

4 November 2013

## **GGGI Management Response**

### **Second Joint Donor Review of the Global Green Growth Institute 2013**

GGGI management welcomes the findings and recommendations of the Joint Donor Review (JDR) performed by Australia, Denmark, Norway and Republic of Korea, September 2013 (see Annex for the Second JDR Final Review Note), focused on GGGI's cooperation programs with developing countries. These programs are Green Growth Planning & Implementation ("GPP&I"), research (now Knowledge Development Management or "KD&M") and public-private cooperation ("PPC").

GGGI management and staff appreciated the open and constructive discussions with the review team during its visits to Cambodia, Ethiopia, and GGGI's headquarters in Seoul. These provided feedback that was - and continues to be - very useful to GGGI in its continuing efforts to improve its systems and processes.

GGGI management agrees with the conclusions and recommendations of the JDR, and recognizes them as important inputs to both GGGI's immediate operations and the preparation of GGGI corporate strategy 2015-2020, expected to be proposed to Council for adoption in 2014.

GGGI management has some overall observations and comments to the Review Note of 23 October 2013, as well as specific responses to the recommendations and the proposed areas for attention.

#### **General observations and comments**

The JDR Note contains some particularly insightful observations:

- That GGGI is in a "double transition", from a Korean non-government organization to an international organization, and between the previous and the new top management; and that this double transition will continue to affect all parts of GGGI's operations in the coming year. GGGI management appreciates that the JDR note commends the efforts by the Secretariat to transform the operations of the organization within a short time frame. GGGI management confirms that the reform process remains on track. Substantial progress has been made in introducing approaches, processes and procedures that meet the standards of

international government organizations. At the same time management recognizes that the transition process remains ongoing. Management will continue to strive to improve the level of professionalism in GGGI's processes until members are satisfied that the organization's work represents best practice against international organization benchmarks.

- Recognition of GGGI's early achievements in partner countries, in particular that GGGI has been successful in its objective of establishing its role as a trusted adviser to governments, and that GGGI's partnership approach is a key feature of its business model. GGGI management welcomes the finding that the core business model for GGGI's country programs has been successful, and intends to further develop and consolidate this model.
- That GGGI country staff were found to be competent and dedicated, and that the JDR stressed the need for GGGI headquarters to provide more support to the country teams. Management appreciates the positive assessment of GGGI country staff, and agrees on the need for closer contact and more support to country teams. It intends to strengthen contact through improved communication and information flow from headquarters to country teams. Management will also give priority to placing more qualified GGGI staff on the ground in partner countries providing a diversified set of skills and experiences and enhancing communication flows.
- The need for better integration and consolidation of the organization's activities. Management fully agrees with this conclusion, and is working to ensure that both the country strategies and the corporate strategy integrate the three GGGI work streams. This will increase the effectiveness of GGGI's country programs and will enable the KD&M and PPC work streams to respond more efficiently to particular circumstances in each partner country. GGGI management agrees on the need to consolidate its operations and achievements and will not recommend expansion into new countries for two years.
- The need for GGGI to intensify internal and external communication at all levels and localities. GGGI management sees communication as a key to achieving GGGI's overall goals and fully agrees to the JDR recommendations in this area. Management will continue to invest in internal communication as an important means of strengthening corporate identity and mobilizing staff ownership and participation in the important reform processes, including the new strategy. GGGI management will also expand external communication activities and crucially given GGGI's small size, leverage support from member countries' own communications endeavors. The objective will be to raise GGGI's international profile as the only international organization with a sole focus on green growth, to demonstrate its added value to collaborating countries and to clarify its niche among other international organizations.

## **Responses to the JDR recommendations and proposed areas for attention**

*This section presents GGGI's responses to the 6 JDR recommendations, as well as to the specific areas for attention on the way forward, which are proposed by the JDR team under each recommendation.*

### **JDR Recommendation 1**

***The Council should assist 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.***

Management fully agrees that improving financial stability is critical for GGGI, including in the short-term, and is addressing this in cooperation with member states. A resource mobilization strategy is being prepared for discussion with the Council. It will highlight options to stabilize, diversify and enhance GGGI's financial foundations. At the same time, GGGI is currently investing significant resources on strengthening systems and policies related to the financial transparency and stability of the organization. A new accounting system will be put in place in November 2013, and an Enterprise Resource Planning (ERP) system will be introduced in 2014 allowing for real time cash balance monitoring and projections, hence preventing unexpected cash flow issues.

#### ***Specific areas for attention on the way forward:***

***1.1 Obtain a clear assessment of the likely financial scenarios facing the organization in the next 1-2 years and decide on appropriate risk management measures, including a prudent approach to expanding the organization and alternative funding sources.***

GGGI is introducing a new accounting system to enable better cash flow analysis as a basis for simulating financial scenarios over 1-2 years. The financial scenario analysis will help identify risk factors and so aid measures to prevent or mitigate risk. A spreadsheet based model will complement the financial risk analysis relating to liquidity, currency and contractual liabilities. Alternative funding sources are being examined as a way of expanding resources and mitigating emerging risks. This is to be explored in a background paper on financing options as part of GGGI's resource mobilization strategy, to be discussed at the Council meeting in December 2013.

***1.2 Complete the establishment and implement more effective financial control system to be able to provide timely and credible financial statements.***

The new accounting system, which records multicurrency transactions and reports them in USD is in place and will be fully operational by the end of November 2013. This will ensure the integrity of financial data feeding into the periodical financial report and annual financial

statements. The financial policies and procedures, derived from the Council approved Financial Regulations, are being finalized for the next Council meeting in December 2013. The combination of the new policy and a new automated system will allow for more timely and credible financial reporting.

### ***1.3 Complete the new monitoring system to be able to document results.***

The 2014-16 draft Work Plan and Budget includes Key Performance Indicators, milestones and targets for all GGGI work-streams. Furthermore, GGGI will improve the current monitoring system by training staff on design and use of log frames and work plans for project teams. This includes the design of appropriate indicators, including reporting on safeguards implementation at project level. Outcomes, lessons and issues arising at the project level are already collected through project and portfolio quarterly reports. Going forward, final or mid-term evaluations by internal and external evaluation reviewers will be conducted in order to guarantee a transparent, independent and objective assessment of project outputs and outcomes. This will be developed as part of the new monitoring and evaluation system, which will be discussed with the Program Sub-Committee of the Council in December 2013. Compliance with the reporting and financial requirements of all financing agreements will be systematically monitored. As far as reporting is concerned, GGGI will consult with its members on the extent and level of detail required. This will be discussed with the Donor Consultative Group, including options for donors to coordinate their reporting needs, with a view to GGGI's producing only one comprehensive report to all donors. The new strategic plan for 2015-2020 will include a comprehensive monitoring, review and evaluation framework.

### ***1.4 Implement anti-corruption measures at all levels of the organization.***

The anti-corruption policy has been developed by management to ensure at all times the integrity of donor funds. This policy is complementary to the whistle-blower policy and other internal control policies and procedures, as specified under the Council approved Financial Regulations.

Management will implement the new anti-corruption policy along with other actions - including procurement rules, approved by the Council and now enforced – that comply with the highest standards required by international organizations. Staff is bound by a code of conduct covering ethics and business practices. Communication and training on these measures will be provided to GGGI personnel, as well as external parties associated with GGGI, such as consultants and vendors. In addition, the Office of Internal Audit and Integrity (OIAI) will conduct independent monitoring and evaluation of the anti-corruption measures implemented by GGGI management.

## **JDR Recommendation 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, 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.***

GGGI management agrees with the JDR recommendation for consolidation and professionalization. GGGI expanded rapidly in 2012 and 2013 in order to meet the needs of partner countries and to accomplish the organization's goals. In 2014, GGGI will not expand its operations in partner countries and will increase staff only in order to have a stronger in-country presence and to replace some of the work that until now has been outsourced. Additional staff will also be required to strengthen in-house capabilities in management and administration and in the three work streams, consistent with the overall strategy of greater integration. In the coming year, management will complete the building of stronger capacity across all three work streams.

***Specific areas for attention on the way forward:***

***2.1 Reduce the pace of the expansion in staff until a clear strategy and mapping of competence requirements is in place (see below).***

Staffing for the next 2 years will follow a gradual expansion, with a focus on consolidation of in-house expertise and in-country presence of country teams. Currently, there is no planned expansion in terms of country program for 2014, and a limited expansion of staff linked to precise competence requirements as GGGI continues replacing external consultants with internal capacity across operations. Some additional staff will also be required to strengthen management and administration capabilities. (See also section 4.1 below.) Future recruitment will be aligned with the overall objectives and expected outcomes in the new 2015-2020 GGGI strategy.

***2.2 Give high priority to communicating to all levels and localities of GGGI regarding the aims, focus, changes, timing and status of the ongoing reforms of the organization and its procedures.***

GGGI management will continue to be proactive in communicating the reform agenda to all parts of the organization. Specific communication plans are developed for each of the major reform activities. Practically, each work stream is currently holding regular all staff meetings across GGGI's locations as well as inter-department meetings to strengthen integration across work streams. All new policies, regulations, procedures, and systems are

now communicated to staff through direct emails and through a weekly internal newsletter. Management will improve public communication in these areas as well.

### ***2.3 Be careful not to over-shoot on the new organizational architecture.***

GGGI management recognizes the risk for GGGI, as a small but ambitious international organization, to becoming overly bureaucratic and inflexible, and thus reducing its ability to respond to the needs of its clients and stakeholders. To address this, management remains committed to a results-based approach, and to establishing internal rules, procedures and clear delegation of authority that allow the organization to remain nimble. The Secretariat will continue to balance the needs of a new international organization and the available staff resources. The new organizational structure will be reviewed in early 2014 to ensure that it continues to be appropriate.

### ***2.4 Build a strong “core” organization in Seoul for all three pillars and revisit the staff ratio between HQ/hubs vis-à-vis country teams, and aim at a higher staff ratio in-country.***

The current plans for 2014-2016 include the strengthening of the KD&M (research) and PPC work streams in Seoul, thus completing the building of a strong core for all three work streams at headquarters. A priority is to strengthen GGGI's presence in the partner countries to allow for a more effective 'embedding' of staff in partner governments. This will increase the proportion of staff located in partner countries and will be the most effective way to ensure that GGGI becomes, over time, a long-term 'trusted partner' of our partner governments.

### ***2.5 Limit the total number of partner countries to approximately 20 until 2015.***

The current work program for 2014-16, submitted to the Council for approval, confirms that the priority is consolidation and focus and that the number of partner countries will be limited to the current 20.

## **JDR Recommendation 3**

***In the future, 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, and 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.***

GGGI is forming its organizational identity. This is being done, in part, by formulating a new 2015-2020 strategic plan through a “bottom up” process that gives buy-in to all levels of the organization. This will include integrating the three work streams as well as increasing the volume and quality of both external and internal communications in order to ensure GGGI is projecting a consistent message externally and reinforcing a cohesive identity internally. The strategy will be based on GGGI’s comparative advantages and its ability to deliver realistic results within specified timeframes. It will be informed by GGGI’s experience so far, including the achievements and continuing challenges faced by the organization. The strategy will be the main guiding document to develop future programs and projects in order to ensure results delivered at the country level are aligned to GGGI’s vision and overall objectives.

***Specific areas for attention on the way forward:***

***3.1 Ensure involvement and lessons from GGP&I, research and PPC staff across the organization, at central and country level, in the development of the new strategy and in the programming guidance. Allow time for discussion.***

The 2015-2020 strategic plan formulation process is based on a “bottom up” approach. A core team for each work stream will be established on a representative basis. Priority-setting across work-streams will take place in sequential steps: (i) a stakeholder analysis-including country and headquarters team members, donor countries as well as partner countries; (ii) a situation analysis of the countries/regions where GGGI is active (iii) option analysis. Each work stream will ensure that priorities are translated into a manageable set of results – outcomes and outputs – that describe the strategic focus and how those results will contribute to GGGI global goals. Three further steps will complete the initial process: (i) Results Formulation (ii) Assumption and Risk Analysis (iii) Monitoring and Evaluation Framework design. This process will be carried out over a 3 month period of extensive consultation by the core teams with country and headquarters staff.

***3.2 Clarify and communicate the integration between the GGP&I, research and PPC pillars, based on what is realistically possible and what effectively contributes to GGGI’s mission of promoting the implementation of green growth in the partner countries.***

GGGI management gives high priority to integrating the three work streams. All work-streams will ultimately contribute to strengthening in-country analytical and planning activity, the main output of GGGI’s work. The integration has already been strengthened: preparation of the Work Plan and Budget 2014-16, which commenced in September 2013, included setting integrated activities from PPC and KD&M in the country programs, and vice versa. This resulted in cross budget allocations which will lead to much closer integration of all three work streams. The KD&M and PPC work streams will be increasingly aligned with the needs and lessons from country programs; responding to the needs of partner governments and playing a key role both in sharing lessons among GGGI country programs and in feeding into the international Green Growth research agenda.

***3.3 Strike the balance between GGGI's spirit of entrepreneurship and capacity to be responsive to emerging priorities and opportunities, and the need for project planning, accountability frameworks and decision-making structures.***

GGGI management will continue to promote balance in policy development between creating an entrepreneurial frame and the need for accountability and appropriate controls. GGGI is embedding the core project planning, selection, accountability and decision-making structures necessary for a robust, transparent and effective international organization. However, GGGI management also recognizes the need to balance these with a continued capacity to be flexible and responsive to the windows of opportunity in the local green transformation processes, and to cultivate a spirit of entrepreneurship amongst its staff. Management will place priority on embedding this balanced perspective in the emerging organizational culture.

***3.4 Clarify and communicate across the organization guidance on programming steps and definitions linked to GGGI's scoping and implementation stages, including ways to balance quick-wins with progress on long-term goals.***

GGGI is in the process of developing a project "gateway" procedure. The procedure will include step-by-step guidance from conceptualizing a project to its final approval and will detail a balanced set of criteria that a project must meet to move from scoping to implementation stages. Appraisal criteria, among others, will include each project's potential impact on the short- and long-term objectives of GGGI, its feasibility, desirability and cost effectiveness as well as its potential value for money.

In addition, the Core Operating Processes (COP) documents are being revised and will include clearer definitions of objectives, programming steps and the scoping and implementation stages. This will allow for a more precise shared understanding of the key components that projects must incorporate at each stage, and a better balance between short and long term goals.

***3.5 Ensure external communication to explain GGGI's work and value-added to external stakeholders and take a proactive and open approach to connect with other green growth initiatives and programs globally and in the partner countries.***

GGGI management will work with member governments to improve public communication of its activities. While the organization is proposing increased capacity for communications work in its draft Work Plan and Budget, the small size of the Secretariat means that it must also rely on assistance from members. The objectives of this coordinated campaign will be to raise its international profile, to demonstrate the added value of GGGI's work to partner countries, and to clarify its distinctiveness among other international organizations.

GGGI will continue to scale up its external communication efforts through its website, including more content about the organization's activities, in particular its country



experiences, and will produce more informational material to distribute to member countries and the public. This includes producing project-specific brochures, pamphlets and briefs as well as distributing a regular organizational update to member and signatory states. In 2014, GGGI will produce a more comprehensive set of publications, including a number of policy papers and briefs.

GGGI seeks to conduct global public relations outreach by working with a global reporting service to facilitate and strengthen partnerships with media outlets, press correspondents, and private and public institutions. In 2014 GGGI will cooperate with a Korean news agency to disseminate information to the host country audience. GGGI will also be more active through social media, such as Twitter and Facebook.

GGGI will continue to raise its international profile, through engagement with initiatives such as the Green Growth Knowledge Platform and the Green Growth Best Practices Initiative, and through organizing and participating in relevant workshops and conferences. GGGI management will use this as a platform for providing focused inputs to important international processes, including the post 2015 development goals.

#### **JDR Recommendation 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.***

During 2013, GGGI recruited experienced experts in the field of development from other international organizations and development agencies within governments. This trend will continue in 2014. In addition, GGGI is undergoing a process of strengthening its in-country presence in which GGGI experts are dispatched to partner countries and embedded in relevant ministries and agencies in place of consultants. In order to strengthen competencies among staff, GGGI is intensifying training in the areas relevant to their functions.

Headquarters staff with specific expertise not available in every country will travel as required to country projects, with the aim to strengthen contact, improve communication, and gain better understanding of both progress and challenges. Such visits will also contribute to capacity building among country teams. GGGI management agrees with the JDR team that staff should have competencies in issues such as change management, political economy and development cooperation, and will make this a priority in future recruitment.

***Specific areas for attention on the way forward:***

***4.1 Use a strategic approach to guide the in-take of new staff during 2013/15, based on assessment of the skills and competences needed across the organization in order to implement the new strategic framework and be able to respond to partner country needs and context. Prioritize a multi-disciplinary staff composition profile.***

Recruitment during 2013 has brought into the organization a number of experienced senior practitioners from the development arena. GGGI management will recruit new staff with a particular attention to competences relevant to the new strategy, including in areas such as change management, political economy and development. This will be reflected in a staffing and recruitment plan which will be developed and implemented from 2014 with the following elements: analyze training needs; map required job competencies; identify available skills of staff; define the competencies plan; and set out recruitment priorities. In the plan special attention will be given to ensuring gender and geographical balance as well as diversity of skills.

