



Global Green Growth Institute
 12th Session of the Assembly and
 16th Session of the Council (Joint Session)
 October 9-20, 2023 | E-Consultations
 October 26, 2023 | Hybrid Meeting
 E-Consultations Item #3 / Hybrid Meeting Agenda #5

Note on Re-defining Contributing Members

PURPOSE/ACTION REQUIRED

Members of the Assembly are invited to:

<input type="checkbox"/> Take note of	<input type="checkbox"/> Discuss and provide feedback
<input checked="" type="checkbox"/> Approve the decision and the Terms of Reference of the Donor Consultation Group	<input type="checkbox"/> Other (please specify)

CONTEXT/BACKGROUND

After the Secretariat recommended in 2022 that Member States consider reviewing the current definition of “Contributing Members” as provided in the *Agreement of the Establishment of the Global Green Growth Institute* (Establishment Agreement), Members of the Assembly and Council agreed to review the definition and asked the Members of the MPSC to review and discuss the recommendations. Following two rounds of discussions during MPSC16 and MPSC17 on April 27, 2023, and June 29, 2023, respectively, the Secretariat took note of comments and suggestions from Members of the MPSC and subsequently solicited comments from all Council Members.

SUMMARY

This Note summarizes the process taken since 2022 to deliberate the rationale and effects of re-defining “Contributing Members” by Members of the MPSC and Council, following which the Secretariat was requested to take to Members of the Assembly for decision to approve the decision (9 proposals) and the Terms of Reference of the Donor Consultation Group.

Note on Re-defining Contributing Members

Executive Summary

1. In 2022, the Secretariat raised the issue of the Contributing Member definition with Members of both Management and Program Sub-Committee (MPSC) and Council and obtained agreement to explore a revised definition in 2023. The sessional documents¹ for MPSC and Assembly/Council meetings prepared in 2022 explored the issues in more detail, but a summary of the issues with the current definition are as follows:
 - a. Contributing Members were expected to represent the key donors to GGGI. During the first five years of GGGI's existence as a treaty-based intergovernmental organization, the countries that joined GGGI as founding Contributing Members indeed provided almost all of its funding, primarily with core contributions. Thereafter, however, the funding sources diversified, and new donors have increasingly provided significant funding without having become Member States nor being represented among the Contributing Member group.
 - b. There exists some lack of clarity in the definition of Contributing Members, and it is unclear whether the status is permanent, or based on recent or continuing contributions. If the latter is to be applied, very few Contributing Members would still qualify and meet the definition. The number of Contributing Members is so small already that it has been challenging to fill the five Council seats reserved for Contributing Members.
 - c. The current Contributing Member definition focuses on core funding only and sets a high bar at USD10 million for two years (or USD 15 million for three years) of core funding. While core funding is undoubtedly the highest value funding for GGGI and the high bar was meant to attract key donors, this has been perceived as a barrier in practice that is too difficult to pass for new donors in the current environment. And although program and project earmarked funding may not be as valuable as core, these have come to play a very important role in GGGI, and they are almost universally preferred by donors. Therefore, recognizing that recurrent providers of significant volumes of earmarked funds are important donors of GGGI, giving these donors both recognition and a closer link to the organization would be another key reason to review the definition.
2. During the Sixteenth Meeting of the MPSC (MPSC16) on April 27, 2023, the Secretariat provided a set of alternative options and revisions for discussions to explore a revised definition of Contributing Members, Contributing Donors, a Donor Advisory Group, revised definitions of overhead, and a proposal to limit overhead expenditures².

¹ See "Note on Recommendation to Redefine Contributing Council Member" [MPSC/2022/20] prepared for MPSC15, "Note on Recommendation to Review Contributing Member Definition" [A/2022/3-C/2022/3] prepared for the Assembly/Council Joint Session on October 27, 2022, and "Summary of the 11th Session of the Assembly and 15th Session of the Council" [A/2022/DC/3-C/2022/DC/10].

² "Note on Re-defining Contributing Members" [MPSC/2023/5] prepared for MPSC16.

