

AGREEMENT ON GREEN GROWTH COOPERATION

BETWEEN

THE GOVERNMENT OF DENMARK

AND

GLOBAL GREEN GROWTH INSTITUTE

**FRAMEWORK AGREEMENT ON GREEN GROWTH COOPERATION
("Agreement")**

is made by and between:

1. The Government of Denmark, and
2. The Global Green Growth Institute ("GGGI"), a globally represented, non-profit institute dedicated to supporting a new model of economic growth, known as green growth, with its registered headquarters at 15-5 Jeong-dong Jung-gu, Seoul, Republic of Korea.

The Government of Denmark and GGGI severally and jointly being referred to hereinafter as "Party" and "Parties".

NOTING THAT:

Founded in 2010, GGGI is a globally represented, non-profit institute dedicated to supporting the creation and diffusion of a new model of economic growth, known as 'green growth' that integrates economic aims such as poverty reduction, opportunity creation and social development, with environmental goals such as sustainability and climate and energy security.

GGGI has been founded on the belief that economic growth and environmental sustainability are not merely compatible objectives, but are mutually necessary for the future of humankind.

GGGI has actively supported emerging and developing countries in their efforts to formulate and implement national/local strategies and policies for pursuing green growth.

In 2010, GGGI officially launched and started its activities in Brazil, Ethiopia and Indonesia, and plans to engage with more countries for 2011 and 2012 activities (including the three countries that have already been engaged since 2010).

THE PARTIES HAVE AGREED TO COLLABORATE AS FOLLOWS:

ARTICLE 1: OBJECTIVE

The purpose of this Agreement is to provide core funding to GGGI's activities from 2011 – 2013 in accordance with articles 5 and 6 and Annex 1.

ARTICLE 2: ELEMENTS CONSTITUTING THE AGREEMENT

The Agreement properly executed by the Parties, together with the attached Annex constitutes the entire Agreement.

Annex 1: Final Component Document: Support to the Global Green Growth Institute (this document is subject to change by mutual consent of the Parties)

Annex 2: General Guidelines for Accounting and Auditing of Grants channeled through Governmental, Parastatal and International Organisations, August 2007

ARTICLE 3: GGGI'S ACTIVITIES AND RESPONSIBILITIES

A. GGGI's activities include the following:

- (1) Supporting the development of national/local low carbon green growth plans;
- (2) Supporting the development of climate change mitigation and adaptation strategies, and implementing measures and policies;
- (3) Supporting establishing strategies to develop and disseminate green technologies;
- (4) Supporting private/public sector capacity building for green growth in developing countries;
- (5) Creating a global network for the sharing of experiences on green growth activities such as low carbon best practices, the development of climate resilient strategies and policy implementation;
- (6) Carrying out other green growth related activities and projects in collaboration with international organizations and other countries.

B. GGGI's responsibilities:

- (1) To use its best efforts to deliver the GGGI Programme 2011 ~ 2013, GGGI is responsible for the planning, administration, implementation, monitoring and evaluation of the Programme activities financed under this Agreement, including the administration of the funds in accordance with Korean law, GGGI's Article of Incorporation, and its own rules(including internal directives).
- (2) GGGI shall promptly inform the Government of Denmark of any condition, which may interfere or threaten to interfere with the successful implementation of the Agreements.
- (3) The planned expenditure by GGGI to implement its activities will be revised annually by decision of the GGGI's Board.
- (4) GGGI shall provide for proper recognition of the Government of Denmark's contribution in published materials and in reporting on activities performed under

this Agreement.