***4.2 Take all necessary and possible measures to enable more staff to be placed in the partner countries.***

Strengthening the in-country presence within the country projects and programs has been a priority from early 2013. This has already led to the expansion of several in-country teams. In response to the JDR, a decentralization strategy is being developed in consultation with staff, and will be put in operations from Q1 2014. GGGI aims at concluding the process of decentralization in the coming 12 to 18 months.

In parallel and as a high priority, GGGI is pursuing negotiation of a Privileges and Immunities Agreement among its member states, and Host Country Agreements with those countries with a significant GGGI presence. Through this, GGGI will have increasing ability and flexibility to place international staff in partner countries.

***4.3 Upgrade the focus on assumptions and risks in the planning and monitoring of country level activities reflecting the nature of local green transformation processes.***

GGGI will intensify training on log frames which will include the correct formulation of assumptions and risks at all project levels, including the risks associated with ensuring continued political support to a green growth transformation from partner countries. The current risk management responses by the project teams is monitored on a quarterly basis. Risk management will be further improved by the strengthening of GGGI's local presence in the countries.

## **JDR Recommendation 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 GGGI partner countries.***

GGGI management recognizes the need to further clarify the frameworks and accountability for activities in partner countries through developing clear and realistic country strategies. Country strategies for the period 2014-16 have now been drafted and will be finalized over the coming months. These will ensure stronger strategic focus and alignment to the 2015-2020 strategy and to national policies and plans. The strategies are being developed in close cooperation with the government counterparts and other stakeholders, to ensure full co-ownership and transparency. They specify capacity development goals and initiatives and performance indicators together with milestones and targets, and include knowledge-sharing activities among government, development partners and non-state actors.

***Specific areas for attention on the way forward:***

***5.1 Clarify GGGI's special niche and value-added at partner country level and ensure that the attention and resources of country teams and the HQ backstopping efforts target these areas.***

Many organizations are active internationally in promoting sustainable development in its widest meaning. Green growth is a part of that and is generally described as a means of achieving sustainability, with an emphasis on low carbon development in recognition of the salience of climate change among global challenges. GGGI's distinctive position – its niche - is characterized by a combination of several unusual features. First it is focused on economic growth – on broad economic development with objectives set by partner governments. Second, it comes with no *a priori* agenda for aspects of the green growth path - these are the products of analysis of the circumstances of the individual countries concerned. Finally it has no investment funds. This latter may appear to be a serious disadvantage given that so many other organizations undertake analysis as a precursor to investing but for GGGI, it has the advantage of lending independence and credibility to its analysis.

These features in combination create the distinctive capacity for GGGI to become a trusted adviser to partner countries. This is underpinned by focus on analysis and planning to achieve the government's national development objectives accompanied by a readiness to engage in a constructive dialogue with stakeholders, including civil society organizations and the private sector. Investing in a strong local presence and ensuring the highest possible quality of insights and analysis are critical success factors. Improved capacity, including at

headquarters, to take full account of the political economies of partner countries (see references in the response to Recommendation 4) will enhance the utility to partners of the organization's work. The rapid development of the monitoring and evaluation framework referred to earlier will ensure quality control of outputs.

## **JDR Recommendation 6**

*A new joint donor review should take place no later than in 2015. Consideration should be given to the inclusion of non-donor members in the next review process, potentially drawn from GGGI council's program sub-committee.*

GGGI management welcomes the suggestion for a further joint donor review, including the suggestion to include non-donor members. GGGI management sees an important role for the Program Sub Committee and GGGI's Donor Consultative group in the planning of the next joint donor review.

**Second Joint Donor Review of the Global Green Growth Institute  
2-13 September 2013**

*Final Review Note*

23 October 2013

Australian Agency for International Development, AusAID  
Korean International Cooperation Agency, KOICA  
Ministry of Foreign Affairs, Denmark, Danida  
Norwegian Agency for Development Cooperation, Norad

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## Acronyms

AusAID	Australian Agency for International Development
CSIRO	Australian Commonwealth Scientific and Industrial Research Organisation
COP	Core Operating Process
CR	Climate Resilience
CSR	Cooperate Social Responsibility
CRGE	Climate Resilient Green Economy
Danida	Danish international development assistance
DFID	Department for International Development, UK
DG	Director General
DSC	Donor Consultative Group
EACP	Korean East Asia Climate Partnership
EMG	GGGI's Executive Management Group
GG	Green Growth
GGBP	Green Growth Best Practices
GGGF	Global Green Growth Forum
GGGI	Global Green Growth Institute
GGKP	Green Growth Knowledge Platform
GGP&I	Green Growth Planning & Implementation
GSGG	General Secretariat on Green Growth
HQ	the GGGI headquarters
HRM	Human resources management
IO	International Organization
ISAC	Integrated Solutions Asia Cooperation
JDR	Joint Donor Review
K-GGGI	Korean GGGI (GGGI before becoming an IO)
KLRI	Korea Legislation Research Institute
KOICA	Korean International Cooperation Agency
LDC	Least Developed Countries

LSE	London School of Economics
M&E	Monitoring and Evaluation
MEPF	Ministry for Environmental Protection and Forest
MoE	Ministry of Environment
MoU	Memorandum of Understanding
MTP	Medium Term Plan
NCGG	National Council on Green Growth
NGO	Non Governmental Organization
Norad	Norwegian Agency for Development Cooperation
NPGG	National Policy on Green Growth
NSPGG	National Strategic Plan on Green Growth 2013-2030
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
PPC	Public-Private sector Cooperation
PPP	Public Private Partnership
PWB	Program of Work and Budget
QIR	Quarterly Implementation Reports
SRM	Sector Reduction Mechanism
TOR	Terms of References
UN	United Nations
UNIDO	United Nations Industrial Development Organization
UNDP	United Nations Development Programme



## 1. Introduction

This review note presents the findings and conclusions of the 2013 Joint-Donor review (JDR) of the Global Green Growth Institute (GGGI), an interdisciplinary, multi-stakeholder international organization, dedicated to pioneering "green growth" involving a simultaneous focus on economic performance, environmental sustainability and social inclusion in emerging and developing countries.

GGGI's major activity area is the Green Growth Planning & Implementation (GGP&I) pillar which aims to provide analytical and institutional support to partner countries within the context of their own development policies and strategies, with a focus on green growth analysis and planning, capacity building and public-private partnerships to support the implementation of their green growth policies. The GGP&I pillar is supported by pillars in research and public-private sector cooperation (PPC).

Australia and Denmark undertook a joint inception review of the GGGI in November 2011. In agreement with the GGGI, this focused mainly on the institutional challenges facing the GGGI as a new institution. The review suggested that Australia and Denmark should organize a joint review in 2013.

The objective of the present 2013 JDR was primarily to assess the progress of the GGGI's GGP&I programs in developing countries, though the program related aspects of research, PPC operations, GGGI's governance structures and partnership behaviors were also reviewed, in relation to the GGP&I program (see Annex 1 for Terms of Reference).

The JDR team had representatives from Australia (AusAID), Denmark (Ministry of Foreign Affairs/Danida), Norway (Norad) and the Republic of Korea (KOICA) for a two-week review (2-13 September 2013).<sup>1</sup> In the first week, the JDR team divided itself and visited the GGP&I country programs in Cambodia and Ethiopia, and discussed the GGGI's program with the GGGI staff and consultants and key partners, including relevant ministries, civil society organizations and the private sector (in the case of Cambodia), UN agencies, and other donor agencies. Field visits were also organized to GGGI pilot activities or other relevant Green Growth (GG) projects. A debrief was held with the country teams on the final day of the country visits (see the annexes for debriefs and lists of people met).

The second week of meetings was held at the GGGI headquarters (HQ) in Seoul, Republic of Korea, with the full JDR team. Debriefs were given from the country visits and meetings were held with key staff at HQ. A final debrief was presented to the GGGI's senior

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<sup>1</sup>The JDR team consisted of: Anette Aarestrup (Team leader), Danish Ministry of Foreign Affairs/Danida, Lauren C. Naville Gisnås, Norad; Fiona Lord, AusAID; Keun-sik Han, KOICA; Diane Yeon Joo Suh, Danish Embassy, Seoul; Thomas Juel Thomsen, Consultant. In addition, Sue Moore/AusAID and Lars Ekman/Norad – both based in Addis Ababa participated in Ethiopia and John Ward, Australian Commonwealth Scientific and Industrial Research Organisation (CSIRO) participated in Cambodia under the AusAID-CSIRO Alliance.

management team, containing the five main conclusions and five main recommendations also presented in this note. The final JDR review note takes into account remarks made during the final debrief.

From the discussions at GGGI HQ, it was immediately apparent that the entire organization is in the early stage of a double transition, from a Korean non-governmental foundation to an international organization, and from practices associated with a previous leadership to new systems and ways of working implemented by a new leadership team. It was also clear that many of the JDR team's findings from the first week regarding the country programs reflected the previous systems and management approach, which the new leadership is currently working to fundamentally change. Therefore, it was decided that rather than focusing the review on assessing the progress of a previous strategy and organization, to focus instead on documenting the current situation at country level, and transmit the lessons into the strategy discussions at HQ, and on this basis, review the strategy and organizational adjustments considered by the HQ. The review note is therefore organized in line with this approach.

It should be noted that since the purpose of the country visits was to inform the assessment of the overall GGP&I pillar, no in-depth review was made of each of the two country programs – this would not have been possible given the limited time in-country. Also, while the review team received a large amount of new GGGI strategy documentation, most was received just before or during the visits to headquarters, which means it was not possible to review these documents in-depth. However, general reference will be made to the documentation where relevant.

In line with the outlined approach, section 2 of this note presents the findings on the status of results and issues arising in the implementation of the GGP&I programs at the country level. On this basis, section 3 assesses the strategic, organizational, and management responses by GGGI HQ to the current situation at country level. Section 4 assesses GGGI's governance structures and partnership behaviors. Section 5 presents a status update on the follow-up to the 2011 review recommendations, while section 6 presents the conclusions and recommendations.

The JDR team would like to thank all GGGI staff and counterparts in Ethiopia, Cambodia, and Seoul for their open and frank discussions as well as for the immense effort in organizing the review and arranging logistics and meetings for the teams.

## 2. Assessment of GGGI programs at country level

GGP&I activities were initiated in Ethiopia in 2010 with support from Korea (KOICA: USD 1.2 million). The current GGP&I activities in Ethiopia consist of a set of three bilaterally earmarked funded projects (DFID: USD 1.5 million, Germany BMU: USD 1.5 million, and Norway: USD 8 million). There is no country strategy outlining a single set of overarching

**strategic objectives and outputs** that GGGI aims to achieve in Ethiopia.<sup>2</sup> Since September 2013, GGGI Ethiopia has 8 full time staff and “GGGI consultants”, including one in London (staff grew from 3 staff in 2012 and 5 in May 2013). GGGI’s Ethiopia office considers their activities to be in the scoping stage of the programmatic cycle, given that most work so far has focused on input to establishing strategies, mechanisms and processes to be implemented by the Ethiopian Government counterparts in the coming period.

The GGGI Cambodia program was initiated in March 2011 with a MoU between GGGI and the Royal Government of Cambodia. The Cambodia program completed its first phase of ‘scoping and design’ in early 2013. The total budget of GGP&I Cambodia since 2011 is USD2.3 million. The Korean East Asia Climate Partnership (EACP) funded the first phase of the Cambodia program (until March 2013), and activities in Cambodia are currently supported by GGGI’s core funding (USD 1,243,559 in 2013). The Cambodia team is currently re-designing its GGP&I activities under a new strategy (first draft in August 2013). GGGI Cambodia has 2.3 full time staff based in Seoul, and 3 local consultants in Phnom Penh. It is currently unclear as to whether the phase two of GGP&I in Cambodia will become a group of ‘projects’ or graduate to become a ‘program’ with increased annual funding.

In both countries, activities were defined by the country teams, exploiting **windows of opportunity** presented by the governments’ interests and priorities, country-level donor interests, and the GGGI country team’s judgment of what may take the green growth agenda forward in the context. In spite of an absent overarching strategy, the country program/projects were in line with **GGGI’s core mission** and, importantly, their outputs reflect the two governments’ priorities. Box 2.1.a sums up the country-level objectives and main intervention areas for the two case-countries, Cambodia and Ethiopia, as well as an indication of the initial results.

#### **Box 2.1.a. Summary of GGP&I objectives and indicative results – Cambodia and Ethiopia**

##### **GGP&I objectives for Cambodia...**

GGGI aims to assist the Government of Cambodia in the following ways:

- Establishing institutional and legal frameworks for implementing green growth
- Mainstreaming green growth in the national development agenda and related strategies
- Providing sectoral and thematic green growth solutions based on analysis, and mobilizing resources for implementation
- Engaging the private sector in consultation and implementation processes of green growth policies.<sup>3</sup>

##### **.... Positive initial achievements in Cambodia**

<sup>2</sup> Although the Ethiopia Masterdeck notes ‘GGGI Ethiopia has an integrated program of activities’ – these are separately managed bilateral donor activities, with three separate COP design documents.

<sup>3</sup> ‘*Shaping the Future with Green Growth*’ – presentation by Joosueb Joseph Lee, GGP&I, GGGI – consultation with the National Council on Green Growth, Phnom Penh, Cambodia, 2 September 2013.

GGGI has contributed to the formation of key policies and institutional frameworks for green growth in Cambodia. GGGI has assisted with the coordination of the Government of Cambodia's line agencies in the formation of a national policy and strategic green growth plan and provided technical advice on green growth in a range of areas. Key achievements of the Cambodian Government, supported by the GGGI to date, include:

- The 2012 establishment of the *National Council on Green Growth (NCGG)*, officially launched in March 2013, with the Prime Minister appointed as the first Honorary Chairperson. The Council is designed to act as an arena for inter-ministerial discussion and consensus-sharing among ministries.
- The establishment of the *General Secretariat on Green Growth (GSGG)* in 2012, which is the implementing organ of the NCGG. The GSGG is an inter-ministerial body, which is essential for Cambodia achieving its green growth ambitions.
- The establishment of the *National Policy on Green Growth (NPGG)* and the *National Strategic Plan on Green Growth 2013-2030 (NSPGG)* with support of the Prime Minister, H.E. Samdech Hun Sen, in March 2013.

In parallel, GGGI has also supported public-private cooperation in Cambodia at a local-level in Takeo province, through pilot activities and business incubation. In Takeo province, GGGI has supported the uptake of solar technologies through an Appropriate Technology Centre, in partnership with EcoSolar (a commercial spin-off of the Cambodian NGO ISAC). GGGI has helped to develop solar products and provide training support to students seeking to sell the solar products. Products include solar home systems, household solar cookers and community (Sheffler Reflector) solar cookers.

### **GGP&I objectives in Ethiopia...**

GGGI Ethiopia has the overarching aim of enabling an economic transformation in Ethiopia for a green and climate resilient future, through three objectives:

1. *To enable a pathway to green growth.* GGGI Ethiopia is working to support the Ethiopian Government's efforts to put in place a strategic framework for responding to climate change. This includes a national strategy and a mechanism for reducing emissions and vulnerability.
2. *To build national capacity.* GGGI Ethiopia aims to build the capacity of its partners in Ethiopia to develop and implement climate change and green growth policy. This includes the capacity of government, civil society and the private sector.
3. *To build partnerships and share knowledge.* GGGI Ethiopia aims to establish effective partnerships with a range of partners. GGGI will use these partnerships to deliver the above objectives in a coordinated way and to share experiences with stakeholders both within and outside Ethiopia.<sup>4</sup>

### **.... Positive initial achievements in Ethiopia**

GGGI is assisting the Government of Ethiopia with the formulation and implementation of Ethiopia's Climate Resilient Green Economy (CRGE) Strategy. Under the CRGE strategy,

<sup>4</sup> GGGI Ethiopia Master Deck, updated July 2013 – noting there is not a strategy document per se for the collective management of the three separately managed bilateral donor activities.

Ethiopia aims to achieve middle-income status by 2025 through zero net carbon growth. The CRGE strategy covers a range of sectors including agriculture, forestry, water, energy generation, transport, industry and buildings. GGGI Ethiopia has helped to facilitate coordination between key actors in the green growth arena, and provides in-house capacity building assistance on the CRGE strategy. The achievements to date include:

- With funding from the United Kingdom, GGGI has supported the Ethiopian Government to develop the Climate Resilience (CR) Strategy for Agriculture of the CRGE Initiative, which is expected to be published later in 2013.
- With funding from Germany and in partnership with the Ministry for Environmental Protection and Forest (MEPF), GGGI is supporting the design and implementation of the Sectoral Reduction Mechanism (SRM), supporting the planning pillar of the MEPF process. This involves identifying targets and baselines for emissions and vulnerability reductions for each sector in Ethiopia's economy.
- With funding from Norway, GGGI is assisting with the remaining elements of the design and implementation of the SRM, including the analysis and planning pillar at a sector level, the coordination pillar, the measuring, reporting and verification pillar, the finance pillar and the knowledge management pillar. Under the finance pillar in particular, GGGI is working with Ethiopia's Ministry of Finance and Economic Development to establish a funding facility for implementation of the CRGE.

A key finding of the review is that the two country teams have delivered a number of important **achievements and early results**. While both programs are still at an early stage, the country teams have adopted a focus and approach to working with counterparts in the local contexts, which is promising for more solid results, and impacts, to be achieved in one or more years from now.

