (Cambodia, India, Lao PDR, Myanmar, Nepal, Philippines, and Sri Lanka), 3 countries in Africa/Middle East (Ethiopia, Jordan, Rwanda), 2 countries in Latin America (Ecuador and Mexico), and 3 countries in Pacific (Fiji, Kiribati, and Tonga). The Sustainable Transport CoP supported GGGI Members in:

- i. applying e-mobility solutions to a high-quality bus-based transit system such as bus rapid transit (BRT) and intelligent transportation systems (ITS) in collaboration with GGGI country teams.
- ii. conducting **technical/financial assessments** on the introduction of electric buses in Cambodia, Ethiopia, Jordan, Lao PDR, Nepal, Philippines, Sri Lanka, and Rwanda.
- iii. **policy recommendations and/or project preparatory studies** that support e-mobility, public and sustainable transport have been developed in cooperation with governments such as for example recommendations on technical standards for electric vehicles in Lao PDR, or Low Emission Development Strategy (LEDS) for land transport in Fiji.

In 2023-2024, the Sustainable Transport CoP expects to focus its work in the following areas, to facilitate the transformation of Members toward low-carbon and resilient transportation:

- i. **scaling up existing electric mobility initiatives**, through the mobilization of green finance and the creation of enabling environments for public and private sector investment.
- ii. strengthening relevant **stakeholder's capability** with respect to the understanding of transport and sustainable mobility, relevant skill sets, and general project management.
- iii. expanding its scope towards **Non-Motorized Transport** (forms of travel that do not rely on an engine or motor for movement, such as walking and bicycling).

Sustainable Waste Management

The Sustainable Waste CoP aims to provide **thought leadership and knowledge exchange** to support the adoption of Programmatic Solution 6 – Waste Management, within GGGI and beyond. GGGI's work in sustainable waste management is focused on a key set of services such as (i) providing comprehensive **solutions to municipal solid and liquid waste management** based on the circular economy concept (ii) maximizing **waste-to-resource opportunities** in waste value chains while contributing to climate mitigation and creating green jobs (iii) developing **bankable solid and liquid waste management models**. In 2021-2022, the work of the Sustainable Waste CoP included:

- i. the development of policy briefs and papers on climate benefits of sanitation technology.

- ii. the generation of a **flagship publication** on large scale waste treatment facilities in the Mekong region as well as the promotion of best practices and knowledge exchange in various internal and global forums⁷.
- iii. the provision of **technical inputs and supervision** to policy development with 5 policy documents endorsed in 2021 including "Solid Waste Management strategy and action plan for Vientiane 2021-2030" and "Kep (Cambodia) institutional and financial arrangement for waste and wastewater management".
- iv. support to the **mobilization of green investment** commitments for waste-to-energy and resource recovery facilities in several countries in Asia, Africa and Latin America⁸ with potential investment size of USD 300M.
- v. with an aim to mobilize resources for regional/global initiatives on sustainable waste management, Waste CoP contributed to developing a proposal on ASEAN municipal waste to be funded by the ASEAN Korea Cooperation Fund (AKCF). The AKCF project aims to develop regional policy on sustainable solid waste management and investment project pipelines in ASEAN countries including Philippines, Cambodia, Lao PDR, Thailand, Indonesia, Vietnam, Brunei and Malaysia.
- vi. development of the initial concept on **Waste Global Financing Facility** with AfD.
- vii. the design and implementation of solutions to increase access to wastewater and fecal sludge treatment services in developing countries with a focus on bankable business models for Decentralized Wastewater Treatment Systems (DEWATS) and Fecal Sludge Management (FSM) in Cambodia, Lao PDR, Nepal, Rwanda and Senegal. The work allowed to the technical and investment outputs to be defined and technically qualified staff are selected to be able to implement the projects.