3. The Secretariat incorporated comments from MPSC16³ and drafted 1) nine (9) proposals and 2) Terms of Reference for the Donor Consultation Group for further review and comments from Members of the MPSC during the Seventeenth Meeting of the MPSC (MPSC17)⁴ on June 29, 2023.
4. After receiving final comments and suggestions from Members of the MPSC during MPSC17⁵, the Secretariat solicited written comments and feedback from all Members of the Council on July 5, 2023, for which the Secretariat did not receive additional comments and feedback.
5. The Secretariat has prepared 1) the Draft Decision on Re-defining Contributing Member and Issues related to Core Contributions and 2) final draft of the Terms of Reference for the Donor Consultation Group as attached, both for approval by Members of the Assembly during the Assembly/Council Joint Session on October 26, 2023.

/End

Attachments:

1. (Draft) Decision on Re-defining Contributing Member and Issues related to Core Contributions
 - (Draft) Terms of Reference for the Donor Consultations Group

³ “Summary of the 16th Meeting of the Management and Program Sub-Committee of the Council” [[MPSC/2023/12](#)].

⁴ “Note on Re-defining Contributing Members” [[MPSC/2023/14](#)] prepared for MPSC17.

⁵ “Summary of the 17th Meeting of the Management and Program Sub-Committee of the Council” [[MPSC/2023/23](#)].



Global Green Growth Institute

The Assembly
October 26, 2023

**(Draft) Decision on Re-defining Contributing Member and
Issues related to Core Contributions**

The Assembly;

Recalling Articles 7 and 8 of the Agreement on the Establishment of the Global Green Growth Institute, regarding the Assembly and the Council of GGGI;

Recalling the functions of the Assembly and the Council as outlined in Rule 2 of the Rules of Procedure of the Assembly [[A/4/DC/2](#)] and Rule 2 of the Rules of Procedure of the Council [[C/8/DC/2](#)];

Further recalling Article 3(a) of the Establishment Agreement that “the level and nature of contribution required to qualify as a contributing member shall be kept under review by the Assembly, and may be adjusted by the Assembly by consensus to support the growth of the GGGI over time”;

Taking note of the discussions and the recommendation of the Members of the Management and Program Sub-Committee of the Council (MPSC) during the 16th Meeting on April 27, 2023 [[MPSC/2023/12](#)], and 17th Meeting on June 29, 2023 [[MPSC/2023/23](#)];

Decides to:

1. Define “core-equivalent funding” as the sum of core funding, plus 75 percent of USD 1 of program earmarked funding, plus 50 percent of USD 1 of project earmarked funding, as reported in the annual audited financial statements of GGGI, starting January 1, 2024;
2. Re-define “Contributing Member” of GGGI as a Member State that has contributed at least USD 10 million in core-equivalent funding to GGGI in the last five years, as recorded in the five most recent GGGI financial reports, starting January 1, 2025;
3. Define “Contributing Donor” of GGGI as a non-Member partner that has contributed at least USD 10 million in core-equivalent funding to GGGI in the last five years, as recorded in the five most recent GGGI financial reports, starting January 1, 2025;
4. Establish a Donor Consultation Group comprised of Contributing Members, Contributing Donors, and the Director-General (ex-officio);
5. End the preferential overhead rate charged to Core Donors of 7 percent, so that all donors will pay an equal, and fully cost-recovering overhead rate;
6. Reduce the overhead rate charged to earmarked projects for all new projects proposed after January 1, 2024, to 13 % (down from 15%);
7. Agree that GGGI overhead expenditures will henceforth be limited to (or capped at) the recovered overhead from earmarked projects and programs plus a USD 5 million share of the ROK Contribution that are considered a contribution to GGGI Headquarters functions, that Council will set and approve these capped overhead expenditures in the GGGI Work Program

- and Budget for the first time in the WPB 2025-2026, and that all other core contributions will be allocated to programmatic functions;
8. Agree that GGGI Headquarters functions are defined as the cost of the office, i.e., rent, utilities, maintenance, renovations, furnishings and associated, plus the staff and operational costs of the two non-programmatic divisions located within Headquarters: the Office of the Director-General and the Operations Enabling Division; and
 9. Agree that GGGI programmatic functions are defined as the staff and operational costs of the two programmatic divisions: the Green Growth Planning and Implementation (GGPI) and the Investment and Policy Solutions Division (IPSD), both of which are located primarily in the GGGI country offices.

Approves the Terms of Reference for the Donor Consultation Group, as attached as an Annex to this decision.