GGGI has also proved to be **responsive and flexible** to the Government's priorities in both countries, providing not only analytical input to underpin policies and implementation plans, but also assisting in developing mechanisms and processes for the implementation of green growth policies. For instance, in Ethiopia, besides conducting economic analysis of Ethiopia's adaptation options, the GGGI gave attention to the critical need to develop an institutional mechanism for planning and implementing green growth and climate resilience initiatives, building on specific national development planning and implementation structures (e.g. the SRM in Ethiopia). Similarly in Cambodia, GGGI has facilitated the inter-agency coordination and establishment of new institutional structures (i.e. the NCGG and GSGG) to facilitate the implementation of the Cambodian Government's green growth policies and plans. Also, in Ethiopia, aside from costing the investment requirements, GGGI has supported the Ethiopian Government in their considerations of funding mechanisms and aid management.

In Cambodia, GGGI is partnering with the Ministry of Environment (MoE) - the focal agency for GG under the NPGG - and in the case of Ethiopia, GGGI staff (incl. consultants) are placed so far in four key ministry offices. GGGI's Cambodia office has worked at establishing

relationships with other key actors in the country such as other key line ministries, the private sector and civil society. Through holding consultations with several ministries, GGGI's Cambodia office has also discussed GG at a cross-sectorial level and attempted to build an understanding and facilitate exchanges across the different ministries within the Cambodian Government. Hence, in both countries GGGI has been able to support coordination across the different national counterparts.

The achievements are also in form of specific **tangible outputs**, such as climate resilience strategies and economic assessments of green growth options, to which GGGI staff contributed. It is too early to assess the **effectiveness** of these "plans", which essentially must be measured in terms of whether the plans are being effectively implemented, and lead to the expected results. This would be relevant to assess e.g. 2-3 years from now. The plans were not reviewed in-depth for technical quality, but a general observation is that the background analysis is of general good quality, but some of the green growth options proposed may not be fully clear, operational, and relevant for the local contexts. At the same time, it is possible that the processes (provided they are owned by the counterparts) for which the plans become a policy vehicle, are more important than their specific content in taking the green growth agenda forward. Here, both of GGGI's country teams may be playing an important role.

With regard to **efficiency**, for Ethiopia, the JDR team concluded that efficiency has greatly improved with the shift away from use of consultancy companies to (less costly/more effective) GGGI staff and "GGGI consultants". Efficiency could also be increased by freeing up time for the country team to spend more time on programs rather than on administration. In case of Cambodia, the JDR team did not consider the current approach of stationing the key GGGI staff in Seoul to be efficient.

A major non-tangible achievement is that the country teams have established themselves as **trusted advisors** to the respective governments, and appear to have exploited this well to take the green growth policy process forward. They have achieved direct access to top-leadership levels in ways that development partners may not be able to access (according to the development partners themselves). This role as trusted adviser is critical for GGGI to be able to provide input to on-going policy formation and implementation processes in the ministries, which do not always center on specific planning documents. Part of the accomplishment is that they are respected as advisers across different institutional boundaries and interest spheres.

Several factors played a role for the country teams' ability to achieve status as a trusted partner to government: 1) GGGI's ability to provide economic analysis and costing of options for bankable investment proposals, 2) GGGI's international nature and possibility to exchange knowledge with other countries on GG, and 3) the fact that GGGI's advice is free of charge. But the main attraction consistently emphasized by counterparts is the country teams' ability to respond to counterparts' priorities and needs, and to do so in a flexible way, as needs and opportunities change along the way. E.g. in Ethiopia, GGGI was named as

a catalyzer, which indicates the teams have responded well to opportunities as they emerged. In doing so the teams have been astute in reading and navigating the different stakeholder interests and political power balances. As a precondition, the teams have actually been able to adjust their “services” to the local needs, which go beyond the narrow green growth economic planning skills. Critically important for all the above, the GGGI staff (and consultants) in the country programs are highly competent, very committed to the green growth mission, and open to providing a cross-disciplinary solution whether or not they have a single or multi-disciplinary background.

The country teams delivered these achievements without drawing on any **GGGI corporate strategies**, paradigms or approaches, and mostly without engagement and technical back-stopping from headquarter staff not employed within the country program. There is a high degree of flexibility in the GGGI’s programming approach, with the focus and approach defined by each of the teams jointly with their country counterparts. When considering the way forward, it raises the issue of how to balance the need for such a decentralized approach to meet local demands, with the concern for ensuring a consistent GGGI approach, scope of work and value-adding across each of the GGGI’s partner countries.

With regard to **ownership** it was clear that the national GG processes in Ethiopia and Cambodia are clearly owned by the governments, which is highly positive. There were mixed messages regarding the ownership of GGGI’s policy contributions. In Ethiopia, it was clear that GGGI’s country team had a direct hand in the production of the outputs, but the work was achieved together with counterpart staff (e.g. joint-units with GGGI and CR staff) and counterparts consistently insisted that e.g. CR strategies were “their” documents and that they were directing GGGI in the work. Counterparts contrasted the earlier period of the consultancy company (employed by GGGI) with the latter period after the country team was fielded, with the latter period being much more participatory and driven by themselves.

In the case of Cambodia, GGGI has assisted with a draft Master Plan on GG, but the relevance of the Master Plan is currently not clear, and it may have been superseded by the Government’s development of its National Policy on Green Growth (NPGG). In September 2013, GGGI’s Cambodia office was working with the Cambodian GSGG to determine whether to continue drafting of the Master Plan, in light of Cambodia’s new policy framework. On the other hand, the recommendations from the Korea Legislation Research Institute (KLRI) (commissioned by GGGI), have helped in setting up inter-ministerial coordinating decision making bodies for green growth policy, and were considered by the Cambodian Government as a key solution for Cambodia’s institutional frameworks for green growth. Based on KLRI’s research and recommendations, the Cambodian Government established the National Council on Green Growth by adopting the royal decree rather than a sub-decree. The JDR team did not examine to what extent the GGGI-supported processes were owned by relevant ministerial units beyond the direct counterparts (e.g. planning and budget divisions in sector and finance ministries). Also, wider stakeholder engagement and ownership still seemed to be limited in both countries.

Part of GGGI's objective is to contribute to **capacity development**. The country visits indicated that counterpart staff working with GGGI staff/consultants had developed skills in the process of working on the green growth strategies or other plans, but that so far this was mainly at individual level. However, in Ethiopia, the country team is also actively engaged in conceptualizing a comprehensive capacity development program (donor funded) linked to the sector reduction mechanism, which addresses systemic capacity needs. This gave rise to a discussion by the JDR team of GGGI's role in capacity development, clarifying that a GGGI country office should not be expected to possess operational capacity and competences to deliver systemic-level capacity development, but their role should rather be to support concepts, program development and processes implemented by other actors. In the case of Cambodia, capacity development had been delivered through GGGI's hosting of consultations with different ministries to exchange views on GG. GGGI's Cambodia team were also planning a capacity building workshop on GG for the Cambodian government together with an NGO forum, and a workshop on GG investment opportunities with the European Chamber of Commerce (EuroCham). In the view of the JDR team, going forward, a country office's capacity development goals and initiatives should be specified in a GGGI country strategy, based on needs assessments and with clear indicators.

In spite of the achievements, both of the country programs were behind on **program implementation**. Broadly the same set of factors contributed to the delays in the two countries, but clearly the shifting priorities of government and the dynamics and time required for the local stakeholder processes to digest, decide, and agree on the green growth strategies is among the most important. The time frames seemed to be overambitious, when considering the stakeholder processes required to achieve the intended policy outcomes. More broadly, a lesson learnt is that it is not fully meaningful to hold the GGGI country teams accountable for the Government-owned outputs, in the GGGI's logframes (i.e. through the specification of results, indicators and targets).

The other important factors explaining delays in program implementation relate to the limited support of the country teams from the headquarters on administration. In both countries, recruitment processes took longer than accounted for in the original work plans, which meant the hands to deliver were not on the ground as expected. Also the few people on the ground initially had to spend most of their time establishing the facilities, conditions and systems for the teams to operate, without being able to draw on GGGI's corporate systems or support. All of these administrative factors added to diverting their time from program implementation.

More broadly, the country teams have faced particular challenges in relation to GGGI's **administrative systems**, which have not been suited to low-income contexts, and poor headquarter administrative support to address the issues. The country teams lacked directives on key administrative issues. At the same time, the GGGI's decision-making power was centralized at the headquarters, stifling the country team's ability to address the issues. The administrative burden placed on the country teams has been heavy, and there has been low transparency related to budgets and internal decisions.



The staffing situation has been a major constraint, with individual consultants on 6-months contracts being used to perform the role of GGGI staff, but without the status, access to information, and conditions and entitlements of staff. In Cambodia, GGGI's local presence is in the form of consultants with the GGGI staff based at HQ, while in Ethiopia, GGGI staff and individual consultants work side by side. This has led to the doubling of administration (for staff and consultants), demotivation, moral issues of different working conditions, including health and safety, which is a constraint for organizational development.

The two teams are now starting processes to develop **country strategies** for the next three years, but with varied progress. In Cambodia, a draft has been produced and the team was planning on seeking input from their local partners. The Ethiopia country team will initiate a process to develop its new country strategy during the Q3 2013. So far the teams have not been working with any centralized formats for the strategy and the process seems mainly driven by the country teams with limited headquarter involvement. That said, in Ethiopia the country team was already brain-storming on fundamental strategic issues at country level that echo those discussed at headquarter level, including: GGGI Ethiopia's niche; green growth versus development; and GGGI's role in implementation. In Cambodia, the country team was planning to get input from their local partners to the strategy. A challenge is to secure for countries a participatory and partner-driven process while aligning with GGGI's overall strategy and "service lines". For instance, some of the key strategic challenges are:

- In Ethiopia the country team recognizes certain technical weaknesses in the supported CR strategies and SRM frameworks. Government for its own reasons wants the product as it is. Regardless of this, GGGI will be seen as associated with the product and therefore must ensure that the product is of an acceptable quality.
- In some contexts, GGGI may be challenged to live up to its principle of reaching out to stakeholders beyond government if it wishes to maintain its status as trusted adviser to government. GGGI Cambodia has worked at establishing relationships with other actors, such as other key ministries for GG, the private sector and civil society, while in Ethiopia GGGI has not yet established solid relationships with stakeholders beyond government (for example civil society and the private sector), and when doing so might face the situation that Government may not want a prominent role for these stakeholders.
- What "implementation" means to GGGI, and what role GGGI should play in implementation, are emerging as issues at both country and headquarter level. It is critical to clarify and explain this given the "implementation" element in the GGP&I pillar, and soon donors and other stakeholders will want to see evidence of this "implementation". For example, GGGI's monitoring system records implementation as a GGGI project having moved from "scoping" into "implementation", but this may be misunderstood as a country having embarked on implementation of a GGGI-supported green growth investment plan.

- The larger issue is what role GGGI should play in supporting a government's implementation of a finalized investment plan. A perception that seems to thrive in GGGI is that implementation means identifying the funding sources to finance the investment options, with GGGI helping to prepare the basis for the funding (e.g. help set up a mechanism). However another meaning of implementation is that the national sector planning and budget systems have incorporated the defined investment options, and that the public and private sector delivery systems, at central and local level, have mainstreamed and started to carry out the defined options. This implies a different role for GGGI, possibly involving support to budgeting and planning processes, organization and management of public service delivery, and even change management and political economy. How widely and deeply GGGI should engage in this process is a strategic question for the organization to consider.

As the basis for **planning and monitoring**, the GGGI's corporate tools presently available for the country teams' operational planning, implementation and monitoring are: the Core Operating Process (COP) and the Master Deck. The COP document is basically a project plan for one to two years and should be updated (at most) twice a year, while the Master Deck, meant to provide management with updated information on the program's progress, and should be updated almost weekly. The team noted some weaknesses especially in the COP regarding the log frame analysis, budget summary and overambitious plans in terms of time-frames for delivering outputs. More broadly, the COPs and Master-Deck were not perceived to be of much practical use to the work of the country teams. Also, adjusting the plans through the year may make sense for daily planning and coordination, but it has made it difficult to track progress against plans and expected outputs. There did not seem to be regular monitoring visits from non-country program staff at headquarters.

The **integration between the pillars** of the GGP&I, research and PPC has not happened yet, which means there were no integrated activities yet to observe during the country visits. In general the activities of both the latter pillars have barely started. In Ethiopia, the staff member in charge of the **PPC** pillar will start in the position this fall, while the Cambodia program has worked with the private sector as per Box 2.1.a.

The JDR team felt that the main benefit of the Cambodian PPC pilot activities was that it demonstrated a direct and tangible outcome, in contrast to the majority of GGGI's work, which is to facilitate longer-term policy reforms. However, the GGGI Cambodia team recognized that the small-scale nature of this particular activity does not make it a viable longer-term type of activity for GGGI. A PPC specialist in Cambodia has been recruited to expand the GGGI's private sector engagement, including through facilitating information sharing between the Cambodian Government and private sector associations. GGGI is looking to extend its PPC support into larger-scale initiatives, which are 'low hanging fruit' – i.e. these would be cost-saving or cost-neutral activities that make sense from a climate change or resource efficiency perspective, and mainly require technical or policy reform support to achieve the desired outcome. GGGI's Cambodia office were drawing ideas from

the positive Cambodian experiences of the National Biodigester Program<sup>5</sup> and a UNIDO 'Hot-Spot and Test Factory' energy efficiency program<sup>6</sup>.

The issue that emerged from JDR discussions with the GGGI country teams was the need for a clearer concept and objectives for the PPC area. It was not immediately clear what PPC should mean in practice, and what GGGI's role should be. In Ethiopia, the special context which makes collaboration with the private sector a challenge gives rise to the issue of how to build a strategy on private sector involvement and funding.

The **research** pillar of GGGI has not been fully implemented in the two country programs visited. Some staff (Ethiopia) have participated in GGGI's global research activities, which are not linked to their country program. In other cases, the GGP&I pillar has supported GG research conducted by research institutes based in Korea. This research was not always seen by local stakeholders as relevant to their particular country context and needs, even if it was more generally recognized that Korea's experience and research outputs are relevant for policy transformation processes in developing countries. It appears that the country teams are not involved in suggesting research topics, and they do not in all cases feel the research conducted and planned at HQ level is relevant for their work. Country offices had clear views on research needs to support GGP&I such as: defining GG in the local context; understanding potential conflicts and synergies between climate change and GG; gender issues and GG; political economy issues of GG; and PPC opportunities in the local context.

Government counterparts see a big potential in the GGGI providing research for them in the future, and they see the research collaboration as linked to capacity building. Counterparts and the GGGI's country teams would like to have more engagement with local research institutes in research projects, both to develop local research capacity and to ensure that results of research are relevant to their context. Hence, for GGGI's research work (both as a separate pillar and within the GGP&I pillar) the issue arising is whether GGGI should engage in a more participatory approach to GG research design, informed by consultations with local counterparts, and if the promotion of co-learning and research co-development with local consortia should be an objective of GGGI research activities at country level.

### 3. GGGI strategic framework and corporate systems

#### 3.1 A double transition

A major event during the review period is the transition of GGGI from a Korean non-government foundation to an **international organization** (IO), involving a new "global" green growth and development outlook and an increased international diversity in the GGGI's staffing composition (see section 4).

Another major event is the installation of a **new top-leadership** tier in April-May 2013. Over a period of 5 months, GGGI's Executive Management Group (EMG) has received a new Director General (DG), a new Deputy Director-General and a new Assistant Director-General. The new EMG together with GGGI's staff is currently occupied with addressing

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<sup>5</sup> <http://www.nbp.org.kh/>

<sup>6</sup> <http://www.unido.org/index.php?id=1001703>.

GGGI's pressing administrative and financial challenges, defining a new structure, recruiting new staff, and steering the development of the GGGI's new strategy. GGGI is therefore facing a double-transition which influences all parts of the organization and will likely continue to do so for the next year or longer.

Much of the effort of the new EMG is focused on addressing issues such as those found at country level by the JDR team. The pressing questions are how the GGGI should address each of the issues, and at what pace and order. The period ahead will demand the full time focus of the EMG on implementing this change process. During this period, the JDR team recommends that the GGGI should limit its expansion into new countries and focus on **consolidation and professionalization**.

A future **joint review** should assess the results of these change processes, and should take place no later than **2015**. It could be a more inclusive process and include GGGI's participating members in the review process, possibly organized through the GGGI's Program Sub-Committee, which has the responsibility for monitoring and review of the three pillars.

### 3.2 GGGI strategic plan and strategy process

GGGI's **current strategic plan (2012-2014)** is recognized by GGGI as good quality work, but it is also openly admitted that the strategic plan has not played any significant role for guiding GGGI's activities. It was developed mainly by a consultant with limited participation of GGGI staff, who do not feel ownership of the document.

The strategic plan specifies output and outcome indicators for GGGI's activities, and the GGGI has made a **tentative assessment of progress** on the indicators using a traffic light rating. The assessment is challenged by a number of factors: 1) the strategic plan has not been used to develop GGGI activities, 2) targets have only been set for 2014, 3) the definition of targets and indicators are of varying quality and somewhat open for interpretation, and 4) monitoring data is weak. The tentative assessment made by GGGI includes an estimate of expected progress on implementation during the remainder of 2013 and 2014. In any case, the assessment of progress by GGGI shows mixed results with less progress than expected, and least progress on PPC. However, it also reflects the early achievements at country level similar to the findings of the review team.

