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Fra: Henrik Bramsen Hahn
Sendt: 6. december 2011 09:16
Til: Lillian Jensen
Emne: Fwd: VS: Message to Dr. Han, Chair of GGGI, from Danish Minister for
Development Cooperation Dr. Christian Friis Bach

Klassifikation: UKLASSIFICERET

[Redacted]

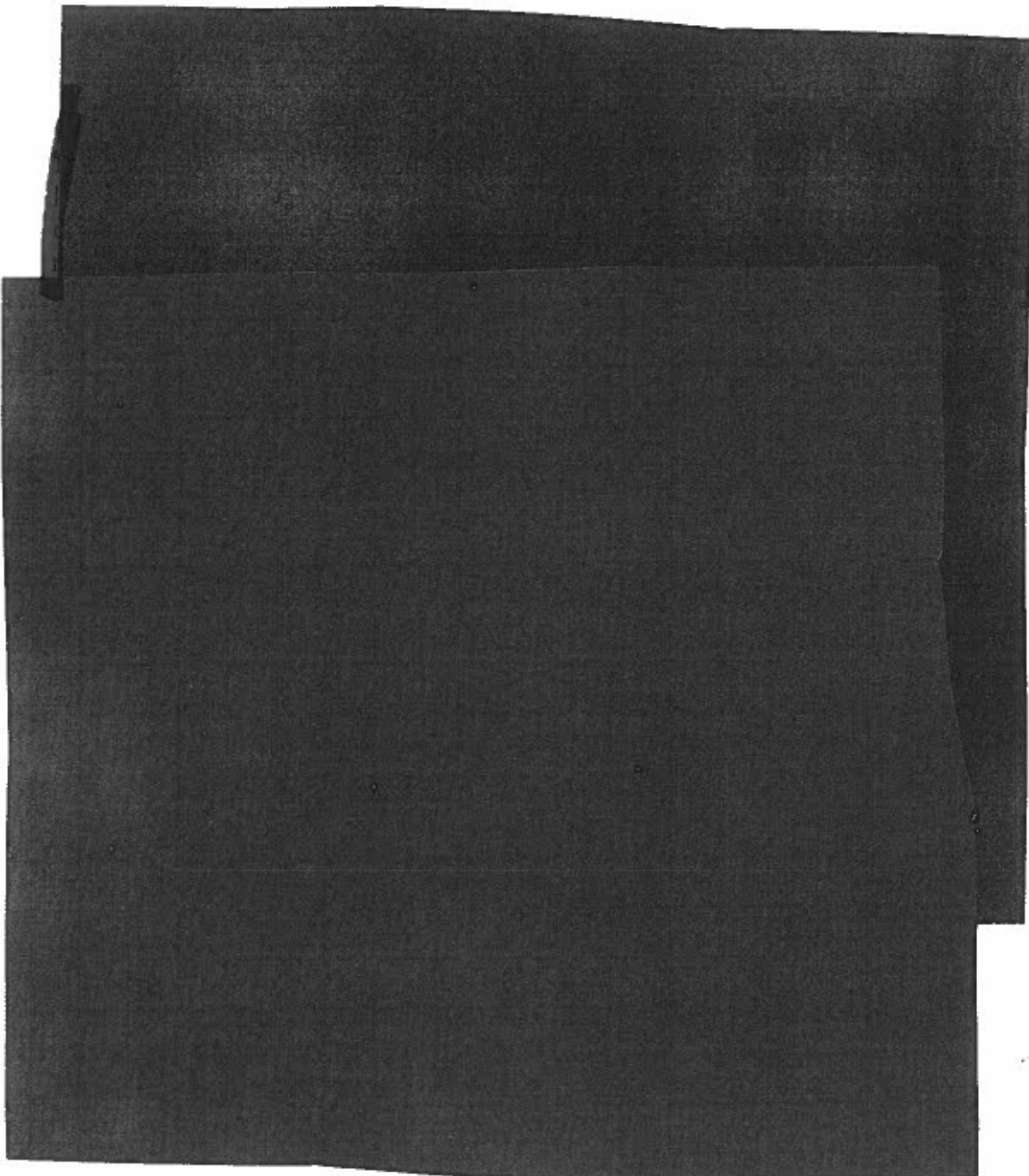
[Redacted]