ARTICLE 4: THE GOVERNMENT OF DENMARK'S ROLES AND RESPONSIBILITIES

- A. A representative of the Government of Denmark is to be a member of GGGI's Board of Directors. A representative of the Government of Denmark will be appointed as a member of the Donor Consultative Group (the "DCG") which purports to reflect the donor countries' opinion on how to promote green growth.
- B. To support GGGI, the Government of Denmark undertakes the following:
 - (1) The Government of Denmark contributes to the implementation of GGGI Programme 2011-2013(ARTICLE 5) by providing core funding on a multi-year basis. Unless stated otherwise, the contribution is part of the core funds allocated to GGGI in support of the implementation of GGGI's activities and Programme.
 - (2) The Government of Denmark provides DKK 90,0 million (equivalent to approx. fifteen (15) million USD) grant to GGGI during the period from 2011 to 2013 (DKK 30,0 million (equivalent to approx. five (5) million USD per year) in accordance with the Funding Schedule(ARTICLE 6)
 - (3) This Agreement does not preclude GGGI from engaging in separate funding agreements in the context of specific leverage programmes and projects or in the context of specific Regional, Country or Thematic Agreements.

ARTICLE 5: GGGI PROGRAMME 2011 – 2013

- A. GGGI will focus on the following activities proposed in Annex 1:
 - (1) Country Programmes: Through Country Programmes, GGGI actively supports emerging and developing countries in their efforts to create and implement national and local strategies and policies pursuing green growth;
 - (2) Research and Knowledge: GGGI initiates and conducts thorough research on green growth theories, models, methodologies and tools. Outcomes of the GGGI research will be world-widely disseminated through publications, conferences, etc. for the promotion of green growth.
 - (3) Network Mobilisation: GGGI attempts to build a global partnership with various donor and recipient countries, international agencies, academia and private firms and organisations. Firm partnership with relevant groups and organizations from both public and private sectors enables GGGI to expand availability of core funding and effective communication as well as efficient knowledge development; and

- (4) Management Systems: GGGI pursues to be a professional organisation with strong performance culture. Through efficient management systems, GGGI ensures that talented and motivated GGGI staff members fully support GGGI's activities internally.

B. GGGI's Regional Office in Copenhagen

- (1) GGGI shall establish a GGGI regional office in Copenhagen, serving as a knowledge sharing and technology center;
- (2) GGGI shall dispatch GGGI experts to the regional office to support its missions and activities, maximizing the collaboration and communications between the Parties; and
- (3) Through the GGGI's regional office, and as appropriate the GGGI's headquarters in Seoul, the Danish experts and agencies may engage in GGGI's activities. As an example, the Danish Energy Agency is particularly focused on mitigation/low-carbon methodological issues and will aim to contribute to the work of GGGI in this field.

ARTICLE 6: FUNDING PROCESS

- A. The annual contribution of the Government of Denmark shall be made available for disbursement in installments as described below.
- B. Upon signing this agreement, the Ministry of Foreign Affairs of Denmark will assess the financial and administration procedures of the GGGI before disbursing the first installment of eight months (DKK 20 million (equivalent to approx. 3.3 million USD)).
- C. The disbursement of the remaining funding under this Agreement will be subject to an inception review assessing the overall strategy, work plan, budget and staff policy of the GGGI. The inception review will be conducted by the Ministry of Foreign Affairs of Denmark.
- D. Following a satisfactory inception review, the remaining installment of four months (DKK 10,0 million (equivalent to approx. 1.7 million USD) will be disbursed.
- E. The disbursement of the annual contribution in 2012 and 2013 (DKK 30,0 million (equivalent to approx. 5 million USD) shall take place upon the acceptance by the Government of Denmark of the Annual Report and Progress and Auditor's Reports, covering the previous calendar year. This disbursement shall be made no later than at the end of July each year provided that the Annual Report has been received no later than June.
- F. The Auditor's Report provides the annual balance sheet, the annual income and

expenditure statement showing the income received from the Government of Denmark under this Agreement as well as income received from all other donors. The Annual Report provides substantive information on the activities carried out in the previous year.

G. It is the obligation of GGGI to report immediately in writing to the Government of Denmark if:

- (1) the main programme goals and objectives are endangered;
- (2) Annual Reports and Auditor's Reports are not delivered as agreed upon;
- (3) serious implementation difficulties are encountered; and
- (4) fraud, abuse of funds or serious mismanagement of the donor funds occur.