Much greater internal engagement and drive is seen in regard to the **process for the new strategic framework for 2015-2020**, which is being developed at the GGGI headquarters under the new EMG, in consultation with the GGGI Council. The new strategic framework will be developed over the coming year. The strategic framework is envisaged to be anchored in a 6-year Medium Term Plan (MTP) and a 3-year "Programme of Work and Budget (PWB)", which will guide the work of the organization from 2014. The new approach will link the new strategic framework, planning of activities, budgeting and monitoring together. Two overall levels of goals are expected to be formulated and set the direction for GGGI. Global goals will express GGGI's six-year development impact in countries, regions and globally and will reflect GGGI's mandate and how it defines its niche integrating the three pillars and based on a reinforced GGGI theory-of-change. Strategic outcome goals will

represent GGGI's contribution to impact and will be established for each pillar. These will link the program and project outputs to the GGGI's impact. Outcome targets will be established for 3-years and will guide the 3-year PWB. Functional outcomes for corporate processes will supplement the strategic outcome goals, and will link internal corporate activities to development impact.

During the mission, the review team was provided with a number of concept and strategy notes being developed, covering GGGI's overall positioning; the three pillars (GGP&I, PPC, research); and sustainability management. The notes define selected strategic questions and dilemmas to be discussed as basis for defining the future strategy (these were presented at the September Council strategy workshop). These included an outline of the areas where GGGI's positioning involves a stand-point on trade-offs between different choices, e.g. mandate for focus on LDCs, versus best green growth prospect, business model, size, skills, private sector involvement, organizational culture, and funding sources.

This intense activity to push ahead with a new strategy process is a sign of the EMG's clear commitment to set a new direction for the organization, and to openly address the critical strategic questions it faces. This should be commended. The review team also recognizes the difficult task facing the new EMG in delivering, reforming the organization, and developing strategy at the same time ("building the plane while flying").

Some risks result from the way the strategy notes for the different pillars are being developed: rapidly and mostly in parallel processes, and simultaneously with the new management staff coming on board. The strategy notes are not yet mutually coherent, and the review team did not find a clear and shared understanding among GGGI's management team on the direction and content set by the strategy notes. Moreover, while this strategy process is clearly driven by GGGI internally, GGGI's country program staff have not yet been involved, but will be at a later stage. The JDR team considers that it will be critical to ensure direct input of country program staff in the development of the strategy, both to draw on their GGP&I experience, ensure ownership and implementation, and to make it relevant to the country-level issues.

The **integration** of the thinking across the three pillars, and between headquarters, and country teams will be critical for GGGI to successfully define how GGGI will differentiate itself from other institutions working on green growth and establish its future niche. **Transparency**, and internal **communication**, between all GGGI management and staff, no matter their location, will also be critical for GGGI to successfully develop its strategy over the next year, and ensure consistency in its interpretation and implementation of the new strategy. As demonstrated by the country reviews, one of the success factors of the GGP&I program has been the ability of the staff to react to windows of opportunity in local green transformation processes. With the new strategic framework and 3-year planning tool, a **careful balance** needs to be made between a more rigid approach with pre-planned projects, and an approach that is based on management by objectives with strategic boundaries for what type of activities, or windows of opportunity, the country teams can pursue in a flexible and entrepreneurial manner.

The strategy note on the **GGP&I** pillar provided to the review team defines five potential areas where the GGP&I contribution is seen as distinctive, and the implications for how the GGP&I division may operate. From a rapid review, the note appears to echo many of the JDR findings on opportunities for GGGI to add value, and dilemmas as found by the country level visits to Ethiopia and Cambodia. But it also seems concentrated almost entirely on GGGI's perceived *internal* strengths and weaknesses and how to reorganize around these, while leaving aside lessons from the country level, and trends in the issues and needs of GGGI's "clients" in the partner countries. This may present a risk of lowering the strategic relevance of the planned strategies. It will be important for the process to ultimately clarify how the GGGI should define its niche, and what represents the organization's value-proposition, at global and partner country level. In this regard, the country teams can contribute with information and experiences on the work of other actors locally on GG, including on opportunities for GGGI to collaborate with relevant similar initiatives in order not to duplicate any work and build on the work of others.

Under the **research** pillar, the staff interviewed in Seoul, but actually based at the London hub were actively involved in the work of the Green Growth Knowledge Platform (GGKP) and the Green Growth Best Practices (GGBP) initiative. Two other flagship research programs discussed in Seoul and funded by GGGI were the Green Industrial Revolution work by the London School of Economics (LSE) and the New Climate Economy study led by the World Resources Institute that is expected to have an influence on climate policy over the next 2 years.

So far, the JDR team found that the GGGI's research activities have been mainly ad hoc studies outsourced to large research institutions, which have not directly been driven by the needs of the GGP&I pillar. If the aim is to link research to the GGP&I pillar, it needs to be considered how to produce research that is locally relevant, as the country-visits indicated that this has not always been the case.

The Research Strategy note, shared with the review team, notes the research objectives as: generation of evidence-based research; development of practical tools and methods; and facilitation of collaboration; and knowledge networking. It contains a priority list of sector- and issue specific research topics, and outlines a number of strategic questions, including if GGGI's research should emphasize practically-oriented research rather than blue-sky thinking.

From the review team's discussions with GGGI staff, it emerged that questions regarding the organization's research area still remain. One reflection made by GGGI, was that the expectations in the strategy note may be too ambitious in light of GGGI's actual resources and transition, and that initially only a few more simple and confined research activities should be carried out. Another voice, while recognizing the need for the pillars to interrelate more, spoke to the need for "space for intellectual activity", and to focus research activities on: 1) leveraging the work of others and being part of networks, 2) blue sky thinking, 3) building the skills of the organization (communities of practice), and 4) participating in large research activities. While it was agreed that research must benefit and learn from the country programs, it was also believed that country programs will benefit from blue-sky

thinking. The discussions on GGGI's research strategy will need to clarify the above questions.

GGGI is presently developing an 18-month work plan for research. This presents a challenge in so far as the overarching GGGI strategy, and the above questions, are yet to be clarified and agreed internally. The review team considers the involvement of the GGP&I country teams will be important in selecting research topics to ensure research is relevant for the country programs, and draws from GGP&I knowledge of needs and gaps in terms of national research. Moreover, while it is positive that GGGI intends to leverage other institutions' research and participate in global networks, it will be important to do so closely with GGP&I teams. Decisions on out-sourcing of research should also be balanced with the wish to build in-house research capacity.

GGGI's research activities are divided between two offices, Seoul and London, while a Green Growth Academy planned in Abu Dhabi will also play a role. Currently the Head of Research position is undecided and the Director General is heading the area, but the Head of Research will be based in Seoul. GGGI's current plan is to make the London office the research hub of GGGI and hence receive additional staff, while the Head of Research and new researchers to be hired will be placed in the Seoul office. This presents risks in terms of communication and sharing of information on the work between the Seoul and London offices. Staff from the GGP&I program also do not seem aware of the GGGI's research activities taking place, which may make it difficult for them to provide research input and to use the knowledge generated. The JDR team considers it important that the research activities be more centralized at headquarters, which would facilitate the integration of the three pillars and especially a closer link to GGP&I.

GGGI's activities in **public and private sector cooperation** (PPC) aim to facilitate public-private partnerships and foster an enabling environment for resource-efficient investment, innovation, production and consumption, and diffusion of green growth best practices. PPC activities include conducting financial analyses, and support to develop public-private partnerships to facilitate their access to capital and technology, once GGGI's partner countries have adopted and begun the implementation of their green growth plans. To this end, GGGI has begun a program of investment analysis and facilitation to support partner countries such as Ethiopia and Vietnam. It is a member of the G20/B20 Green Growth Action Alliance (G2A2) Board, focused on testing and scaling public-private financing models for green infrastructure and industry in developing countries; and it is a strategic partner to the Global Green Growth Forum, a high-level partnership of countries in support of innovation and scaling of private sector engagement in green growth.

GGGI views PPC activities as at the core of its overall agenda, and one of its main points of differentiation from other international organizations. GGGI's working assumption is that the main part of the green transformation process may be delivered through private investment. GGGI perceives its role in facilitating PPC as critical to the implementation of green policies, and recognizes that modifying the investment environment and changing investment behavior, is a significant and long-term challenge that needs to be addressed both at a global level and in countries. To this end, GGGI is recruiting staff with a private

sector background and understanding of financial instruments to ensure it is providing the right expertise to deliver its PPC objectives.

Limited progress has been made to date on PPC within the GGP&I pillar and in its own pillar. A new Assistant DG for PPC had been appointed, during the JDR mission and a new strategy note for PPC has been developed (for the September Council strategy workshop). The GGGI does not yet have private sector representatives on its Council (as anticipated by the Establishment Agreement) and has not yet formed its Advisory Committee, which is expected to include private sector representatives.

Some important elements of the PPC agenda, discussed with the JDR team, going forward include:

- Supporting an enabling market to 'crowd in' the private sector into clean and resource-efficient investment, including through supporting developing countries with analysis of the drivers of green growth and formulating policy responses.
- Assisting with the formulation of policy reforms to address the risk-reward profile for investments, which will increase the financial viability of green investments. This could include working with counterparts to introduce risk-reducing instruments. It may also include undertaking a sustainability analysis of supply chains and working with local banking institutions, as well as the international financial sector.
- Assisting with addressing investment barriers for financing green investment projects. This may include addressing both the push and pull elements, such as the adequate pricing of conventional energy in developing countries and facilitating consumer demand in international markets for sustainable products and services.
- Assessing how private companies can work directly with GGGI as an organization, including how GGGI would best benefit from the knowledge and entrepreneurial drive of private companies, and establishing what the companies would expect in return from GGGI for their time and money invested in such cooperation.

Discussions between the JDR team and the GGGI staff in Seoul indicated that GGGI perceives itself as potentially playing a unique role in facilitating PPC, through being a neutral player that will break down the information barriers between different societal clusters, including by bringing together the private and public sector, as well as the donor community and various climate funds in the green transformation process. In particular, GGGI perceives its comparative advantage as being able to draw in the private sector perspective into the policy-making processes and strategic reforms.

Given this ambitious agenda, the review team considers it will be important to ensure that the vision and deliverables for the PPC pillar are defined for the global PPC activities and the PPC work within the GGP&I country programs respectively, and also how the two relate needs to be taken into account. PPC work at country level has to be realistic and achievable, given the various local contexts and different constraints/opportunities in each partner country. Modifying and adapting GGGI's PPC approach in each country, to respond to the particular circumstances, is likely to be important for achieving local transformation, whilst



also aiming for a common result in each country that is to deliver sector plans for green investment.

The JDR team considers that it is important that PPC operations are engaging with both the international financial sector and the local private sector of the developing partner country, to ensure the approach taken is relevant and fit-for-purpose. Another key issue is the need to carefully manage any potential trade-offs between green investment objectives and poverty reduction/social inclusion objectives, for example, through mitigating the impacts of raising conventional energy prices on poor people.

The opportunities of the GGGI to deliver its PPC objectives through its country programs will to a large extent be dependent on the local context. Discussions between the JDR team and local counterparts indicated a higher level of local interest for private sector engagement in Cambodia, compared to Ethiopia. GGGI is trying to strike a careful balance in both countries, to represent both the private sector perspective and work closely with the Government on its reforms. Retaining this neutral stance (as neither a financing agency, nor part of bilateral political relationship) and responding to the local context, is important for the GGGI to continue to strike the right balance. Demonstrating milestones in the PPC work or direct tangible outcomes will also be important to maintain the engagement of local counterparts.

### 3.3 Organizational structure and staffing

The review team was presented with a new draft **GGGI organizational structure**, reflecting its new status as an international organization, and shaping it to implement the coming strategic framework. The structure separates areas of strategy, program implementation, reporting, and evaluation, devolves lines of responsibility and authority within GGGI, and strengthens the internal checks-and-balance mechanisms between the areas. It also introduces a strengthened management structure with more clearly defined strategic responsibilities in GGGI's three program pillars and in management/administration. A level of regional directors is introduced to provide stronger strategic focus and follow-up at the country program level. The proposed structure is a significant step forward for allowing strategic coherence, stream-lined decision-making and accountable and transparent governance, including closer strategic follow-up at country level.

The review team notes that the outcome of the current discussions on the new strategic framework could make it relevant to revisit the functions at headquarters as well as the size of the overall organization. This may happen especially as the role of GGGI at country level as an adviser is clarified. The review team sees a risk that the proposed structure may be too expansive, when considering the back-office requirements of an organization whose business is to advise and facilitate processes and networks (this can be contrasted to management of large-scale technical implementation projects).

GGGI plans to continue to develop its **hubs** in London, Copenhagen, and Abu Dhabi, and placing 15 and 10 staff in London and Copenhagen, respectively. While London will be the hub for research and Copenhagen will be the hub for GGGI's PPC activities, Seoul remains the location for overall strategic leadership of the research and PPC pillars. This dispersed organization of the pillars will add to the challenges of linking the leadership and delivery under each pillar; promoting coherence between the pillars; and integrating country

program activities and strategies. It will be important to consider specific initiatives and mechanisms to ensure coherence and interconnectedness between all these entities.

GGGI's currently has a total of 80 **staff**. After an intense recruitment process, approximately 30 new staff will be employed before the end of 2013. This takes GGGI's total staff to 110 by 2013 with the aim to reach 160 positions in 2014, and 190 positions by 2015. By 2015, 40 of the 191 staff would be placed in partner countries, with the rest being placed in Seoul and in the hubs. In addition, 30 part-time consultants are working at country level in 2013. This planned doubling of GGGI's size in less than 2 years will be a challenge for developing a common work approach and organizational culture. The **rapid intake** of new staff at the same time as the organization is clarifying its strategy, and may revisit its organizational structure and human resource needs, also presents the risk of making wrong recruitment decisions. There is, in particular, the need to consider if new staff should be recruited at a slower pace and level to ensure the staff composition fits a smaller but workable structure rather than the perceived ideal structure. There is also a need to consider if the planned division of headcounts of 4 out of 5 members of staff being placed at headquarters or one of the hubs by 2015 (1 in 2 in Seoul) is meaningful, depending on the level of organizational devolution to be determined under the new strategy.

Given that broad **skill composition** is required for providing relevant advice on green growth issues and transformation processes in developing countries, it will be important to carefully review the necessary skills profile of the GGGI (at headquarters and country level) before taking the process of adding new staff members much further. A multi-disciplinary staff composition is needed, which ensures not just skills in economics but also in broader development management, environmental sciences, political science, and possibly other disciplines as well.

GGGI has been filling the vacant management positions first, so these can be the bridgehead for filling the remaining positions during 2013-15, employing individuals with long-standing senior management experience from a variety of organizations and countries. The philosophy is to import the knowledge and experience of systems of international organizations, instead of copying their systems. The review team finds this to be a necessarily pragmatic and good approach in view of the pressures on the organization to build systems, while delivering results and crafting a strategy at the same time. However, it will require time and focused attention to allow for the different visions and work cultures to come together and form something that works specifically for GGGI. Also, the review team notes that many of the new staff members bring their experience from organizations much bigger than GGGI. **Coming together in GGGI**, adapting systems to fit the size and nature of GGGI should be prioritized. There is a risk of over-shooting on the development of the new organizational architecture, which may not be fit for purpose.

### 3.4 Budgets and funding

A medium-term budget note was shared with the review team during the mission, which was not possible to specifically assess and discuss. However according to the note, GGGI's budget for 2013 is at USD 48.7 million with projections for 2014 at USD 56.9 million and for

2015 being USD 62.2 million, hence an **expansion** of 25% over two years. This compares to the actual spending performance of USD 23.3 million in 2012, with under-spending also foreseen for 2013. Since GGGI's expenses are dominated by salaries, disbursements will be linked to the progress on recruitments and filling the vacant positions, which means actual spending levels are likely to increase with the new staff taken in. However, the exact factors explaining the **under-spending** were not clear to the review team. It will be necessary to obtain a clear picture of the disbursement performance, especially as this is required to assess the realism in the future budget targets.

With regard to funding in 2014, a total of USD 38 million is expected to be **core-funding** from donors and USD 20 million to be **earmarked funds** from public and private sector. However, the review team was informed of the significant challenges that have marked the predictability and stability of GGGI's core-funding in 2013. There is no guarantee this will not be repeated in 2014 and subsequent years. Although not discussed during the review, the targeted doubling of the earmarked funding cannot be guaranteed and also seems ambitious.

Hence, there is a likely risk that the funding levels necessary to enable the expansion in budgets and the size of GGGI's organization may not be achieved. This raises the demand for an active **risk management strategy** by GGGI, building on at least two elements. First, considering the information provided of the cash-flow problem currently facing GGGI (which seems to be managed by virtue of the fact that disbursement is behind schedule), it would seem prudent for GGGI to assess the variety of likely financial scenarios and manage the planned expansion in the organization so that the risk of cash-flow problems are minimized. Secondly, GGGI Secretariat should work with the GGGI Council to obtain as predictable a financing model as possible.

### 3.5 Human resource management

GGGI's staff with their knowledge and competences is GGGI's main resource, which makes human resource management (HRM) critical to achieving the organization's objectives. The importance attached by the new EMG to HRM is reflected in the development of new staff regulations, which were shared with the review team during the mission.