Sendt fra min iPhone

Start på videresendt besked:

Fra: Tomas Anker Christensen <tomchr@um.dk>
Dato: 6. dec. 2011 00.27.23 GMT+02.00
Til: Ib Petersen <ibpete@um.dk>
Cc: Erik Næraa-Nicolajsen <erinic@um.dk>, Peter Lysholt Hansen <pelyha@um.dk>, Henrik Bramsen Hahn <henhah@um.dk>
Emne: Vedr.: VS: Message to Dr. Han, Chair of GGGI, from Danish Minister for
Development Cooperation Dr. Christian Friis Bach

[Large redacted area]



Fra: Christian Friis Bach

Sendt: 4. december 2011 22:39

Til: hanseungsoo@gmail.com

Cc: n.stern@lse.ac.uk; richard.samans@gggi.org; tom.heller@cpisf.org; Ib Petersen

Emne: Message to Dr. Han, Chair of GGGI, from Danish Minister for Development Cooperation Dr. Christian Friis Bach

Att. Dr. Han Seung-soo
Board Chair
GGGI

Dear Dr. Han Seung-soo

I am pleased to inform you that the Danish Government on 2 December 2011 has nominated me to represent Denmark at GGGI's Board of Directors.

I am looking forward to taking part in GGGI's important task of working with developing countries in their transition to a green growth-path. I am confident that the experience from Denmark's longstanding cooperation with developing countries in advancing their social and economic development will be a solid basis for our collaboration.

In particular, I am looking forward to taking part in the ongoing work of transforming GGGI into an international organization. In this regard, I believe that the recent review undertaken jointly between the Governments of Australia and Denmark, working closely with GGGI-management, highlights a number of issues and provides recommendations, which I hope the Board of Directors will consider as part of their deliberations. The attached note provides an outline of the key review observations and recommendations, which I invite you to consider.

Regrettably, I am prevented from participating at the 8th Board of Directors meeting on 5 December 2011 in Durban. I will be represented by Ambassador, Under-Secretary Tomas Anker Christensen.

I look forward to serving on the board and wish you a fruitful meeting.

Yours sincerely

Christian Friis Bach
Minister for Development Cooperation

Copy:

Prof. Lord Stern, Co-chair of the board of GGGI, e-mail: n.stern@lse.ac.uk

Prof. Tom Heller, Co-chair of the board of GGGI, e-mail: tom.heller@cpisf.org

Mr Richard Samans, Executive Director of GGGI, e-mail: Richard.samans@gggi.org

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Fra: Tomas Anker Christensen
Sendt: 21. maj 2012 09:42
Til: Astrid Folkmann Bonde; Niels Hedegaard Jørgensen
Cc: Henrik Bramsen Hahn; Erik Næraa-Nicolajsen; Ib Petersen; Peter Lysholt Hansen; Mette Ekeroth; Tove Degnbol; Susanne Shine; Udviklingsministersekretariatet (INTERNAL) DL; Ingrid Dahl-Madsen
Emne: Møde i GGGIs bestyrelse den 12. maj 2012
Vedhæftede filer: Dokument8.docx
Klassifikation: UKLASSIFICERET

Vedlagt referat fra mødet i GGGIs bestyrelse. Opmærksomheden henledes på, at det i referatet omtalte møde i GGGIs bestyrelse i Rio, hvor Lars Løkke Rasmussen vil skulle deltage mhp. at overtage formandshvervet den 1. juli nu er berammet til at finde sted den 21. juni kl 17-19 i Rio. Udviklingsministeren vil skulle deltage i mødet. Der er nu etableret direkte kontakt mellem LLRs medarbejder og GGGI mhp at håndtere praktiske spørgsmål vedr. LLRs deltagelse i Rio.