In 2023-2024, the Waste CoP undertakes to focus its work in the following four areas:

- i. **analytical work and quality assurance**, by providing technical inputs and supervision to countries teams in the areas of policy development, waste project initiation/design, and regional policy development. This work will include circular economy strategy for Lima municipality and ASEAN Solid Waste Management Strategy.
- ii. the development of **regional/global projects** for resource mobilization, where the Waste CoP will be leading technical components of the regional project on ASEAN Korea Cooperation Fund (AKCF). Through GCF funding and AfD expected co-financing, the CoP, in collaboration with GIS, will be leading the operationalization of the global financing facility. The CoP will also help develop the 2nd generation of GGGI's projects on liquid waste which will include multiple countries with matured waste projects. The CoP also plans to expand its partnership and collaboration with the EU on regional circular economy projects which can benefit countries in Asia and Africa.

- iii. the development of **waste investment project pipeline**, focusing on investment opportunities around large-scale waste treatment facilities and waste-to-energy project i.e., biogas and BioCNG projects. Based on the investment mobilization track record in the Mekong region, the replication of the model on mechanical biological treatment (MBT) facility will be developed in Africa and Latin America.
- iv. **internal and external knowledge sharing** and knowledge product development, by facilitating the internal and external knowledge sharing and capacity building. This will include bilateral knowledge transfer between country teams and the production of knowledge products on GGGI's best practices on waste management.

Green Building & Industry

In 2021-2022, the Green Buildings and Industry Community of Practice (GBI CoP) focused on supporting country teams build up and expand on **technical support to governments** in green buildings and industry. This includes:

- i. working with country teams and government partners to design projects responding to local priorities.
- ii. organizing **knowledge sharing events** showcasing GGGI project approaches and promoting exchanges with external practitioners and developing knowledge products that document GGGI intervention outcomes for replication and scaling, and incorporate global frameworks. In Burkina Faso, St Lucia and Fiji, proposals on affordable housing projects incorporated components on sustainable cooling, green financing and climate resilience respectively. In Mongolia, the implementation of Thermal Retrofitting of Residential Apartment Blocks Project provided a model for countries in Central Asia to replicate. The rapid energy audits for public buildings in Rwanda mobilized preliminary TA support for establishing a Super ESCO facility in collaboration with the Ministry of Infrastructure and African Development Bank. While in Fiji, climate change considerations were introduced to the National Building Code through a Sustainability Chapter.
- iii. the **mobilization of resources** for Sustainable Urban Cooling Project in Vietnam and the Asia Low Carbon Building Transition Project in Cambodia, India, Indonesia, Thailand and Vietnam.
- iv. **sharing lessons learned** on the Cambodia SWITCH Garment Project on industrial energy efficiency with project teams in Laos, Uganda and Philippines, and on promoting green industrial parks through policy and certification in Indonesia.
- v. releasing a **flagship publication** on Circularity in the Built Environment – Africa, developed in partnership with the One Planet Network and launched at COP 26, and another flagship report on Multicountry Assessment on Green Building Transitions which will be published later in 2022.

In 2023-2024, the GBI CoP will continue to contribute to global partnerships including the Global Alliance for Buildings and Construction, Cool Coalition and the One Planet Network. The CoP will work with country teams to:

- i. develop regional or multi-country programs on green building codes, energy efficiency, sustainable cooling and circular materials.
- ii. consolidate key project and programmatic approaches for replication and scaling up through webinars, publications and presentations.
- iii. enhance capacity internally and for country partners to design and deliver climate-responsive low carbon buildings.

Agriculture, Forestry and Other Land Use

From 2023 onwards, the Agriculture, Forestry and Other Land Use CoP will incorporate work of what were the Forests and Sustainable Landscapes and Climate Smart Agriculture CoPs. The **Forest and Sustainable Landscapes** CoP aimed to provide support to the country offices mainly for resource mobilization, including for **project conception and design**, and preparation for meetings with potential donors and other development partners, and to enable sharing of knowledge and expertise. Key elements in the Forest and Sustainable Landscapes CoP are a focus on **upscaling solutions** that have been proven at a local scale, support to national policy and planning processes, and helping national government mainstream sustainable forest and climate smart landscape management approaches into subnational plans.