One of the major issues to tackle by the GGGI, in collaboration with the Council, concerns the reliance on individual **consultants** in the country programs. While GGGI expands its number of **staff**, a Council decision limits the number of staff employed at country level (approximately 40 positions). Since this is insufficient to carry out the activities, GGGI hires individual consultants to work alongside the GGGI staff, performing the same type of tasks and working with GGGI's insignia, but under very different contractual conditions, as noted in the country level findings. As noted earlier, the consultants work on 6-month contracts, which contradicts GGGI's mission of establishing **long-term and trusted relations** with partners, and involves problems with double-administration, inefficient communication and knowledge-sharing, demotivation of people (staff and consultants), and moral issues of working under different working conditions (incl. health and safety). The issue needs to be addressed urgently, by the Council allowing greater flexibility in placing staff at country level, since this is critical to GGGI's ability to deliver on its mission. GGGI's proposed

definition of composition of staff for country offices is a useful starting-point for redefining staff allocations based on needs.

A related issue concerns the **tenure** of GGGI's staff in country offices, which is normally for 2 years. While longer than for consultants, this is too short to enable staff to develop and activate the local understanding and develop relations of trust, key to GGGI's mission. GGGI should therefore consider extending contract periods for country office staff.

A new staff performance management system is being introduced, based on transparent criteria, with individual targets and performance monitoring, and standard staff assessment processes. The review team finds this to be a positive step for transparency and organizational development. Once GGGI's core mission and value-added as an "adviser", facilitator and catalyzer have been clarified, it will be important to ensure **performance** measures are defined accordingly. E.g. shaping individual incentives to reward the production of tangible outputs such as investment plans may run counter to aims of providing demand-driven advice and supporting government owned processes.

### 3.6 Management and administrative systems

GGGI has suffered from weaknesses in its administrative and management systems, as also documented during the 2011 inception review. The **challenges** seem to have continued during most of the review period, including issues of lack of transparency and accountability. The review team's country visits showed how GGGI's administrative system is not well suited to the reality of operating and delivering activities in low-income country contexts. The new EMG clearly recognizes the problems with the administrative systems, including the inadequate systems for country level operational needs, and much of its current efforts go into addressing the problems, including the key issue of privileges and immunities. New improved administrative procedures and guidelines have, or are being, developed across areas of the organization (these were shared with the review team).

A new manual for delegation of authority has been developed to address the issue of delegations to country offices, in particular to decentralize the responsibilities for key areas such as planning, budgeting, financial management and programs.

These initiatives are all new and it has not yet been possible to experience any improvements at country level. However, the review team finds that the **intense effort** is a positive step, which reflects real commitment to address the weaknesses in the systems. It will be important to communicate to country teams the planned improvements, and efforts should be made to involve the country program staff in identifying needs and testing the systems and procedures developed.

While the improvements are urgently needed, the fast pace and parallel process in which the guidelines are developed and introduced could **risk** leading to procedures that are off-target or inconsistent with each other. A gradual introduction and testing-period over a period of one year would be a way to avoid this.

### 3.7 Financial management system

GGGI's financial management system is marked by a number of weaknesses that are currently being addressed by the new EMG. The organization has had difficulties in timely and readily providing comprehensive financial statements upon requests, and once provided the reports have been inconsistent and not fully transparent and clear. The **weaknesses** include:

- Lack of a fully comprehensive overview of the organization's financial accounts and position, owing to weaknesses in the practice and systems for recording spending decisions and cash-commitments.
- Lack of consistency and weak reconciliation between budgets, spending and financial accounts and reporting.
- An insufficient financial management system which only allows single-currency accounting - this is part of the reason for the difficulty in reconciling statements.
- A practice of budgets being prepared and spending reconciled at headquarters away from spending units, e.g. budgets being done by headquarters without involvement of country levels. This leads to country teams not being able to understand the budgets prepared.
- A budget structure which does not match activities and spending lines required at country level. This contributes to making actual spending opaque. E.g. in Ethiopia it was necessary for the office to create its own budget set-up underneath GGGI's system to cater for operational needs.
- No clear separation between core funding and earmarked funding.
- No close monitoring of funding agreements.
- Late expenditure reports to headquarters due to a big time lag between the cash advance to country office and the expenditure reported to headquarters.
- A tendency of different solutions to cash-advancement at country level due to country offices not being registered, spanning from corporate credit cards to use of private bank accounts on behalf of GGGI.
- Weak capacity in financial management and basic bookkeeping at country level, suggesting the need for capacity development in this area.

One of the **significant steps** of the new EMG is to review and clean up all financial records for omissions, errors and liabilities. This should result in an accurate picture of GGGI's financial position and liabilities, which is not fully known today. Also significant, a financial management system will be introduced shortly, which should remove a number of the above system oriented weaknesses (e.g. enable multi-currency accounting). Work is also underway to define improved reporting formats (including program-based budgeting). A highly important initiative is the recent appointment of an internal auditor, who is currently engaged in assessing the accounts and financial systems of GGGI. Finally, GGGI is currently developing an anti-corruption policy, which also provides for delegation of financial authority.

The review team is confident that the EMG is giving the highest possible priority to addressing the weakness in the financial management system. Obtaining a comprehensive

and accurate picture of GGGI's financial situation and transparency and accountability in spending decisions is of critical importance, especially to the core-funding donors.

### 3.8 IT and on-line connections

The review team was informed that an initiative to adjust the use of IT systems and on-line access was underway that should address the problems of country offices **accessing headquarter**-based on-line systems. This should include drop-box facilities for uploading. It will be important to continuously follow up with country offices on the effectiveness and accessibility of the new system to conditions at the local level.

### 3.9 Monitoring and reporting

GGGI's EMG clearly prioritizes improving program monitoring and reporting. GGGI is using a system based on Quarterly Implementation Reports (QIR) to monitor progress on program implementation, which is still being developed. The format for QIR is being adjusted, as staff across the GGGI are being trained, and the monitoring and evaluation (M&E) unit is being staffed up. Much **effort** is currently put in by the M&E unit for preparing status reports on program progress, budgets, disbursement performance, and other elements where reporting hitherto has been weak. The QIRs so far submitted for 2013 have been prepared by the country teams filling in part of the information, and the M&E unit in London completing the gaps. GGGI expects that this process should be devolved to country teams over time.

The revision of the M&E system is driven by a strong wish to live up to donors' needs for reporting and to have formats and processes that automate, and streamline, the production of reports to donors as much as possible. Looking forward, GGGI puts much emphasis on the **logical framework approach** and its rigor as the foundation of the monitoring system, and consequently train and encourage staff to design interventions strictly according to the logical framework format and approach.

The review team finds it positive that GGGI is taking action to address the weaknesses and improve its systems for monitoring and reporting. This effort should be commended. At the same time, the need at country program level to monitor progress and to learn, based on indicators relevant and meaningful at that level, does not seem to figure strongly in the development of the new M&E system. To date the country teams have not been involved in setting baselines and targets in the new M&E framework. Also it appears that analysis of assumptions and risks and risk management could be more consistently addressed and support provided from HQ to the country teams in this area. Transition to green growth is a highly **political agenda**, and supporting this entails risks. Involving staff at country program level in the design of formats and processes for reporting will be important to minimize that risk. Moreover, GGGI may be overestimating donors' expectations with regard to the extent and detail of the data collected, given the relatively small size and low complexity of GGGI's activities in terms of project management (though outputs and objectives may be intangible and complex to report on). GGGI should consult with donors on the minimum sufficient reporting required, while donors should agree and **coordinate** their reporting needs so one comprehensive report to donors can be produced.

Use of the logical framework approach will clearly help to ensure **rigor** and a focus on measurable results in GGGI's monitoring, which is important for GGGI to demonstrate its achievements. But strict and detailed use of the logical framework approach to the level of every activity and output may not be meaningful, given the nature of GGGI's work as an adviser, whose value-creation depends on responding in a flexible way to opportunities and needs of counterparts, and providing inputs to outputs delivered by others. Hence, GGGI's challenge will be to apply its M&E system in a way that ensures the documentation of progress and clear results while providing for **flexibility** and documentation of outputs that are not fully tangible, such as advisory services. Ways to collect feedback from the counterparts on the satisfaction and performance of GGGI's support is also important to consider.

### 3.10 Sustainability, safeguards, cross-cutting issues

The **sustainability** of the work of GGGI in the countries depends on good relationships/ trust being established with the main government counterparts. This again relies on the presence of permanent GGGI staff in the country office, as well as clear communication, transparency in its work, and a proactive management of expectations. As far as capacity building of the partners is concerned, the JDR team considers that this should as much as possible be internalized in the partner institution in order to provide continuity and further development. In addition, ownership of the GG processes and activities by local partners will not only facilitate and scale-up implementation, but also ensure their sustainability in the long term. Ownership should also be understood as responsibility being taken over by the local partners. As mentioned earlier, based on the country visits, there seems to be strong **ownership** in the hands of local partners.

GGGI has a person working on **safeguard** issues but who has not been able to spend sufficient time on this issue. More discussion on these issues at HQ would also be beneficial. A concept note is being developed on safeguard issues both internally for GGGI (Corporate Social Responsibility - CSR) and in terms of its activities. It is currently unclear how GGGI will address safeguard issues in the future. Safeguard issues in terms of GGGI's work are mostly focused on GGP&I activities, whereby GGGI is looking at how to integrate safeguards throughout the project cycle – whilst also considering safeguards across the three pillars. Guidelines on safeguards are to be provided to country teams who are to adapt them to the local context.

It is unclear from the review to what degree safeguards are currently being addressed at the country level. A checklist on safeguards is part of the quarterly report, but does not give a clear overview of safeguards implementation, including how they are addressed across the program, etc. It is also unclear to what extent GGGI takes into account aspects of social inclusion, by ensuring that green growth is inclusive of the poorest of the poor and marginalized people. In the view of the JDR team, the third element of sustainable development/green growth, namely social inclusion, including addressing issues of human rights, should be addressed by the new strategy.

Both social and environmental safeguards could be used as minimum criteria for the selection of new countries to work in and should be part of the scoping phase. Collaboration

with civil society organizations is also important when working on safeguards. When further developing the work on safeguards, feedback from the country teams should be received and they could also provide input to a checklist on safeguards for each step of the programs. Indicators on safeguards should be part of the logframes. A clearer focus on poverty alleviation through the growth aspect of GG is recommended for GGGI's work and may be addressed by hiring staff with development cooperation background and broadening the partners at the local level (e.g. collaborating with development NGOs).

Gender is not clearly addressed in the GGGI program, apart from trying to reach gender balance among the staff at HQ. It is however not clear to what extent gender is used as a criterion in the recruitment process at the partner country level.

## 4. Governance and partnership frameworks

### 4.1 Governance structures and processes

GGGI's governance structures have changed significantly since the 2011 donor review, especially with the GGGI's conversion to an **international organization (IO)** in 2012, which resulted in a shift away from the relatively flat and flexible internal governance arrangements. The process of conversion to an IO is still ongoing, as the GGGI's new management structures are being established. GGGI's key oversight bodies: the Assembly, Council and sub-committees of the Council, have been established, with the exception of the Advisory Committee. The Rules of Procedure for the Assembly and Council have been agreed, and in January 2013, the GGGI Council approved Terms of Reference for the three sub-committees of the Council: Audit and Finance, Facilitative and Program. GGGI has recruited its EMG, although the Director General appointment is an interim arrangement.

The **benefits** of GGGI's conversion to an IO have been its increased visibility, transparency and accountability. As an IO, GGGI has access to key international policy forums and to world leaders, which has raised GGGI's profile. This political momentum has enabled GGGI to have access to the political leadership of its partner countries, which has increased its access to key decision-makers in their bureaucracies. GGGI's conversion has also led to increased transparency in its management, in line with the expectations of its donors. GGGI's application for Official Development Assistance (ODA) status was a key milestone, as GGGI was able to demonstrate to the international donor community in the OECD that its functions meet the criteria of ODA. More transparency in GGGI's operations is also following the IO conversion, such as in its selection of countries and activities.

The process of conversion is requiring a cultural shift within GGGI, which requires careful **change management** processes. GGGI does not want to lose its spirit of entrepreneurship and capacity to be responsive to emerging priorities and opportunities, which means care should be taken to avoid that the new accountability frameworks and decision-making structures do not stifle this spirit.

During this start-up phase, the GGGI's Council has been actively involved in decision-making processes. Sub-committees of the Council – particularly the Facilitative sub-committee and the Audit and Finance sub-committee – have met regularly to support the GGGI to establish



its internal governance systems (rules and procedures for audit, finance, procurement, human resources etc). The frequency of the Council's involvement has been unusual for an IO, but necessary for this initial period. Over time, the Council should play a less active role in the management of GGGI, especially with the appointment of the new Director General. More **management space** should be given to the EMG and the EMG should fill this space in return.

Over the longer term, the GGGI Council could aim to meet only twice a year, and the Assembly could meet once every two years, to promote the GGGI's focus on its programming cycle and the Council's focus on the strategic issues. The high profile of the GGGI's Council members is a considerable asset and the GGGI is working on opportunities to harness their engagement. Bringing the Council together twice a year would provide an opportunity for these leaders to exchange policy views on green growth based on their countries' experiences. Overtime, GGGI's council meetings likewise have the potential to become less administrative, and more focused on the opportunity for policy dialogue, particularly with GGGI's participating members.

#### 4.2 Funding sources and stability

GGGI's Establishment Agreement does not include a replenishment cycle. Unpredictability in donor funding for GGGI has resulted from the uneven payment of the contributions from the GGGI's 'participating' member countries. Late donor payments have caused a serious **cash-flow problem** and an unstable working environment for GGGI. Part of the reason for this delay in donor payment has been the GGGI's delay in communicating its financial position and program results. The unpredictability of donor funding is in part also due to the political reality that bilateral donors are also subject to the changing priorities of their Governments. Three of the key donors have had changes in Government recently: the Republic of Korea, Norway and Australia. As a new organisation, GGGI does not have other sources of revenue or any savings to draw on if payments are delayed.

A clear schedule of payments and timely disbursement of donor funding will be essential for GGGI's financial stability going forward. A coordinated donor **replenishment** process would assist both with financial predictability, but also with coordinating and possibly harmonizing donor's approval processes, thereby reducing the administrative burden on GGGI. Resolving this cash-flow challenge presents the biggest and most fundamental risk for the GGGI as a new organization.

#### 4.3 Partnerships behaviour

GGGI has established Memorandums of Understandings (MOU) with nearly all of its partner countries where it is operating programs. Agreement to an **MOU** with the counterpart government is a GGGI requirement for commencing a GGGI project. A country's signing of the **Establishment Agreement** reflects their alignment with the GGGI's objectives, and GGGI's decision for its operations to be demand-driven and have full country ownership.

GGGI's partnership behaviour has been a key aspect of its success to date. GGGI has been highly attuned to the geo-political environment of its counterpart countries and been flexible in responding to the priorities of their counterpart governments. GGGI's

organizational culture and fostering of its identity as a **'trusted advisor'** has enabled this strong partnership behaviour.

Evolution of a 'partnership culture' has been natural, but has the potential to be eroded if it is not supported internally, particularly as GGGI is becoming more selective in its activities. Openness, transparency and participatory approaches with counterpart governments will be key aspects for sustaining GGGI's trust with its counterparts. Providing clear guidance to staff and training on partnership behaviour and approaches will help to institutionalize this partnerships approach as a central element of GGGI's business model.

## 5 Follow-up to the 2011 inception review

Part of the review team's TOR was to follow-up on GGGI's implementation of the recommendations of the 2011 Inception Review, completed by Australia and Denmark. The recommendations and the status of follow-up by GGGI are shown in the table in Annex 1.

The overall assessment is that a number of these recommendations have been implemented however a number of the issues are **still relevant** to the GGGI today. For some of the issues the initiatives to address them are fairly recent, being linked to the new EMG and the strategy process. Overall therefore GGGI still has some way to go in addressing a number of the recommendations.

## 6. Conclusions and recommendations

### 6.1. Conclusions

- 1) GGGI is in double transition: (1) between operating as K-GGGI to now operating as an International Organization 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 over 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 overshooting 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.

## 6.2. 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.

*Specific areas for attention on the way forward:*

- *Obtain a clear assessment of the likely financial scenarios facing the organization in the next 1-2 years and decide on appropriate risk management measures, including a prudent approach to expanding the organization and finding alternative funding sources.*
- *Complete the establishment and implement more effective financial control system to be able to provide timely and credible financial statements.*
- *Complete the new monitoring system to be able to document results.*
- *Implement anti-corruption measures at all levels of the organization.*

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.

*Specific areas for attention on the way forward:*

- *Reduce the pace of the expansion in staff until a clear strategy and mapping of competence requirements is in place (see below).*
- *Give high priority to communicating to all levels and localities of the GGGI regarding the aims, focus, changes, timing and status of the ongoing reforms of the organization and its procedures.*
- *Be careful not to over-shoot on the new organizational architecture.*
- *Build a strong "core" organization in Seoul for all three pillars and revisit the staff ratio between HQ/hubs vis-à-vis country teams, and aim at a higher staff ratio in-country.*
- *Limit the total number of partner countries to approximately 20 until 2015.*

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.