Referatet bedes lagt på akterne.

Mvh Tomas

NOTITS

Til: Akterne J.nr.:
CC: Bilag:
Fra: GU Dato: 21. maj 2012
Emne: GGGI bestyrelsesmøde i Yeosu, Sydkorea, den 12. maj 2012

I mødet i Global Green Growth Institute's bestyrelse i Yeosu, Sydkorea deltog formand Hang Soong-suu, næst-formand professor Tom Heller, den koreanske udenrigsminister Kim, Howard Bamsey, Australien (på vegne af udenrigsminister Bob Carr, der blev valgt til nyt medlem af bestyrelsen), eksekutivesekretær Sang-hyup Kim fra den koreanske præsidents kontor, udviklingsminister Christian Friis Bach, repræsentanter for hhv. UAE (på vegne af formanden for Mazdar, viceminister Sultan Jabar), Guyana (på vegne af tidligere præsident Jagdeo) og Brasilien (på vegne af miljøminister Isabelle Teixeira) samt eksekutivdirektør Richard Samans. I mødet deltog desuden repræsentanter for DFID, Sydafrika samt Dalberg Consultants (der har bistået med strategiarbejdet).

Dagsorden for mødet blev på anmodning af den koreanske udenrigsminister omorganiseret så DOP om organisatoriske spørgsmål blev taget først (han skulle forlade mødet tidligt for at ledsage koreanske præsident Lee på officielt besøg til Kina). Dagsorden for mødet så derefter således ud:

1) Approval of minutes and 2011 financials.

Godkendt med den bemærkning at udgifterne i 2011 havde været betydeligt lavere end budgetteret pga forsinkelser med en række kontrakter, der reelt betød, at man kun havde aktiviteter i tre lande.

2) Board matters and AOB

Dr. Han indledte med at slå fast, at han nu havde været formand i to år, og at GGGI i hans tid som formand var blevet bygget op til at være et internationalt anerkendt institut med en bred medlemskreds, en sikret finansiel situation, en solid aktivitetsportefølje og en aftale om at omdanne instituttet til en international organisation inden årets udgang. Med henvisning til det koreanske ordsprog "vand skal flyde, ellers rådner det" indstillede han Lars Løkke Rasmussen til at afløse sig pr 1. juli 2012 med den begrundelse, at LLR var "mere end kvalificeret, dedikeret til grøn vækst, havde stået i spidsen for grøn vækst i Danmark og herunder havde lanceret den dansk-koreanske grønne alliance i København i maj 2011."

Der var bordet rundt stor ros til formandens indsats og enstemmig tilslutning til indstillingen af LLR som hans afløser. [REDACTED]

[REDACTED] og udviklingsministeren støttede alle mundtligt nomineringen. Der var enighed om at udsende en pressemeddelelse herom efter

mødet. Endvidere ville formanden selv ringe til LLR og orientere om valget efter mødet.

[redacted] foreslog, at man skulle overveje at sikre en balance mellem formand for bestyrelsen og for det kommende Assembly (når GGGI er omdannet til en international organisation ved årets udgang) ved at udnævne en repræsentant for udviklingslandene til formand for Assembly [redacted]

Endelig blev fremsat et forslag om at have et bestyrelsesmøde i Rio den 21. eller 22. juni. Det blev aftalt, at det hurtigt skulle afklares med LLR om denne ville have mulighed for at deltage. Mødet ville kunne tjene til at overdrage formandsposten, men også til at drøfte håndteringen af overgangen til en international organisation.