/End

Annex 1

[Draft] Terms of Reference for the Donor Consultation Group**1. Functions**

- 1.1 The Donor Consultation Group (DCG) will serve as a channel for all key GGGI donors—both Contributing Members and Contributing Donors—to receive news and developments regarding GGGI activities and to share its views in the deliberations of the Global Green Growth Institute (GGGI) Council:
- a. programmatic activities, including
 - i. review of the formulation of the Institute’s strategy, and its results, monitoring and evaluation framework, in accordance with Article 8.5.b.;
 - ii. receive reports on the progress of additions to GGGI’s portfolio of projects and scoping, in accordance with Regulation 3.3. of the Financial Regulations;
 - iii. report to the Council on the draft budget estimates for the Work Program and Budget (WPB) and provide its recommendations, in accordance with Regulation 3.4 of the Financial Regulations;
 - iv. receive drafts of supplementary WPB prior to submission to the Council, in accordance with Regulation 3.7 of the Financial Regulations;
 - v. receive reports on the incurrence by the Institute of obligations against future financial periods before appropriations are approved by the Council, in accordance with Regulation 5.1 of the Financial Regulations;
 - vi. receive reports on the reallocation of expenditures between different program budgets, in accordance with Regulation 5.6 of the Financial Regulations;
 - b. partnerships and global outreach, including
 - i. support the Institute on membership expansion, including engagement with Least Developed Countries and Contributing Members, in line with the objectives articulated in the Strategic Plan 2015-2020 [C/6/DC/2] and Partnership and Outreach Strategy;
 - ii. support the Institute in establishing cooperative partnerships with non-state actors, including international, intergovernmental, and non-governmental organizations, as well as the private sector, noting the guidance of the Assembly on such matters;
 - iii. support the Institute in overseeing resource mobilization activities and financial sustainability of GGGI.
- 1.2 The Chair of the DCG will be given an opportunity to address the Council to share the recommendations of the DCG with Council Members as a standing agenda item of every Council meeting.

2. Composition and Tenure

- 2.1 The DCG shall consist of Member States that are defined as Contributing Members, non-Member States that are defined as Contributing Donors according to the Assembly decision _____ adopted during the Assembly and Council Joint Session on October 26, 2023, and the Director General (ex-officio).

Chair

- 2.2 The DCG shall be chaired by a Contributing Member currently serving on the Council of GGGI, taking into account Rule 16(b) of the Rules of Procedure of the Council.
- 2.3 The members of the DCG shall elect one (1) Contributing Member as Chair of DCG to serve as Chairs of the DCG for a term of two (2) years. The results of the election shall be communicated to members of the DCG. The Chair of the DCG shall remain in that role until a successor is appointed.
- 2.4 The Chair shall preside over meetings of the DCG. If the Chair is unable to be present at a meeting, the Chair shall designate a present member of the DCG to preside.

3. Meetings

- 3.1 The DCG shall meet formally at least once every year.
- 3.2 The quorum of a DCG meeting shall be a simple majority of the members.
- 3.3 The DCG may hold informal consultations, as often as deemed necessary by the Chair or by the Director-General, via videoconference, via teleconference, and via other web-based solutions.
- 3.4 The DCG shall seek consensus in deciding on any conclusions and recommendations. If consensus cannot be reached, the dissenting views shall be conveyed to the Council.
- 3.5 Other members of the Council and Assembly that are not members of the DCG may attend meetings as observers upon invitation by the Chair of DCG.

4. Administrative Arrangements

- 4.1 The Director-General, or an official of the Secretariat appointed by the Director-General, shall serve as the secretary to the DCG and shall be responsible for:
 - a. Notifying members of the dates for meetings of the DCG;
 - b. Making logistical arrangements for DCG meetings; and
 - c. Distributing the documents in relation to the meetings of the DCG.
- 4.2 The Secretariat shall inform the members of the DCG and Council of the dates of meetings of the DCG at least ten (10) working days in advance.
- 4.3 The Secretariat shall distribute summaries of the DCG discussions and conclusions for record as soon as they are adopted but no later than fifteen (15) working days.
- 4.4 Any final documents and decisions received, reviewed and adopted by the DCG shall be made public by the Secretariat upon request by the Chair of DCG and posted on the GGGI website within thirty (30) working days, whereas deliberative processes and recordings of meetings of the DCG held in closed session shall not be disclosed to the public, pursuant to paragraph 8(h) and 9(f) of the GGGI Disclosure Policy.

/End