*Specific areas for attention on the way forward:*

- *Ensure involvement and lessons from GGP&I, research and PPC staff across the organization, at central and country level, in the development of the new strategy and in the programming guidance. Allow time for discussion.*
- *Clarify and communicate the integration between the GGP&I, research and PPC pillars, based on what is realistically possible and what effectively contributes to GGGI's mission of promoting the implementation of green growth in the partner countries.*
- *Strike the balance between GGGI's spirit of entrepreneurship and capacity to be responsive to emerging priorities and opportunities, and the need for project planning, accountability frameworks and decision-making structures.*
- *Clarify and communicate across the organization guidance on programming steps and definitions linked to GGGI's scoping and implementation stages, including ways to balance quick-wins with progress on long-term goals.*
- *Ensure external communication to explain GGGI's work and value-added to external stakeholders and take a proactive and open approach to connect with other green growth initiatives and programs globally and in the partner countries.*

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.

*Specific areas for attention on the way forward:*

- *Use a strategic approach to guide the in-take of new staff during 2013/15, based on assessment of the skills and competences needed across the organization in order to implement the new strategic framework and be able to respond to partner country needs and context. Prioritize a multi-disciplinary staff composition profile.*
- *Take all necessary and possible measures to enable more staff to be placed in the partner countries.*
- *Upgrade the focus on assumptions and risks in the planning and monitoring of country level activities reflecting the nature of local green transformation processes.*

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 levels. 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.

*Specific areas for attention on the way forward*

- *Clarify GGGI's special niche and value-added at partner country level and ensure that the attention and resources of country teams and the HQ backstopping efforts target these areas.*

Finally,

- 6) A new joint donor review should take place no later than in 2015. Consideration should be given to the inclusion of non-donor members in the next review process, potentially drawn from the GGGI council's program sub-committee.

## Annex 1: Status of follow-up to the 2011 review recommendations

<b><u>Recommendation 1: Development of a Strategic Plan to underpin GGGI's annual work plan and budget.</u></b>
As outlined above the Strategic Plan for 2012-14 has been developed and endorsed by the GGGI Assembly in October 2012, but it has not been fully owned by GGGI staff or the GGGI Council. GGGI's Director General has commenced a process to develop a new strategic plan for 2015-20, with an initial 'strategy retreat' of the GGGI Council in Jakarta on 15-16 September 2013. GGGI in practice is still unclear on its core and non-core functions, and how its operations are aligned and integrated within its overall theory-of-change. GGGI is undertaking a bottom-up country strategy process that will feed into the overall strategy and development of a new results framework.
<b><u>Recommendation 2: Coherence across GGGI in understanding GGGI's functions and vision.</u></b>
GGGI has built an internal identity, with a coherent focus on delivering high quality advice to its counterpart governments, particularly in sustaining its economic credentials. There is a general sense within GGGI of what GGGI's role is for the 'scoping and set up' phase of its operations, but this is likely to become less clear during the 'implementation' phase. Delivery of consistent approaches has been constrained by inconsistent application of the Core Operation Procedures (COP), particularly on monitoring and evaluation, but GGGI is currently remedying this by providing training and support to staff on these processes. It is likely to take another two years to really consolidate GGGI's identity and approaches.
<b><u>Recommendation 3: Development of country selection criteria.</u></b>
The Board of Directors of the Korean GGGI had agreed to a set of selection criteria, which are fairly open-ended and are currently being followed. GGGI's program sub-committee will consider a proposed set of new selection criteria for the GGGI as an international organization, at its meeting on 14 September 2013. It is unlikely that the selection criteria will be determined prior to the decisions on the new strategic plan have been determined by the Council (i.e. is GGGI a climate-change oriented organization or a sustainable development organization?).
<b><u>Recommendation 4: Application for ODA status with the OECD.</u></b>
GGGI has been successful in its application for ODA status with the OECD.
<b><u>Recommendation 5: Develop a suite of environmental and social safeguards.</u></b>
A person at GGGI HQ is currently developing a concept note on environmental and social safeguards which will be presented at the council meeting in December 2013. If the concept note is approved, guidelines for social and environmental safeguards will be developed at the beginning of 2014. GGGI's work on social and environmental safeguards is very narrow and vulnerable as it depends on one person. The decision of the council in December is important for the future work of GGGI on safeguards. More awareness rising on these issues is also needed for the organization, both at HQ and at the country offices.

<b>Follow-up to 2011 Review recommendations (continued)</b>
<b><u>Recommendation 6: Recruitment of a research program director.</u></b>
The Head of Research position is undecided but he or she will be based in Seoul. Currently, the Director General is heading the area. A research plan has not yet been approved by the Council.
<b><u>Recommendation 7: Governance Policy Manual.</u></b>
Most of GGGI's governance policies and accountability frameworks have been revised since its conversion to an international organization. The 'delegation of authority' policy and new organizational chart, which were released in August 2013, are expected to help facilitate clear lines of internal accountability. The level of responsibility of the GGGI Council and the GGGI Director General is important to resolve over the next two years during the next consolidation phase.
<b><u>Recommendation 8: Creation of an independent internal auditor position.</u></b>
GGGI has been successful in creating an independent internal auditor position and recruiting an internal auditor. The GGGI is in the process of recruiting a second person for the office of the internal auditor. The internal auditor reports directly to the Audit and Finance Sub-committee. GGGI has also released a whistle blower policy and completed annual external audits.
<b><u>Recommendation 9: Establishment of the Donor Consultative Group.</u></b>
The Donor Consultative Group has been established but the donors have not yet completely coordinated or harmonized their approaches to working with GGGI. The second joint donor review is a step forward.
<b><u>Recommendation 10: Preparation of a work plan and budget.</u></b>
The annual budget has been approved by the GGGI Council in June 2013 and the template for the budget has been agreed. The 'work plan' is not currently a separate document from the annual budget, but going forward, the GGGI will utilize its new programming cycle to develop a work plan, which reflects its overall strategic plan. The GGGI Council is expected to approve the 2014 annual work plan and budget at the Council meeting in December 2013.
<b><u>Recommendation 11: Increase the proportion of permanent staff in GGGI.</u></b>
GGGI has been successful in recruiting its top-tier management team, as well as in quickly increasing its staffing profile. A key priority is the recruitment of a new Director General, with the current Director General acting in the role until April 2014. GGGI is still utilizing consultants, due to the constraints in the head count numbers, and will be converting many of these consultant positions to staff members over the coming months.



## Annex 2: Terms of Reference for the review

### TERMS OF REFERENCE

#### Second Joint Donor Review of the Global Green Growth Institute (GGGI)

##### 1. Background

The Global Green Growth Institute (GGGI) is an interdisciplinary, multi-stakeholder international organization, driven by the needs of emerging and developing countries. It is dedicated to pioneering a new model of economic growth, known as "green growth", which simultaneously targets economic performance, environmental sustainability and social inclusion. The GGGI was established to maximize the opportunity for "bottom up" (i.e. country- and business-led) progress on climate change and other environmental challenges within core economic policy and business strategies. The Institute supports developing countries seeking to leapfrog the resource-intensive and environmentally unsustainable model of economic development pioneered by advanced economies in an earlier era.

The Green Growth Planning & Implementation (GPP&I) programs constitute GGGI's most important activity area. The GPP&I programs provide analytical and institutional support to partner countries within the context of their own development policies and strategies, with a focus on green growth analysis and planning, capacity building and public-private partnerships to support implementation. More specifically, the GPP&I programs support the (i) analysis and structuring of green growth plans, (ii) design of legal and institutional frameworks, (iii) involvement of key stakeholders, (iv) creation of domestic technical and institutional capacity, and (v) financial analysis and development of public-private partnerships that facilitates access to capital and technology for implementation. The GGGI currently works in 17 developing countries and regions.

While starting as a Korean organization in 2010, the GGGI was converted into an international government organization in October 2012. Membership of the GGGI is now open to any member state of the United Nations, and to regional integration organizations. The GGGI currently has 18 developed and developing country members.

The GGGI is funded by a number of international donors, including through un-earmarked funding from Australia, Denmark, Qatar and Republic of Korea, and earmarked funding from Germany, Norway, United Arab Emirates and the United Kingdom.

In agreement with the GGGI, Australia and Denmark launched a joint inception review of the GGGI in November 2011. The review focused mainly on the institutional challenges facing the GGGI as a new institution and produced a debriefing note with findings and recommendations. The note lists 11 specific recommendations, most of which are either implemented or are being implemented by the GGGI.

The note mentions that Australia and Denmark will work towards a joint review in early 2013. This review is expected to have a main focus on the GGGI's programs in developing countries, i.e. the GPP&I programs.

These Terms of Reference (ToR) specify the objective, scope and expected outputs of the review. The review will essentially cover (a) the GPP&I strategies and approaches, including the implementation and monitoring procedures applied to GPP&I programs; (b) the synergies between

the GGP&I programs and research and PPC strategies and approaches and; (c) the GGGI's governance and risk frameworks in relation to the GGP&I programs, including its structures to support partnership behaviour.

## 2. Objective

The objective of the joint donor review is to assess the progress of the GGGI's GGP&I programs, including related aspects of research, PPC operations and GGGI governance structures and partnership behaviours, to provide recommendations for their further development.

The review will be conducted by Australia (AusAID), Norway (Norad), Government of Republic of Korea and Denmark (Danida). GGGI staff members will participate as resource persons, including staff members in the partner countries to be visited.

## 3. Output

The output is:

- A mission preparation note: outlining the review questions and processes (maximum of 8 pages).
- A draft review note summarizing the findings and recommendations (maximum of 20 pages). This note will be presented to the GGGI and the involved donors at a debriefing meeting before the departure of the review team from Seoul.
- A final review note, which includes issues raised at the debriefing meeting (maximum of 20 pages).

## 4. Scope of work and activities

Based on background information from the GGGI, including strategies and country program documentation, the work of the review team will include, but is not necessarily limited to, the following:

A. Follow-up of the November 2011 donor review. The team will assess the progress of the GGGI's implementation of the 11 recommendations of the November 2011 donor review and, if deemed necessary, suggest follow-up actions.

B. Strategies and approaches for the GGP&I Programs.

- i. Based on the GGGI's overall mission to promote green growth in emerging and developing economies, the team will review and provide inputs to current strategies and approaches for the GGP&I programs.

This would include:

- possible targets/limits for the number of partner countries
- modalities and criteria for selection of new partner countries
- exit strategies
- strategy and modalities for engagement with governmental partners

- approaches to engaging with non-state actors, including the private sector
  - cross cutting issues and sustainability, in particular gender equality, respect for human rights and fair distribution, as well as environmental and social safeguards
  - potential for replication of country programs in other countries
  - coordination and synergies with donor-funded initiatives; and
  - knowledge sharing across programs and partner countries, including collaboration with the work of the Green Growth Knowledge Platform (GGKP)
  - identified risks, possible risks concerning duplication of work – other actors working with Green Growth, ownership, legitimacy, and others, as well as risk mitigation measures.
- ii. This will include a review of the implementation of GGP&I Programs in two GGGI partner countries. By studying documentation and conducting field visits to partner countries, the team will collect information and analyse implementation in two partner countries over the full program cycle. This will include assessments of objectives, activities, inputs, deliverables and expected outcomes and impacts, how they can be sustained over time, and how they are expected to contribute to green growth and sustainable development in the partner country. It will also look into issues such as local ownership and how to stimulate it in the national context, capacity development, stakeholder participation, collaboration with other implementation partners if any, mobilization of private and public external funding, sustainability, gender equality/analysis, and synergies with other Green Growth/ Green Economy activities supported by governments, donors and other actors.
- iii. The management, implementation and monitoring procedures for the GGP&I programs. Based on its findings from country visits and from general information on the GGGI's procedures, the team will assess the management and administrative procedures in place and under development for the GGP&I programs. This will include quality assurance, the GGGI's core operating processes, portfolio management, monitoring of progress and impacts, environmental and social safeguards, analysis and learning processes, as well as reporting and evaluation.

C. Strategies and approaches for the PPC and Research operations. This will consider the particular synergies and linkages between the GGP&I Programs and the research and PPC work.

D. Governance and Partnership frameworks. Review of the established internal governance structures and approaches to partnerships with respect to delivery of GGP&I programmes.

## 5. Team, methodology and inputs

Team:

- Anette Aarestrup, Danish Ministry of Foreign Affairs/Danida
- Fiona Lord, AusAid
- Lauren Naville Gisnås, Section for Sustainable Development and Environment, NORAD
- Han, Keun-sik, Korea International Cooperation Agency (KOICA)
- Diane Yeon Joo Suh, Danish Embassy Seoul
- Thomas Juel Thomsen, institutional and aid delivery expert, external consultant to Danida
- John Ward, Climate Change/Green Growth specialist, external Consultant to AusAid

The donor team will hold expertise within green growth, green economy and development aid. Ms. Anette Aarestrup of Denmark will act as team leader.

Mr. Lars Ekman, Norwegian Embassy in Addis and Ms. Sue Moore/AusAid, will be members of the country team for the review in Ethiopia.

Mr. Rene Karottki, GGGI, will act as resource person and coordinate GGGI's input to the review.

Timing: September 2.-13., 2013.

Tentative Program:

- Review GGGI documentation and other relevant literature from home base.
- Tele or video conference between team and the GGGI to discuss and plan (optional)
- Implementation of the Terms of Reference.
- Visit to two selected GGGI partner countries on different level of implementation; Ethiopia and Cambodia, September 2.-6. (see annex for programmes for visits to the two countries)
- Team meets at GGGI Headquarters for meetings with GGGI HQ staff, joint reporting and discussions with donor representatives.

Methodology:

The donor team will work closely with GGGI staff in the Headquarters and in partner countries. The GGGI will appoint primary points of contact to facilitate the work of the team. A Mission preparation note (maximum of 8 pages), including the review questions and processes, will be prepared by the team leader and agreed between the donor countries participating in the review.

To facilitate preparation, all relevant documents will be forwarded to the team in due time before the mission.

Inputs:

The involved donor agencies and the GGGI will cover their own costs for working time, travel and accommodation, etc., and will be responsible for making their own travel arrangements.

The GGGI will facilitate the team's meetings in partner countries, as well as hotel reservations, local transportation and other logistical matters.

## **6. Background documents**

- Inception review of the Global Green Growth Institute (GGGI). Final debriefing note. Governments of Australia and Denmark. November 2011.
- GGGI Strategic Plan 2012-14.
- Program documents from two selected partner countries.
- OECD report "Making Growth Green and Inclusive: The Case of Ethiopia"
- Research and PPC documents.
- GGGI Governance documents.
- Core Operating Process documents and other management documents/manuals, as appropriate.
- Other documents, as appropriate. [to be elaborated]

## Annex 3: Debrief of GGGI Cambodia country program held in Cambodia

### **Joint Donor Review of GGGI country program in Cambodia**

#### Key messages

- Overall, the JDR considers the GGGI Cambodia program has performed effectively, during its scoping and set up phase, between March 2011 and September 2013. During this period, GGGI has been successful in establishing relationships with a range of important partners for green growth in Cambodia. The key initial achievements of the GGGI Cambodia program include the GGGI's contribution to the formation of key policies and institutional frameworks for green growth in Cambodia, supporting the coordination of the Government of Cambodia's line agencies in the formation of the national policy and strategic plan, and the provision of technical advice on green growth in range of areas. In parallel, GGGI has been working at the local level in Takeo province to support an Appropriate Technology Centre support the uptake of technologies that utilise solar energy for cooking.
- Political engagement between Korea and Cambodia was a catalyst for GGGI and Cambodia's interest for green growth. The positive reputation of Korea has opened doors initially for the Cambodia-GGGI relationship. Future and current engagement is more dependent on a range of international partners, following the GGGI's conversion to an international organisation in 2012. Korean experience remains relevant in GGGI practice going forward. Relationships are strengthening between the donor agencies present in Cambodia and the GGGI, following the international conversion.
- GGGI has a good reputation in Cambodia. With its key relationships, GGGI is now positioned with the potential to support transformative change in Cambodia, building on the current political momentum. GGGI has a close relationship with Cambodia's Ministry of Environment (MoE), including the General Secretariat for Green Growth (GSGG) within the MoE – the agency with responsibility for supporting the National Council on Green Growth (NCGG) with its implementation of Cambodia's national policy and strategic plan for green growth. There is potential for the relationship to erode if the GGGI does not maintain clear lines of communication with the GSGG, and operate in a transparent manner with GSGG. GGGI is building relationships with key line agencies and has initiated its engagement with the private sector. GGGI has also initiated relationships at the provincial level of Government (Takeo province through the solar cooker project), with key donor agencies and the Cambodia NGO Forum.
- The main risk for the Cambodia program is that the team would be unable to deliver on its mandate if it is not selective and is not resourced sufficiently in the local office. There is currently significant political momentum behind the concept of green growth in Cambodia. This momentum is not matched by a clear understanding across the Cambodian Government of what the concept of green growth means in practice. Central agencies, such as the Supreme National Economic Council (SNEC) and the Ministry of Planning (MoP) recognise this political momentum but are still grappling

with the concept of green growth. Apart from the political driver of the Cambodian PM's directives on green growth, these central agencies also appreciate the international credentials that Cambodia's engagement on green growth can bring, as well as its potential to catalyse new financing flows to Cambodia. Mainstreaming the concept of green growth into central Government thinking and practice is on the horizon, but will not materialise without a concerted effort and financial backing.

