

Second Joint Donor review of the Global Green Growth Institute, September 2013

Main conclusions and recommendations

12 September 2013

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1. Conclusions

- 1) GGGI is in double transition: (1) between operating as K-GGGI to now operating as an International Organization (IO) and (2) from the period of the former top management to the new top management team taking charge since April/May 2013. The GGGI's current management team is responding to the urgent need of building and professionalizing all aspects of the organization, operation and management of GGGI, and establishing a distinct GGGI identity based on a clearly defined niche. This double transition is affecting all parts of GGGI's daily operations and will likely continue to do so the next year.
- 2) GGP&I activities in countries are moving ahead with some key early achievements. The two country cases suggest GGGI has been good at positioning itself as a trusted adviser to government on green growth. Each country portfolio consists of a limited number of projects identified in response to windows of opportunity but without the guidance of a country strategy and an accountability framework. The three pillars of GGGI (GGP&I, research and PPC) have not been integrated in the country projects. Overall, less progress has been made on the research and PPC pillars. There is no consistent understanding in GGGI of, or approach to, implementation across the three pillars.
- 3) GGGI staff at country level are highly competent within each their areas of specialization and dedicated to the vision of green growth. They are currently composed of a mix of staff and consultants with short tenures, which affects program progress as well as organizational development. The staff have felt detached from headquarters and there has been a lack of communication, strategic guidance, professional and administrative support. The initiatives taken by the new top management team to address these weaknesses are currently not felt at country level.
- 4) The ongoing work of professionalizing the GGGI is all encompassing and is being carried out, under time pressure, with the aim of having most of the new administrative procedures in place from the beginning of 2014, and a new overall strategy with supporting country strategies in place within a year. The reform process is highly needed and the effort to transform the organization within a short time period is commendable. But to change every aspect of an organization, which is young and yet to define its niche, and which is being staffed at the same time with new people in key positions, is a huge task. The challenges remain in coordinating the reform tracks as they are mutually dependent, but also in ensuring that the new systems and procedures are built on lessons learnt and bottom-up input from all staff and are tailor-made to fit an organization of the size of GGGI and the nature of its projects. There is a risk of over shooting on the development of the new organizational architecture, which may not be fit for purpose.

5) The GGGI is under severe financial stress. Some pledged donor contributions have not been paid on time as expected and the organization faces a serious cash flow problem. Part of the reason for the delay in donor payments is the GGGI's delay in communicating its financial position and program results. GGGI is in need of a sustainable financial model, which brings more predictability and stability into its operations. The model should specify the expected form and level of contribution from different kinds of members, including from contributing and participating members and other sources. Donors providing core funding should harmonize their requirements of the GGGI. During the double transition, the Council and the Sub-committees have been closely involved in establishment of the GGGI's management systems and procedures. With the new top management taking charge and professionalizing the organization, the need for this close level of interaction should diminish over the coming year and the management space be increased.

## 2. Recommendations

- 1) The Council should assist the GGGI Secretariat in coming up with a solution to the unstable financial situation of GGGI. The solution should not only address the immediate challenges but also support the establishment of a long-term viable financing model.
- 2) Throughout the coming year, the operations of GGGI are likely to be characterized by continued reform of the organization and procedures and by the development and operationalization of the new strategy. During this period, the GGGI should limit its expansion into new countries and focus on consolidation and professionalization. The scale and speed of expansion, including the staff profile, should be in line with the overall strategy and prioritization of effort and lessons learned. Consolidation at headquarters on key functions on all three pillars is particularly important.
- 3) In the future, the GGGI identity and strategy have to be owned and consistently interpreted in the same way by all staff, management and governing bodies no matter their physical location and daily tasks. For this to materialize, the upcoming strategy process should be forward-looking, realistic, inclusive and built on lessons learnt and the origins of GGGI, as well as input from new staff and external stakeholders. The strategy should be sufficiently detailed and well thought through to guide the scoping of GGGI projects - without becoming a straightjacket. Internal communication and transparency will be key to its success. GGGI needs to have a clear understanding and definition of its core and non-core activities.
- 4) The core of GGGI's work is support to green transformation globally and at country level. Green transformation is by nature long term and highly political. In addition to having strong subject matter competences, all GGGI staff needs competences in change management, political economy, environmental management and development cooperation.
- 5) GGGI's country programs need to be more selective and realistic, particularly during their implementation phase. Country programs should have a clear strategic focus, drawing on participation at the local level through cooperation with stakeholders at the local and national level. GGGI's new strategy should promote transparency towards local partners,

consultations across government ministries and other civil society actors, collaboration with similar initiatives/ programs, and a two-way sharing of knowledge, experience and information in country and between the GGGI partner countries.