In 2021-2022, GGGI's work in sustainable forests and sustainable landscapes focused on providing solutions for forest and land degradation, that involve review and development of economically viable and inclusive landscape restoration options:

- i. in the Asia-Pacific region this included a strong focus on design of landscape-wide and subnational jurisdictional approaches for emission reduction, including a number of projects supported through results-based payments. GGGI supported member countries in the region on NDC Roadmap development, Net Zero ambitions especially also for the forests and landscapes sector. In Indonesia bankable project design has focused on **development of innovative business models** for e.g., upscaling social forestry, mangrove rehabilitation, peatland restoration and multi-purpose forest utilization. In Sri Lanka a new plantation model is being designed involving multispecies biomass plantations as feedstock for the energy sector. In Nepal a roadmap is in design for optimizing use of bamboo for addressing land degradation and while simultaneously providing base material for a number of high value commodity chains.
- ii. in the South Pacific a strong focus has been on identifying **nature-based solutions** for enhancing

climate resilience and livelihoods of local communities.

- iii. in Africa, there was focus on developing a **regional project aiming at urban forestry** and restoration of degraded forest landscapes. In Ethiopia, GGGI has started implementation of the KOICA funded forest landscape restoration project.

The CoP also supported resource mobilization leading to new opportunities in Africa and Latin America:

- i. in Latin America, the CoP supported the accession process of new Member countries in South and Central America, as well as ongoing projects and formulation of the next phases for projects under execution. A regional program for Central America was devised and its implementation is foreseen to start through projects developed in individual countries as well as through regional projects, depending on donors' appetite. A KOICA funded project will support planning and institutional capacities for forest landscape restoration at regional level (3 countries) will be implemented, together with a standalone ROK- MAFRA project for CSA in El Salvador.
- ii. in Africa a grant agreement for a project for promoting **agroforestry in Ethiopia** is being finalized for support of the Korea Forestry Service ODA and GGGI will lead its implementation. In Rwanda, GGGI supported development of Green Investment Mobilization and Carbon Verification aimed at supporting Rwanda's Planned National Volcanoes Park Expansion. Despite limited regional activities related to Sustainable Forests in Africa, the focus was on nature-based solutions.

The **Climate Smart Agriculture & Solar Irrigation** CoP aimed to address the nexus between agricultural productivity, efficiency, and carbon neutrality, particularly over the African Continent. In 2021-2022, the CoP was entrusted to develop a coherent value proposition for GGGI in this thematic area for the Africa region, contributing to several studies/reports of GGGI's CSA & solar irrigation projects, and disseminating knowledge on CSA within GGGI teams and externally. In 2023, the **newly formed Agriculture, Forestry and Other Land Use CoP**, will revisit its priorities for the biennium, which may include:

- i. further articulating GGGI's **value proposition on adaptation** and assisting in overall resources mobilization initiatives by countries based on current and future engagements.
- ii. bringing many of the currently proposed Forest focused projects in the region to implementation stage and will expanding the number projects and number of member countries with green growth oriented forests and landscape projects and programs.
- iii. **scaling up existing solar irrigation projects** through mobilizing green finance and creating enabling environments for public and private sector investment:
- iv. supporting Country teams on the implementation of **adaptation projects** by: (i) assisting the implementation of the current CSA & solar irrigation projects (Burkina Faso, Ethiopia, Uganda and

Senegal) and upcoming adaptation; (ii) reviewing feasibility studies/reports of upcoming and current 4 CSA & solar irrigation projects to (iii) contribution to LEADS' project implementation for two countries (Ethiopia & Burkina Faso).