- Building confidence by demonstrating the concept of green growth in practice in Cambodia at a smaller scale, such as at the provincial level, or in a specific sector, is likely to be helpful. Many of the issues preventing green growth, such as in forestry management and energy access, are long-standing and difficult issues, which will require a sustained engagement. GGGI will maximise its impact through working on a narrow set of green growth issues, and working with partners to build on their experiences. GGGI will also need to consider ways to demonstrate milestones and interim achievements, which highlight success, whilst also trying to tackle the longer-term systemic problems. There should be a clear theory-of-change underpinning GGGI's selection of partnerships, investments and activities in Cambodia. An incoherent strategy or disbursement across too many areas will likely make it difficult for GGGI to demonstrate progress on implementation.
- GGGI's clear strengths are its economic advisory capability and its differentiation lies in its single focus on green growth. As a trusted advisor, GGGI is providing the Government of Cambodia with tailored economic analysis on green growth; including on the economic benefits of green growth, the kind of indicators Cambodia could use to measure progress on green growth, as well as green growth and job creation. GGGI would maintain its point of difference through continuing its role as a leading economic 'think tank' in this regard, but also build on this technical advisory role, through facilitating effective implementation of green growth. With a small budget, GGGI can play a central role in linking key partners, such as investors with green growth projects that have potential, to facilitate green growth implementation. The future PPC operations and the potential role of GGGI as a donor coordinator on green growth will be important in this regard.
- GGGI's highly capable team in Cambodia have a limited tenure as consultants. The decision to recruit permanent staff in Cambodia is a positive step forward towards increasing the stability of the Cambodia office. GGGI will also need to determine whether Cambodia should graduate to becoming a key programme, with a larger budget (similar to Indonesia and Ethiopia), so as to determine the size and scope of GGGI's future engagement in Cambodia, and manage the expectations of their partners appropriately. To date, forward planning, budgeting and expenditure have been difficult due for the Cambodia program to a lack of clarity on the budget and planning processes. New processes are helping to address this, although the current devolution of functions to the Cambodia office is insufficient. GGGI's tightening of procurement and financial management rules have been positive for the organisation overall, but a cautious approach taken in the procurement of services is slowing down operations. GGGI is lacking sufficient support and processes for country offices on technical/aid effectiveness, as well as in the recruitment of staff/consultants.

#### Draft Recommendations

1. **Strategy and planning:** Focus the Cambodia program on a few key initiatives to generate successful implementation of green growth in key areas, which are strategic and will have a national impact. Determine a clear set of priority country program objectives in Cambodia for the implementation phase.
  - a. Utilise strategic mapping to assess the niche role of the GGGI in Cambodia, including analysis of the key strengths/opportunities of various partnerships. This could involve weighing up options for partnerships (donors and private sector) to determine who should be GGGI's allies for achieving the GGGI's goals/objectives.
  - b. Continue to play a leading role in economic analysis and advice for the Government of Cambodia on the selected issues, as well as in fostering linkages/coordination between key stakeholders, and in capacity building/ research.
  - c. Ensure that the strategic objectives of the implementation phase are Specific, Measurable, Achievable and Realistic Targets (SMART). Consider utilising an M&E specialist in the development of the new implementation strategy, and developing green growth indicators for Cambodia that are benchmarked against international best practice.
  - d. Continue with two streams of work in the implementation phase; pilot activities for confidence building, and longer-term activities. These short-term 'confidence building' activities demonstrate progress and maintain political momentum. Consider the value of increasing working with the provincial government to identify the key issues and address the key green growth challenges through research/ pilots.
  - e. The pilot activities (not implementation, but match making) should be focused on public-private cooperation (PPC) and innovative (test new ideas / take development risk) as well as directly related/ feeding in to the Cambodia program's policy/advisory work.
  
2. **Programming approach:** during the implementation phase, strengthen the linkages and maximise the synergies between elements of the program, and with the GGGI global operations. Tailor the green growth implementation approach to respond to the needs of Cambodia as a low-income country, by increasing the focus on social inclusion and poverty reduction.
  - a. Push the opportunity for coordination / information-sharing between GGGI partner countries to bring in knowledge/ best practice. Reflect on Cambodia's information dissemination needs, and GGGI's communications strategy/approach.
  - b. Increase the feedback mechanisms and build synergies between the key pillars (research-PPC-country activities) within the country program, and across the work of GGGI.
  - c. Undertake a 'needs assessment' / 'capacity building analysis of key partners in determining the GGGI's strategy for engagement with these partners.

- d. Ensure that research is targeted for policy development and takes a cross-sectoral approach, which reflects the differences between the provinces in Cambodia.
  - e. Consider undertaking a gender analysis on the Cambodia program, and factoring in gender considerations to the recruitment strategy for the GGGI team in Cambodia.
  - f. Build on the experience of the Cambodia climate change working group between donors and MoE. Review the OECD report on green growth in Cambodia when formulating your strategy and consider opportunities to work with OECD on green growth in Cambodia.
  - g. Consider developing a policy dialogue mechanism amongst different government stakeholders, potentially with UNDP to discuss green growth/climate change issues. Assist development partners in Cambodia to have a clear understanding of green growth.
3. **Relationships:** Maintain the relationship with MoE/ GSGG and dedicate resources to strengthening this relationship, given their role with the implementation of the NPGG/NSPGG
- a. Consider developing a Partnership Agreement (or new MoU) with the GSGG that sets out the expectations for the way that GGGI and GSGG will work together (i.e. on communications, meeting frequency, purpose of the relationship, areas to collaborate, sharing of project documents).
  - b. Continue to build relationships with other key line agencies, particularly SNEC and MoP, and the focal agency for the sector that is prioritised for implementation.
  - c. Ensure clarity in communications on the role of GGGI with stakeholders, as this is important for expectation management and transparency with partners.
  - d. Networking/bridging with different donor agencies is critical – a core element of the country program, particularly for matching initiatives with sources of finance.
  - e. Develop relationships with research partners, and support research conducted by local agencies. Local research can be fit for purpose and support Cambodian policy change.
  - f. Relocation of the office – consider decorating the new office as a demonstration of green growth, to raise local awareness and build GGGI’s reputation in Cambodia.
4. **Public-private cooperation:** Once the priority sector/focus for implementation of green growth is selected, strengthening relationships with the private sector in this sector will be important.
- a. Consider building relationships with local private sector partners and business networks, in addition to the international private sector players.



- b. Focus capacity building/ pilot activities on the potential for private investment, including through public-private-partnerships, and scaling-up investment in green growth activities to overcome key green growth challenges in Cambodia.
  - c. New financing arrangements and models will likely be an important enabler, as well as policy advice to the Government on reforms to facilitate increased investment.
  - d. Strengthen the local team's environmental-economics credentials. Consider recruiting an environmental-economist and a natural resource management specialist.
5. **GGGI Headquarters:** Increased technical support from the GGGI headquarters will assist the Cambodia program with quality maintenance and risk management.
- a. HQ to provide technical definitions on GG. Work out if there are conflicts between GG and climate change; clarification on how climate change action can contribute to green growth. HQ Research portfolio to help country programs to define green growth.
  - b. Capacity development specialist to support country teams with training and delivery. Needs assessment and ways of measuring the results of the capacity building (M&E) to determine their impact and ways to improve their capacity building support.
  - c. Building capacity of GGGI team for communications strategy (diplomacy) and technical capacity. GGGI's Cambodia team requires learning and development support, including resources to invite experts to work with the team for short periods.
  - d. Get support from HQ to develop an M&E system for the new strategy of GGGI in Cambodia. This specialist could work with an environmental-economist to develop adequate indicators benchmarked against international practice.

## Annex 4: Debrief of GGGI Ethiopia country program held in Ethiopia



### Ethiopia programme highlights

- **2010-2012: No permanent staff in country (work outsourced to McKinsey).**
- **Staffing (totals): 2 in 2012, 5 in April 2013, 7 in Sept.**
- **Programme consists of 3 separate bilateral donor-funded projects with separate logframes, workplans, budgets, reporting, etc.**
- **Programme activities and office operations funded 100% by projects**
- **Focus: Climate Resilience strategy (=>CRGE strategy) and developing Sector Reduction Mechanisms for 7 sectors**

## Did GGGI Ethiopia progress as planned?

- 1) Climate resilience strategy (DFID, \$1.5 mil. 2012-2013): Completed
- 2) SRM targets (Germany, \$1.5 mil. 2012-2013): Near completion
- 3) SRM planning/implementation (Norway, \$8 mil. 2012-2014):
  - 25% disbursement by 2nd qrt.
  - Targets: CR strategies to be completed for 7 sectors by 2013
  - Status: 1 completed, 2 in start-up phase, 4 pending.

...hence delays in implementation and disbursements.

## What caused the delay in implementation?

- Staff contracting process at HQ level of +6 months
- The few staff (=management) on the ground had to give most of their time and attention to establish the office and invent procedures in the absence of relevant GGGI corporate systems and support, taking time away from programme implementation
- Slow decision-making due to limited delegation of responsibilities to country offices
- Lack of robust IT system suitable to Ethiopia context was a huge bottle neck for efficient communications between HQ/GGGI Ethiopia
- Over-optimistic work plans given the complexity of the task and the process required for engaging stakeholders to secure ownership

## Assessing the outputs

- The technical quality of the CR said to be "robust"
- The CR strategy is clearly relevant in providing an estimate of the financial gap and a first ranking of investment priorities
- Its effectiveness depends on whether it leads to the next step of sectoral budgeting/planning and implementation
- Much use of external consultants lowers the efficiency; more broadly, much management time spent on admin/logistics makes the efficiency of the office low
- Sustainability?

## Other important achievements...

GGGI Ethiopia has:

- Been a catalyst for the CR strategy process, which now is seen as a model
- Developed a relationship as trusted partner to the key CR players in Ethiopia
- Facilitated coordination between the many actors in the CR area, providing glue to
- And...???

What in GGGI's approach led to these achievements?

- They give priority to engaging with the partners and build trust, and they are good at it
- They are responsive and flexible in trying to meet the partners' needs, more than meeting work plans—and they go along with partners' positions...
- They have ability to navigate in a sea of varying stakeholder interests
- They provide strong economic analytical input

But even if GGGI has made important achievements...

- The fact no country programme, budget, or indicators exist for GGGI Ethiopia, we are not able to review the mission, progress towards objectives, strategic approach, focus and coherence of activities by GGGI Ethiopia, relevance of skills composition – and relation to GGGI overall strategy and “theory of change”.
- *Ultimately, what are results that we should expect of GGGI Ethiopia?*
- *To what extent is GGGI’s (corporate) strategic approach able to add value to GGGI Ethiopia’s country program and strategy?*

## Ownership and participation

- There appears to be strong participation and ownership from management and counterpart units in development of CR strategy, CR agriculture, water, environment.
- GGGI staff work directly with staff of “CR units”, CR “heads” are in front (confirmed by reports and consultations by RT).

*Issues:*

- *Have key planning and budget units in sector ministries/MOFED been involved in order to ensure alignment with core-sector budget/planning processes?*
- *Has wider stakeholder engagement been adequate? What could be done? What are next steps especially as we move into implementation?*

## Capacity development

- CD interventions focus mainly on the individual level CD as GGGI and counterpart staff work together + a number of trainings. RT could not assess the effects; but counterparts appreciate the approach and says staff skills have improved, incl. climbing the learning-curve on CR strategy development.
- The scale and impact of the CD approach seems limited to a number of individuals, not systemic

### *Issues:*

- *Should GGGI address organisational and institutional capacity for CRGE, or mainly individual CD? Does GGGI have the CD competences and operational capacity to conduct "systemic" CD? What is GGGI's strategy for CD (objectives, outputs, and approach)? Should CD be a core or a secondary focus of GGGI?*

## Public private partnerships

- A staff member for PPP will only be fielded in September 2013, hence no actual activity in this area yet

### *Issues:*

- *There is no predefined approach or model to follow for working with PPP at country level. No obvious way forward, hence goals and approach to be defined from scratch – but tailored to Ethiopia.*
- *PPP in the Ethiopian context is a particular challenge; expectations on results must be moderated.*
- *Clarify how to ensure coherence at "Ethiopia-level" between programme areas managed out of different HQ locations (Cph., Seoul).*
- *Clarifying linkages and feedback mechanisms between Cph. and Addis in the PPP area.*



## Research

- No specific activity in yet in the area of research
- But staff members engage individually with part of the time in research activities carried out in London (London GGKP + GGBP)

### *Issues:*

- *Designing the country office's activity in the research programmatic areas based on country-specific priorities, or clear "global" level strategic priority areas. Use of staff time on "global" level research activities versus country-specific?*

The office has faced severe operational constraints due to inappropriate or lacking administrative procedures and back-stopping from HQ

- The process to establish the office was done entirely by the 2-3 staff on location, without paradigms to follow or headquarter support
- Staff forced to find private solutions to basic operational needs, such as phone, cash advance, laptops, travel
- The office complies fully with GGGI financial management procedures/IT-systems, but these are inadequate for the needs so "sub-system" was developed to meet operational needs in the Ethiopia context
- Staff contracting processes take an average of 3-6 months
- Four out of seven staff work on consultancy contracts in spite, causing demovitation, double-administration, etc.

## Messages and issues arising

1. GGGI Ethiopia has overall performed well and made some important achievements. They have done so in spite of serious operational constraints caused by a GGGI corporate system and support that is not suited to the needs of a field office in a low-income country context. *What enabled the team to perform well?*
2. As noted, GGGI corporate systems for administration and support are not suited to the GGGI Ethiopia needs. This has direct negative effects on program implementation and may hamper long-term organisational development, hence overall GGGI demonstration of performance! This is HQ responsibility. *What may GGGI Ethiopia do to promote changes in the corporate system?*
3. GGGI Ethiopia needs a country program framework which sets out its mission, vision, objectives, results, strategy, work plan, budget, indicators, outlining strategies for programs, PPP, research, CD, human resources, etc. Should be guided by the GGGI corporate strategy (theory of change), but tailored to the Ethiopia context. *How to work strategically without a core budget? What's in the work plan of an advisor? What level of ambition matches the available resources and staff?*
4. GGGI Ethiopia needs to reflect on and specify its "output" as an adviser to Government and its engagement with stakeholders more widely. GGGI Ethiopia has a special position as neither NGO nor Government or DP – but everyone may have expectations of GGGI Ethiopia. *What can GGGI Ethiopia deliver? What does its role not enable it to deliver?*

## Messages and issues arising(2)

5. GGGI Ethiopia faces the challenge of stretching its engagement to (too) many themes and stakeholders. CRGE cuts across sectors, institutions, and issues. *How far can the team reach while continuing to add value in view of number of staff, mix of competences? How far from the point of overstretch is the office?*
6. GGGI Ethiopia faces the need to all the time integrate CRGE issues with development issues because of the low-income country context. *In order to ensure relevance, how can the office integrate in its advice and activities aspects that require capacity in development analysis, development programming and management, and even aid management? Or, is there a limit to the number of themes that can be attacked?*
7. GGGI Ethiopia may soon need to shift its focus from "strategy design" to implementation. This will involve working with sector budget/planning systems, regional and local government systems and issues of public sector organisation, management and service delivery as well as "change management" and public sector reform. *How far into implementation will GGGI Ethiopia decide to be involved? What does it require for the skill composition?*
8. GGGI Ethiopia may face certain delivery and reputational risks and need to manage these: Overstretching into thematic areas on the edge of GGGI competences; engaging in too many parallel processes with weak show of results. *What risks does GGGI Ethiopia face – how should they be managed?*



## Annex 5: Debrief of GGGI Cambodia country program held at headquarters

### **Debrief from the Donor Review of the GGGI Cambodia program**

**GGGI Head Quarters, Seoul, September 9<sup>th</sup> 2013**

#### Methodology used:

- Composition of the team (AusAid, KOICA, CSIRO consultant and Norad)
- Meetings held with: key ministries (top management people), General Secretary for Green Growth (GSGG), private sector, NGOs, donor agencies, UNDP, two field visits, and several meetings with the country team
- First meeting of the National Council on Green Growth (NCGG) following the elections held on Monday September 2<sup>nd</sup> to which we participated and made a key note speech
- Attendance at the meetings: meetings with ministries and secretariat were without GGGI staff
- Debrief held with GGGI country team on Friday – very positive reception (local staff very pleased to be involved) and provided a few additional comments and asked for some clarifications.

#### Key findings:

- Highlights of the GGGI Cambodia program:
  - Started in March 2011 and are in the scoping and set up phase
  - Positive relationship between Cambodia and South Korea including at the PM-Ex-president level
  - MoU between KGGGI and MoE in Cambodia
  - Three consultations held on GG by GGGI involving different ministries
  - Master Plan on GG developed by GGGI
  - Strategy and policy document on GG developed and formally approved by Cambodian government + establishment of NCGG and GSGG
  - GGGI office located at the MoE, opened at the end of 2012, staffed locally with three consultants in February 2013
  - Pilot project on solar energy in Takeo province (support ended)
- Program progress:
  - Established a good relationship with the government, especially the MoE and some other key ministries/ government agencies

- Supported the coordination of the Government of Cambodia's line agencies in the formation of the national policy and strategic plan (through consultations)
  - GGGI now has the potential to support transformative change in Cambodia, building on the current political momentum, linking to large development plans at the national level
  - Contact with other key actors (donor agencies, NGOs, private sector) – facilitated by the conversion of GGGI to an international organization
  - Policy advice to the MoE on GG and work done on legal issues and several analysis documents on GG in Cambodia
  - Central agencies also appreciate the international credentials that Cambodia's engagement on green growth can bring, as well as its potential to catalyze new financing flows to Cambodia
  - Little work done so far on the PPC and research pillars
  - Mainstreaming the concept of green growth into central Government thinking and practice is on the horizon, but will not materialize without a concerted effort and financial backing.
- Challenges and risks:
    - Limited staff and status of the local staff as consultants
    - Lack of support from HQ on several aspects (see below)
    - Possible erosion of key established relationships due to these challenges, and especially if the GGGI Cambodia does not maintain clear lines of communication with the GSGG, and operate in a transparent manner with GSGG – suggestion of establishing a new MoU with the GSGG (working relationship agreement)
    - Risk of spreading out too much and not focusing on a few processes and sectors
    - External challenge and risk linked to the misunderstanding by key line ministries and donor agencies, partners of the concept of GG. Also a need from the country team to get a better understanding of GG especially in the Cambodian context.
    - Risk of change of government due to instability following the elections held in July.