H. The Government of Denmark and GGGI agree to harmonize relevant procedures.

ARTICLE 7: ANNUAL CONSULTATIONS

- A. The Parties agree to conduct periodic consultations to review plans, implementation and outcomes of their collaboration, as well as to discuss results, challenges and opportunities.
- B. The periodic consultations between the Government of Denmark and GGGI may be replaced by a DCG meeting.

ARTICLE 8: FINANCIAL MANAGEMENT AND AUDITING

- A. The financial management of GGGI shall follow internationally accepted rules and regulations in accordance with Korean law.
- B. GGGI shall be subject to internal review and finance auditing of its activities. The report is to be available to the DCG and to the Board.
- C. GGGI agrees to use the funds and any interests accrued on the funds exclusively for GGGI's activities.
- D. GGGI accounts are audited every year by an internationally recognized audit firm, appointed by GGGI's Auditor or Board. The firm currently appointed to audit GGGI activities is KPMG Seoul. Contributions under this Agreement will be included in the scope of the external audit.
- E. The funding from the Government of Denmark is subject to the General Guidelines

for Accounting and Auditing of Grants channeled through Governmental, Parastatal and International Organisations, August 2007, Annex 2. When GGGI finalizes its internal guidelines for accounting and auditing in consultation with the Ministry of Foreign Affairs of Denmark, the GGGI guidelines shall replace Annex 2.

ARTICLE 9: PROVISION OF INFORMATION

- A. GGGI shall provide the Government of Denmark with information regarding the Programme that the Government of Denmark may reasonably request, and will seek to facilitate the visits of Government of Denmark's representatives to Programme related activities.
- B. Joint reviews shall be carried out in accordance with the Agreement and with the consent by both Parties.
- C. If GGGI is requested to provide documents to external Parties, GGGI shall seek prior consent from the partner government(s) involved in the Programme with regard to issues related to confidentiality and intellectual property right.

ARTICLE 10: ANTI-CORRUPTION

No offer, gift or payment, consideration of benefit of any kind, which would or could be construed as an illegal or corrupt practice, shall be accepted by the Parties to this Agreement or by their representative, either directly or indirectly, as an inducement or reward for the award or execution of contracts financed through or under this Agreement.

ARTICLE 11: LIABILITY

The Government of Denmark shall not accept any responsibilities or liability for any claims, debts, damage or loss that may be made in respect of the activities under this Agreement.

ARTICLE 12: TERMS AND TERMINATION

- A. This Agreement shall enter into force upon the date of signature by the Parties and remain in force for a period of three (3) years unless either Party notifies, in writing, the other of its intention to terminate it, two (2) months before the early termination date set forth by the Party.
- B. Amendments to this Agreement shall be made by mutual consent in writing, signed by the Parties.
- C. In the case of early termination, GGGI will continue to hold and utilize any amounts

of unspent contributions for the purpose of honouring all commitments and liabilities incurred up to the date of effective termination.

ARTICLE 13: Other PROVISIONS

A. The Parties agree to designate a focal point for the coordination of activities and tasks under this Agreement as follows:

(1) For the Government of Denmark: Peter Lysholt Hansen, Ambassador of Denmark to the Republic of Korea

(2) For GGGI: Jung, Tae Yong, Deputy Executive Director


B. Any dispute emanating from the interpretation or application of the Agreement shall be settled amicably through consultation or negotiation between the Parties.

IN WITNESS WHEREOF, the Parties hereto, acting through its duly authorized representative, have signed this Agreement.

Two original counterparts of this Agreement written in the English language have been signed in Copenhagen on May 11th, 2011.

FOR

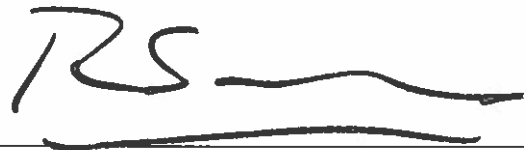
THE GOVERNMENT OF DENMARK



Søren Pind
Minister for Development Cooperation
Government of Denmark

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GLOBAL GREEN GROWTH INSTITUTE



Richard M. Samans
Executive Director
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