- v. **disseminate knowledge** across the organization and externally: (i) capitalizing on lessons learnt from CSA projects/ programs to develop thought leadership content, (ii) Increasing awareness and disseminating knowledge on CSA within GGGI teams and externally (organize webinars, participate to external conferences/workshop, publication of technical policy briefs etc.).

Gender Equality and Social Inclusion (GESI)

The GESI CoP focuses on the implementation of the ESS policies and Gender and Social Inclusion Strategy 2021-2025 and Action Plan 2023-2024 (forthcoming). The GESI strategy firmly aligns GGGI's commitment GESI with the 2030 Strategy Framework and underpins the work of the GESI CoP, which consists of CAID and Regional GESI Focal Points. The GESI CoP is mandated to ensure application of the Gender and Poverty Markers on all projects, monitoring of GESI targets; and capacity building.

The GESI COP holds the global narrative on GGGI's work towards its Global Operational Priority 5 concerning Gender and Poverty eradication in GGGI's program. the Community of Practice is responsible for the strengthening of internal mechanisms and capacity for management of ESS and GESI throughout the program cycle. This includes the implementation for the Gender and Policy Markers on project that underpin the measurements of corporate level indicators that "100% of new project apply the markers"; "75% of projects significantly incorporate gender" and "75% of projects significantly incorporate poverty".

In 2021-2022, GGGI led the establishment and chairing of a Gender Expert Group on the Green Growth Knowledge Platform (GGKP), showing global leadership in this area.

In 2023-2024, the GESI COP will continue to focus on:

- i. its participation in **reviewing new Project Idea Notes (PIN)** and earmarked proposals, sign off on Private Sector Partnership Due Diligence.
- ii. conducting an **annual review on the application of Gender and Poverty markers** and generating recommendations for action to improve their application, hence also strengthening the results based management approach to GESI in GGGI's programs.
- iii. **capacity building**, case study developments, and opportunities to show case best practices, while also developing pipelines of project proposals for business development.
- iv. actively engaging in the **Green Growth Knowledge Platform (GGKP) Gender Expert Group**, currently chaired by GGGI, to position GGGI as a global thought leader and convenor of conversations on gender-just transitions.

7.5 Managing for Results

The implementation of GGGI's work program will be managed through an array of budgeting, planning, project management, and monitoring and evaluation (M&E) tools and business processes within the framework for GGGI's operations.

GGGI's **Result Based Management Framework** is the overarching management strategy, integrating and driving GGGI's Value Chain and business process in the production of core goods and services, which have the purpose of delivering quality and higher-level outcomes and impacts towards a green growth model for Members and partners. The framework integrates and connects components of strategy/budgeting, HR, finance, technology, and project managements through various steps in the Project Cycle Management (PCM), forming causal relationships in GGGI value chain through a feedback loop, and facilitating the necessary adjustments and improvements to the delivery and monitoring process. The RBM focuses on quality of design, implementation, reporting of results and implementation.

Project Cycle Management (PCM)

The approval of WPB and actual programs and projects are decoupled in WPB 2023–2024. The preparation for the programs and projects will be initiated separately. **GGGI's PCM system** provides a systematic five-step process upon which new project ideas are developed, designed, planned, implemented, and monitored and evaluated- Strategic and operational planning, Proposal development and resource mobilization (for earmarked funds), Project development (for core funds), Project management, Corporate results reporting and evaluation.

Corporate Results Framework (CRF) 2021-2025 & Results Reporting

The new and current CRF 2021-2025 was approved by Council in October 2020. It replaces the first CRF 2015-2020, introduced in 2015. GGGI's corporate results are delivered within the priorities outlined in Strategy 2030, Roadmap 2021-2025, and WPB through its Results Based Management framework. To measure its performance, GGGI's **Corporate Results Framework** introduces a set of indicators aligned to GOPs and based on its Theory of Change and linking the impact (SOs) of its activities to its Intermediate Outcomes (IOs), which cascades into further specific project outputs.