Main recommendations:

- GGGI needs to be more selective and strategic in its future work. Work out what their niche is. Need support to follow a theory of change and not spread everywhere. Risk of failing may be quite high and expectations unrealistic given the scope of the GG challenge.

- Demonstrating milestones (through pilots) builds confidence over time with local partners while also tackling the more long term, strategic, development issues (advisory activities).
- Three areas of focus for GGGI Cambodia:
  1. An economic ‘think tank’ providing the Government of Cambodia with tailored economic analysis on green growth; including on the economic benefits of green growth, the kind of indicators Cambodia could use to measure progress on green growth, as well as green growth and job creation.
  2. Fostering linkages/coordination between key stakeholders such as acting as a PPC matchmaker for GG investment: GGGI can play a central role in linking key partners, such as investors with green growth projects that have the potential to facilitate green growth implementation. The future PPC operations and the potential role of GGGI as a donor coordinator on green growth will be important in this regard.
  3. Provide capacity building and research, linking up with research done at HQ and experience shared from other GGGI partner countries.
- Ensure clarity in communications on the role of GGGI with stakeholders, as this is important for expectation management and transparency with partners.

#### PPC issues:

- The pilot activities (not implementation, but matchmaking) should be focused on public-private cooperation (PPC)/ the potential for investment/ scaling up and testing innovative (test new ideas / take development risks) as well as directly related/ feeding into the Cambodia program’s policy/advisory work
- Engage in pilot activities for confidence building to demonstrate progress and maintain political momentum

#### Research issues:

- Should be linked to the policy advisory work and take a cross-sectorial approach and reflect differences at the local level
- Research within the country programs should involve local research partners to ensure its relevance for the country
- Research done at HQ level should be based on input/ requests/ suggestions from the different country programs
- HQ should support the country program by providing technical definitions on GG. Work out if there are conflicts between GG and climate change; clarification on how climate change action can contribute to green growth. The HQ Research portfolio should include helping country programs to define green growth.
- Research linked to GG and gender is missing.

#### Capacity building (CB) issues:

- Capacity development specialist from HQ should support country teams with training and delivery. Should help with providing tools for measuring the results of the capacity building (M&E) to determine their impact and ways to improve their capacity building support.
- CB activities should be based on needs assessments and tailored to different actors
- CB should also be provided to local staff of GGGI for communications strategy (diplomacy) and technical capacity including inviting experts to work with the team for short periods of time.

#### Ownership issues:

- Strong ownership of the GG agenda by the Cambodian government and responsibility given to the MoE
- Respect from country office of the ownership by the local partners
- Poor understanding though in other ministries than MoE of the concept of GG.

#### Management issues:

- Limited tenure of local staff as consultants. Need to expand the country office with more local staff. Challenges linked to fly-in fly-out staff. Gender awareness in the hiring process as well as more support from HQ.
- Consider recruiting an environmental-economist and a natural resource management specialist
- Lack of clarity on the budget and planning processes making it difficult for the country program team to plan their work and share information with local partners (leading to the erosion of confidence/ relationship)
- Unclear budget lines and expenditure reports as well as untraditional payment practices (high risk of corruption)
- Current devolution of functions/ authority to the Cambodia office and team is insufficient
- Administrative burden slowing down the program work and progress on achievements such as a cautious approach taken in the procurement of services
- Need for support and processes for country offices on technical/aid effectiveness, as well as in the recruitment of staff/consultants
- Need support in terms of risk management: to identify risks and mitigation strategies
- Need for guidelines, M&E support: Consider using an M&E specialist in the development of the new implementation strategy, and developing green growth indicators for Cambodia that are benchmarked against international best practice.
- Ensure that the strategic objectives of the implementation phase are Specific, Measurable, Achievable and Realistic Targets (SMART). The country program should not be too ambitious and set too high expectations but be realistic. There should also not be too much pressure and high/ unrealistic expectations from HQ.

Key issues to discuss:

1. Disconnect at several levels: 1) HQ and country offices. 2) Lack of connection between the three pillars of GGGI. 3) Underutilization of connecting the three pillars across the agency and between the three countries.
2. How to tailor the green growth implementation approach to respond to the needs of countries at different levels of development such as Cambodia being a low-income country, where increased focus should be on social inclusion and poverty reduction
3. How to better communicate/ report on results of GGGI interventions, what GGGI achievements are.
4. Understanding of what implementation means at GGGI HQ and at the country offices
5. Lack of a participatory and transparent processes as well as delegation of authority both at HQ and at the country level which may severely affect in a negative way the work being done.
6. What tools and processes does GGGI have to enable quality assurance and in terms of implementation and knowledge management across programs/ countries.

## Annex 6: Debrief of GGGI Ethiopia country program held at headquarters

### (speaking notes)

#### 1. Methodology

- The team – Thomas, Diane, Lars, Sue.
- Initial start-up meeting with GGGI E
- Meetings with 5 ministries, all housing GGGI staff/consultants (MEFP, MOWE, MOA, EDRI, MOFED...), donors
- Fieldtrip
- Debriefing with focus on findings and issues arising. Constructive discussion on fundamental role and value-added of GGGI, well taken by GGGI.

#### 2. GGGI Ethiopia highlights

- 2010-2012: No permanent staff in country (work outsourced to McKinsey).
- Staffing (totals): 2 in 2012, 5 in April 2013, 8 in Sept.
- Programme consists of 3 separate bilateral donor-funded projects with separate logframes, workplans, budgets, reporting, etc.
  - Climate resilience strategy (DFID, \$1.5 mil. 2012-2013): Completed
  - SRM targets (Germany, \$1.5 mil. 2012-2013): Near completion
  - SRM planning/implementation (Norway, \$8 mil. 2012-2014):
- No country program or strategy
- Focus: Climate Resilience strategy (=>CRGE strategy) and developing Sector Reduction Mechanisms for 7 sectors
- Programme activities and office operations funded 100% by projects

#### 3. How has the program progressed?

- Two of three projects completed
- The third, SRM planning/implementation, at 25% disbursement rate and of the targeted 7 sectors to be covered by CR strategies by 2013, so far 1 completed, 2 in start-up phase, 4 pending.
- What caused the delays?
  - Delay in staff being fielded due to long recruitment processes of 3-6+ months
  - Management required to spend significant amount of time setting up the office, because no blueprints or support from HQ available, establish basic procedures
  - Heavy admin processes

- Over-optimistic work plans in view of the complexity and stakeholder engagement required for ownership

#### **4. Outputs and main achievements**

- Green Economy strategy, Climate Resilience strategy, Climate resilience strategy agric
- Strategic framework and process for working with integration of climate resilience activities and develop capacity for climate resilience (SRM, CDP)
- Developed a relationship as trusted partner to the key CR players in Ethiopia - able to work in 4-5 ministries without losing credibility, access to high levels
- Facilitated coordination between the many actors in the CR area
- Been a catalyst for the CR strategy process and government owned strategies

What was key to their achievements?

- They understood their role as adviser well, did not promote any pre-determined model, they adjusted to the needs and requests of the counterpart, focused on doing the good job instead of a “fast” job
- They understand how to link their strategies to the larger development planning issues and frameworks, and to deliver on the specific thematic issue that is needed
- They understand how to navigate and work with the various stakeholders with opposing priorities

#### **5. Soundness, relevance, effectiveness of the outputs**

- CR strategies regarded as generally solid and more consultative than (McKinsey) Green Economy, but still somehow simplistic and technical in their solutions – an outline of investment options to be funded, too limited emphasis on the special implementation challenge

#### **6. PPP**

- No PPP staff on the ground yet, no clear definition of PPP concept or approach, the Ethiopian context is must be the starting point and is challenging for PPP.

#### **7. Research**

- No clear activities in research yet, some staff engage part of their time in London based activities, but not linked to Ethiopia needs.

#### **8. Capacity development**

- Mainly individual, so far. Aim to focus on systemic or institutional. But they have the capacity?

## 9. Organisation and management

- Biggest issue
- Headquarter defined procedures and systems not suited to the needs and conditions in the Ethiopia context; office had to develop own procedures in key areas – financial management, human resources, health and safety, travel, cash advance, etc.
- Issue: Governance and accountability
- The country office was established without support from HQ or from HQ procedures or templates
- Limited delegation to country office delays decision making and programme implementation
- Separation between staff and consultants; double-administration burden, information access, demotivation, moral issue of separate treatment.
- Issue: Immediate effects on program implementation and long-term effects on organizational development

## 10. Issues arising

- GGGI Ethiopia has performed well overall and been effective, they have done so in spite of the administrative constraints caused by inappropriate HQ procedures for Eth. context. How can GGGI corporate systems be changed to meet needs and conditions in low-income context?
- The approach to promoting green growth and climate resilience is defined entirely in the interaction between GGGI Ethiopia and government; no predefined GGGI concepts or GGGI HQ back-stopping has been involved. How do GGGI overall strategy and approaches give direction to country level efforts, ensure consistency of approach – how does GGGI HQ add value at country level?
- GGGI has delivered valuable results in Ethiopia, but what was the character of GGGI Ethiopia's value-added: A facilitator of technical solutions or plan documents, or a facilitator of stakeholder processes that lead to politically and institutionally robust mechanisms for climate resilient investment decisions and practices? What is the output or success criteria of an advisor?
- What competences were required of GGGI Ethiopia for the achievements made? Competences in development, programming, capacity development, aid management, change management and reform processes, etc. What are the implications for HQ competences in back-stopping and knowledge sharing?



- What is GGGI's role in implementation? How is implementation understood – is it identifying funding sources for investment plans, or is it to work with the public systems budgeting, planning, management and service delivery to mainstream green growth and climate resilience? Is it change-management and reform management? What are the expectations of GGGI in this regard?
- There are important risk to GGGI Ethiopia, and hence to GGGI overall - that they are seen not to continue to deliver. Linked to clarifying their role in implementation, overstretching into thematic areas on the edge of GGGI competences; engaging in too many parallel processes with weak show of results. They need strategic guidance to clarify where to focus, but not a simplistic demand for completed investment plans, or similar.

## Annex 7: List of people and institutions met in Cambodia

Ministry of Environment: H.E. Dr. Mok Mareth (Minister of Environment), H.E Khong Sam Nuon (Secretary of State), Dr. Chhun Vannak (Secretary of State), H.E. Chiek Ang (Director of DoEPP), Danh Serey, Deputy Director General, General Secretariat for Green Growth; Keo Karona, Chief of International Cooperation, General Secretariat for Green Growth.

General Secretary for Green Growth: Dr. Chhun Vannak (Secretary of State and head of the secretariat), Danh Serey (Under-Secretary General), Voun Vannarith (Director of Administration), Sem Sopheak (Deputy Director), Sour Vinarin (Head Officer), Kieng Kesor Bovor Karona (Head of financial officer).

Ministry of Planning: Nuth Chansokha (Under-secretary of state)

Ministry of Agriculture, Forestry and Fishery: Dr. Pheav Sovuthy (Assistant to Minister), Ty Sokhun (Deputy Secretary of State), Prum Somany (Deputy Director), Hang Sun Thra (Deputy Director in charge of international cooperation at MoAFF).

Private sector representatives: Raphaëlle Deau (Nexus), Elida Delbourg (Sustainability Fair Development), Daniel M. Riegler (M Invest), Eric Mousset, Quantum Research + Development; Brecht Vanderlaan, Comin Khmere.

Phnom Penh Municipality: Vice-councilor, Dr. Chhun Vannak

Supreme National Economic Council: Ung Luyna (Head of Social Policy Division)

Donor agencies in Cambodia: Paul Keogh (Counsellor Development Cooperation AusAID), Uchida Togo (Project Formulation Adviser JICA), Menglim Kim (Project Management Specialist USAID Cambodia), Adelbert Eberhardt (Country Director GIZ), Fiona Ramsey (First Secretary Head of Operations EU)

NGO Forum: Tek Vannara (Deputy Executive Director NGO Forum), Im Phallay (Environment Program Manager NGO Forum), Ung Soeun (Climate Change Policy Project Coordinator NGO Forum), Chea Phallika (Hydropower and Community Rights Project Coordinator NGO Forum), Joel Jurgens (Tropical Forestry Specialist EU Sustainable Provision of Ecosystem Services Project Fauna & Flora International) and Yos Katank (National Communication Coordinator – FFI).

UNDP: Napoleon Navarro (Deputy Country Director UNDP) and Phearanich Hing (Climate Change Policy Analyst UNDP)

ANCO Factory Tour: Chheang Namsang, Factory owner

National Biodigester/Takeo Appropriate Technology Center: Kim Gi-dae, Director, Takeo Appropriate Technology Center at the Institute of Sustainable Agriculture and Community Development

Provincial government of Takeo: H.E Lay Vannak (Deputy Governor), Nuth Saphon (Deputy Director of PDRD), Siv Sokhorn (Director of PDEYS), Pov Sokhorn (Deputy Director of PDI), Oum Sokuntheary (Deputy Director of PDT), Om Kunthea (Deputy Director of PDE), Sorn No (Deputy Director of PDWRM), Chea Hong (Deputy Director of PDTPW), Hem Sareth (Director of PDH), Tae Meng (Director of PDEF), Nheb Srorn (Director of PD AFF).

GGGI Cambodia team: Joo Sueb Lee (Senior Program Manager), Dr. Helen Lee (Cambodia Program Manager), Benjamin Simms (Senior Officer, Cambodia team), Dr. Dyna Heng (Economic Specialist – local consultant), Steven Gosselin (Renewable Energy Specialist – local consultant) and Morina Heak (Administrative Assistant – local consultant).

## Annex 8: List of people and institutions met in Ethiopia

### GGGI Ethiopia Staff

- Praveen Wignarajah, Head of GGGI Ethiopia
- Adam Ward, Programme manager
- William Battye, Finance and results advisor
- Russel Bishopp, Senior Economic Advisor
- Elleni Tilahun, Program Administrator
- Daniel Yeo, Water management
- Tsegaye Tadesse, Forestry
- Millitetsega Gebreselassie, Program Officer

### Ministry of Environment Protection and Forestry,

- Deputy Director General of Previous Environment Protection Authority , Current changed to Ministry of Environmental Protection and Forest, Ato. Dessalegne Mesfin ,
- Advisor to the Minister, Dr. Tewelde Berhan Gebre Egziabher

### Ministry of Water and Energy

- Head, EIA & Social Development Office, Ato Alemayehu

### Ministry of Agriculture

- Ato Sertse Sebu; CRGE Coordinator- Natural Resource Management Directorate

### Ministry of Finance and Economic Development

- Admasu Nebebe, Director, UN Agencies and Regional Economic Cooperation Directorate

### Ethiopian Development Research Institute-EDRI.

- Dr.Alebel Bayrau, Researcher, Poverty and Sectoral Dept.

### Climate & Development Knowledge Network

- Robi Redda

### Development partners/CSOs in Disaster Risk Reduction areas

- Matt Hobson; World bank,
- Charlotte Stemmer, Oxfam
- Borja santos; WFP

### Development partners

- Anders Vatn, Norway
- Helen Bryer, DFID
- Nynne Solvej Warring, Danish Embassy, Addis
- Anna, German Embassy

#### UNDP

- Sinkinesh Beyene, Team leader, Climate change and vulnerabilities
- Shimelis Fekadu, Climate Change and Environmental Specialist

#### Lafto turbine

- MR. Stephan Williams; General Director Lafto turbine

## Annex 9: List of people met at headquarters

Howard Bamsey, Director General

Robert Dawson, Deputy Director General, Management and Administration

Hyoeyun Jenny Kim, Director Strategic Partnerships and Communication

Mattia Romani, Deputy Director General, GGP&I

Nikolaus Schultze, Assistant Director General, Public Private Cooperation

Darius Nassiry, Deputy Director, International Cooperation

Myung-Kyoon Lee, Director, Research

Munehiko Joya, Chief Financial Officer

Rene Karotki, Senior Adviser

Jahan Chowdhury, Strategic planning

Jung Hwan Kim, Public Private Cooperation

Evelyn Cermeo, Monitoring and Evaluation

Inhee Chung, Environmental and social safeguards

James Seong Cheol Kang, Senior Program Manager, Mongolia team

Joo Sueb Lee, Cambodia country team, Senior Program Manager

Helen H. Lee, Cambodia Program manager

Hyo Youl Kim, Philippines, country representative

Pearl, Human Resources Management, consultant

Rachel Waddell, Program Green Growth Knowledge Platform

Juherm Kim, Senior Natural Capital Specialist

Ronnie Lim, Senior Manager, IT and facilities management

Yongmee Oh, Internal Auditor

Jihwan Park, Legal Team, Senior Program Manager

Yong Sung Kim, Senior Infrastructure Specialist