In 2019, GGGI developed and adopted **approaches and methodologies for estimating its SOs**- related ex-ante project impacts resulting from activities by GGGI country programs and approximation of targeted impacts. The methodologies were completed in 2021 with the development of SO4 (air quality) methodology guidance sheet. These are calculated through top-down or bottom-up approach at two levels. **Attributed impact outcomes** result from GGGI activities with direct causal links to the SO. **Contributed impact outcomes** capture the level of contributions that GGGI makes toward achieving Member and partner countries' NDC and SDG targets, primarily through policy work. Both levels of impact outcomes are relevant in evaluating GGGI's work and capturing the impacts that GGGI aims to achieve through its activities

in support of green growth transition in its Members and partner countries. In the Roadmap 2021–2025, the 2030 impact estimates and targets were translated to 2025 targets (attributed impacts), driving GGGI’s ambitions in scaling up activities and impacts from 2021 through 2023-2024 WPB and up to 2025. In 2023-2024, **SO estimation methodologies and targets will be reassessed as part of the mid-term review exercise of Roadmap 2021-2025.**

Intermediate Outcomes (IO) encompass four broad focal areas of GGGI’s programmatic priorities, plus another for its non-programmatic ones: **IO1:** Accelerated access and secured climate finance/green investments for members from both public and private sectors; **IO2:** GGGI Members have strengthened policy, planning, regulatory, financing, and institutional frameworks to achieve green growth outcomes; **IO3:** National, regional, and global capacity to drive and expand green growth ambitions is enhanced; **IO4:** Green growth solutions support Member and Partner countries in reducing poverty and achieving gender equality; **IO5:** Sustainable financial growth supports quality delivery of GGGI commitments to Member and Partner countries. GGGI’s programs are designed to deliver one or more of these IOs under GOPs and Programmatic Solutions (PS) with Outputs, Outcomes, and Impacts.

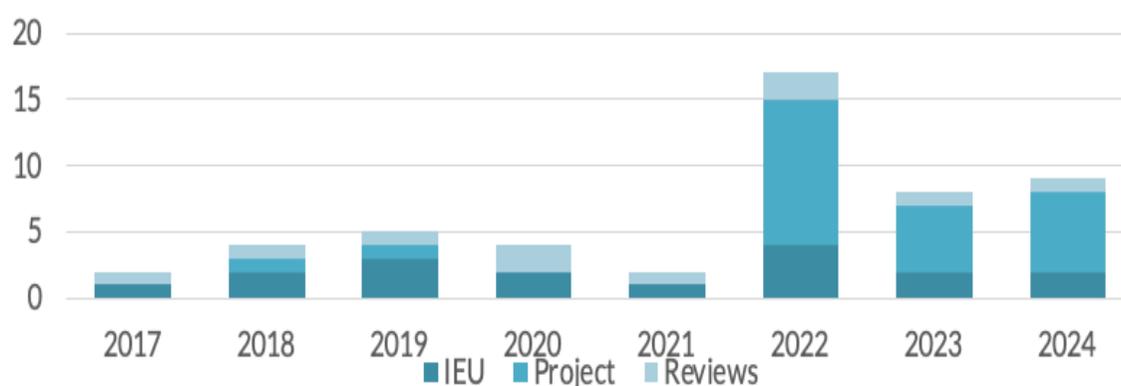
GGGI’s programmatic and operational results are reported annually through the **End-of-year Results Reports** at country level and measured against the CRF 2021–2025. The outputs, outcomes, and impacts achieved are then aggregated to form GGGI’s corporate results, which are then presented in the **Annual Results Report**, the GGGI **Annual Report**, and other donor reports as well as reporting through the International Aid Transparency Initiative (IATI) and OECD DAC. GGGI also pursued the mainstreaming of the **Impact Pathway Approach (IPA)** at program-level planning and reporting was initiated during the current biennium will be sustained. The IPA is in sync with GGGI’s Theory of Change (TOC) in Strategy 2030. IPA demonstrates the intended key results of a country program and programmatic pathways to get there. It is used in GGGI’s key strategic planning document at the country level, the CPFs. It also forms the basis of GGGI’s reporting on its SOs at a country level through **Country Program Results Reports (CPRR).**

Impact Evaluation

Evaluations support GGGI to **improve the design and implementation of programs and projects** to bring about transformational change, strengthen transparency and accountability of GGGI’s programs and projects to Members and Partners (including resource partners), and build a credible evidence base for green growth. Evaluations are conducted both by GGGI’s resource partners and GGGI’s **Impact and Evaluation Unit (IEU).**

Following the increase in earmarked funding over the last several years, GGGI foresees the number of project evaluations to grow in the coming years (Figure 30). As part of GGGI’s Impact and Evaluation Unit’s (IEU) work plan presented separately to the Management and Program Sub-Committee, action has been taken to **provide supplementary guidance to project teams** on preparing and engaging in evaluations through the **Monitoring, Evaluation, Reporting, and Improvement Community of Practice (MERI CoP).**

Figure 32: Evaluations and reviews of GGGI operations, past and projected



Complementary to these project evaluations, as well as the launch of regional strategies, IEU has shared its intention to **shift its focus away from individual country programs to programmatic solutions, region and sub-regions, and corporate strategies**. The preliminary work plan for 2023 will include two evaluations, covering Programmatic Solution 9 (Renewable Energy) and West Africa, and 2024 will include a focus on programmatic solution 6 (Waste management) and the evaluation of GGGI Gender Equality and Social Inclusion Strategy 2021-25.

Beginning 2022, IEU has conducted a **review of the status of previous evaluation** findings to present the conclusions to the Management Team twice a year. This is premised on the theory of change for GGGI's evaluation function that objective evidence regarding the relevance, effectiveness, efficiency, and sustainability of GGGI's operations will only inform improvements in project and program delivery, as well the design of future projects and programs, if recommendations are implemented. This requires the Management Team to define tangible and time bound actions in response to the recommendations, that these actions are assigned to the relevant project and program managers, that project and program managers have the capacity and resources to implement these actions, and that the Management Team (and Council) periodically monitors the status of actions.

Appendix 1. WPB 2023-2024 Budget Scenarios

Country/Unit	(A) Base Scenario (mill USD)				(B) Base Scenario plus Core Replenishment (mill USD)				(C) Plus Scenario (mill USD)			
	Core	Expected Program Earmarked	Expected Project Earmarked	Total	Core	Expected Program Earmarked	Expected Project Earmarked	Total	Core	Expected Program Earmarked	Expected Project Earmarked	Total
Indonesia	0.20	-	7.71	7.92	0.20	-	7.71	7.92	0.20	-	10.11	10.31
India	0.20	0.81	1.03	2.05	0.20	0.81	1.03	2.05	0.20	0.81	1.15	2.16
Kyrgyz	0.10	-	0.99	1.09	0.70	-	0.99	1.69	0.10	-	1.10	1.20
Cambodia	0.20	0.13	3.15	3.49	0.70	0.13	3.15	3.99	0.20	0.13	4.32	4.65
Lao PDR	0.20	-	4.14	4.34	0.70	-	4.14	4.84	0.20	-	5.40	5.60
Sri Lanka	0.20	-	1.53	1.73	0.20	-	1.53	1.73	0.20	0.11	1.70	2.01
Mongolia	0.20	-	1.93	2.13	0.70	-	1.93	2.63	0.20	-	3.70	3.90
Nepal	0.20	-	3.54	3.74	0.70	-	3.54	4.24	0.20	-	5.07	5.27
Philippines	0.20	-	3.55	3.75	0.20	-	3.55	3.75	0.20	-	4.78	4.98
Pakistan	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Turkmenistan	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Thailand	0.20	-	1.20	1.40	0.20	-	1.20	1.40	0.20	-	1.33	1.53
Uzbekistan	0.20	-	2.72	2.92	0.70	-	2.72	3.42	0.20	-	3.02	3.22
Viet Nam	0.20	0.09	4.82	5.11	0.20	0.09	4.82	5.11	0.20	0.09	7.44	7.73
ROA	1.20	-	0.78	1.98	1.20	-	0.78	1.98	1.20	-	0.87	2.07
i. Asia Total	3.51	1.04	37.10	41.64	7.81	1.04	37.10	45.94	3.51	1.15	49.99	54.64
Caribbean	0.09	0.51	1.40	2.00	0.59	0.51	1.40	2.50	0.09	0.51	1.57	2.17
Colombia	0.20	0.04	2.55	2.78	0.20	0.04	2.55	2.78	0.20	0.06	2.83	3.09
Costa Rica (in LAC)	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Ecuador (in LAC)	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Guyana	0.20	-	0.82	1.02	0.70	-	0.82	1.52	0.20	-	0.91	1.11
Mexico	0.20	0.06	1.87	2.13	0.20	0.06	1.87	2.13	0.20	0.06	2.08	2.34
Peru	0.20	0.06	1.11	1.37	0.20	0.06	1.11	1.37	0.20	0.06	2.39	2.66
Paraguay (in LAC)	-	-	-	-	0.60	-	-	0.60	-	-	-	-
LAC incl. CRI, ECU, PRY	1.41	0.19	2.35	3.95	1.41	0.19	2.35	3.95	1.41	0.29	2.99	4.69
ii. LAC & Caribbean Total	2.30	0.87	10.09	13.26	5.10	0.87	10.09	16.06	2.30	0.98	12.76	16.05
Angola	0.10	-	-	0.10	0.70	-	-	0.70	0.10	-	0.99	1.09
Burkina Faso	0.20	-	3.35	3.54	0.70	-	3.35	4.05	0.20	-	3.72	3.92
Côte d'Ivoire	0.21	0.15	2.66	3.02	0.21	0.15	2.66	3.02	0.21	0.15	3.50	3.87
Ethiopia	0.20	-	6.34	6.54	0.70	-	6.34	7.04	0.20	-	7.76	7.96
Morocco	0.10	1.56	0.24	1.90	0.10	1.56	0.24	1.90	0.10	1.56	1.31	2.97
Rwanda	0.20	0.08	2.68	2.96	0.70	0.08	2.68	3.46	0.20	0.08	5.33	5.61
Senegal	0.20	-	3.06	3.26	0.70	-	3.06	3.76	0.20	-	3.41	3.61
Togo	0.20	-	0.95	1.15	0.70	-	0.95	1.65	0.20	-	2.06	2.25
Uganda	0.22	-	4.72	4.94	0.72	-	4.72	5.44	0.22	-	5.24	5.47
ROC	1.02	0.40	1.81	3.23	1.02	0.40	1.81	3.23	1.02	0.40	4.10	5.52
iii. Africa Total	2.66	2.19	25.80	30.64	6.26	2.19	25.80	34.24	2.66	2.19	37.43	42.27
Fiji	0.11	0.27	2.68	3.06	0.41	0.27	2.68	3.36	0.11	0.69	4.54	5.34
Kiribati	0.10	0.08	2.11	2.29	0.40	0.08	2.11	2.59	0.10	0.18	2.54	2.82
PNG	0.10	-	4.55	4.65	0.40	-	4.55	4.95	0.10	-	5.26	5.36
Tonga	0.10	0.30	0.13	0.53	0.40	0.30	0.13	0.83	0.10	0.30	0.15	0.55
Vanuatu	0.05	0.08	2.68	2.81	0.35	0.08	2.68	3.11	0.05	0.08	3.58	3.71
Regional Office Pacific	0.15	1.56	3.42	5.13	0.15	1.56	3.42	5.13	0.15	2.62	9.43	12.20
iv. Pacific Total	0.61	2.30	15.57	18.48	2.11	2.30	15.57	19.98	0.61	3.88	25.50	29.98
Jordan	0.20	-	2.45	2.65	0.20	-	2.45	2.65	0.20	-	4.72	4.92
Qatar	-	-	5.00	5.00	-	-	5.00	5.00	-	-	5.00	5.00
UAE	-	-	3.00	3.00	-	-	3.00	3.00	-	-	3.00	3.00
v. Middle East Total	0.20	-	10.45	10.65	0.20	-	10.45	10.65	0.20	-	12.72	12.92
Hungary	0.14	-	0.45	0.59	0.14	-	0.45	0.59	0.14	-	0.50	0.64
vi. Europe Total	0.14	-	0.45	0.59	0.14	-	0.45	0.59	0.14	-	0.50	0.64
Country Total (i to v)	9.42	6.39	99.46	115.27	21.62	6.39	99.46	127.47	9.42	8.20	138.90	156.52
OGGPI	1.58	-	-	1.58	1.58	-	-	1.58	1.58	-	-	1.58
IPSD Total												
Procurement	0.50	-	-	0.50	0.50	-	-	0.50	0.50	-	-	0.50
IEU	1.18	-	-	1.18	1.18	-	-	1.18	1.18	-	-	1.18
Central PIN/IPSD COP	2.00	-	-	2.00	2.00	-	-	2.00	2.00	-	-	2.00
Central Fund (Vulnerable Countries)	-	-	-	-	4.50	-	-	4.50	-	-	-	-
Central Fund (New Countries)	-	-	-	-	3.30	-	-	3.30	-	-	-	-
Program Front Offices	8.07	6.44	9.54	24.04	20.87	6.44	9.54	36.84	8.07	8.21	11.50	27.77
Programmatic Total	17.48	12.83	109.00	139.31	42.48	12.83	109.00	164.31	17.48	16.41	150.40	184.29
OOED	0.90	-	-	0.90	0.90	-	-	0.90	0.90	-	-	0.90
Admin Services	0.49	-	-	0.49	0.49	-	-	0.49	0.49	-	-	0.49
Corp Shared Service	4.80	-	-	4.80	4.80	-	-	4.80	4.80	-	-	4.80
Finance Services	1.72	-	-	1.72	1.72	-	-	1.72	1.72	-	-	1.72
HR Services	1.36	-	-	1.36	1.36	-	-	1.36	1.36	-	-	1.36
Legal Affairs	0.72	-	-	0.72	0.72	-	-	0.72	0.72	-	-	0.72
Technology Services	1.20	-	-	1.20	1.20	-	-	1.20	1.20	-	-	1.20
OED Total	11.19	-	-	11.19	11.19	-	-	11.19	11.19	-	-	11.19
OODG	0.96	-	-	0.96	0.96	-	-	0.96	0.96	-	-	0.96
Governance	1.27	-	-	1.27	1.27	-	-	1.27	1.27	-	-	1.27
SPC	3.91	-	-	3.91	3.91	-	-	3.91	3.91	-	-	3.91
Internal Audit	0.97	-	-	0.97	0.97	-	-	0.97	0.97	-	-	0.97
ODG Total	7.11	-	-	7.11	7.11	-	-	7.11	7.11	-	-	7.11
Non-programmatic Total	18.30	-	-	18.30	18.30	-	-	18.30	18.30	-	-	18.30
Depreciation	0.50	-	-	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Learning & Development	0.20	-	-	0.20	0.20	-	-	0.20	0.20	-	-	0.20
General Contingency	0.20	-	-	0.20	0.20	-	-	0.20	0.20	-	-	0.20
Business Development	0.10	-	-	0.10	0.10	-	-	0.10	0.10	-	-	0.10
Grand Total	36.79	12.83	109.00	158.62	61.79	12.83	109.00	183.62	36.79	16.41	150.40	203.59



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