3) International organization conversion

Aftalen om at omdanne GGGI til en international organisation blev paraferet af 11 lande i Seoul den 10. maj (Australien, Cambodja, Danmark (Tomas Anker Christensen), Etiopien, Filipinerne, Kazakhstan, Korea, Papua Ny Guinea, Qatar, Vietnam, UK). Herudover ventes Mexico, Norge og UAE at tilslutte sig, således at mindst disse 14 lande vil deltage i underskriftsceremonien, der er planlagt til kl 18 eller 19 den 20. juni i Rio i marginen af Rio-topmødet. Statsministeren ventes sammen med de andre landes stats- og regeringschefer at overvære ceremonien på invitation af den koreanske præsident Lee. LLR og resten af bestyrelsen vil ligeledes blive invitet til at overvære ceremonien.

4) Strategic Plan,

Eksekutivdirektør Samans præsenterede udkastet til strategisk plan for 2012-2014.

Han fremhævede følgende kriterier for valg af lande til at samarbejde med GGGI:

- politisk engagement på højt niveau
- vilje til at gøre grøn vækst til et kerneelement i økonomisk strategi
- potentiale for stor betydning af indsatsen (explanatory power; scale of economic contribution).

Desuden ville man ved valg af sektorer for indsatsen skele til om der var en sandsynlig (reasonable) udsigt til et større engagement med landet.

I og med GGGI vil være et globalt institut med visionen, at ændre det globale vækstparadigme, vil der desuden blive taget følgende hensyn ved landevalg:

- geografisk diversitet
- indtægtsniveau (LDC, MIC, EE)
- typen af økonomi (landbrug, olie/gas, fremstilling osv)
- udsigt til robuste resultater

På den baggrund var GGGI nu engageret i 10-12 lande med udsigt til at scope 2-3 mere.

Samans foreslog fremadrettet, at bestyrelsen en gang årligt skulle godkende en ramme med lande og kriterier og herefter ad hoc skulle kunne få forelagt enkeltlande til godkendelse, enten på ordinære bestyrelsesmøder eller i skriftlig procedure. På den måde ville GGGIs daglige ledelse have klare retningslinier at arbejde indenfor.

Ved den efterfølgende bordrunde tog flg ordet: [redacted], Danmark, [redacted]. Herefter lukkede formanden drøftelsen uden at give ordet tilbage til eksekutivdirektøren.

Bemærkningerne:

[redacted]

- GGGI er en relativt lille organisation med begrænset kapacitet. Behov for realisme i udbygningen af organisationen. Dilemma mlm brug af eksterne konsulenter (70% af udgifterne i 2012) og behov for at opbygge egen kapacitet
- behov for at følge stabens indlæringskurve tæt og få dem engageret i implementering af planen.
- nøglen til succes er at få gjort miljømæssige overvejelser til en del af den økonomiske planlægning. Vigtigt også at huske den social dimension.
- godt med fokus på best practice og læring
- efterlysning af flere oplysninger om engagement med private sektor
- opfordring til at gøre udvidet brug af boardets medlemmer.
- opfordring til at lave kort nyhedsbrev til boardmedlemmer, så man løbende kan følge med og bidrage positivt til opbygningen af organisationen og til at beslutninger bliver taget hurtigt.

Danmark:

- generel ros til den strategiske plan
- behov for at fastholde den hurtige, fremadrettede indsatsform sammenlignet med andre organisationer
- godt med partnerskabstilgang i forhold til både den private sektor og andre internationale organisationer. Opfordring til tæt og åbent samarbejde med de globale nøgleorganisationer på området. Være døråbner for disse organisationer.
- understregning af, at planlægningselementet er det vigtigste strategiske element og at stærkt ejerskab på landeniveau er helt afgørende. Boardet vil kunne hjælpe i forhold til at skabe dette politiske ejerskab i specifikke lande.
- spørgsmål til, om der er en betalingsmodel for GGGIs ydelser, udgiftsdeling?
- bekymring for fokus med de mange lande, aktiviteter, sektorer samt forskning og partnerskaber. Anbefale at måle succes i forhold til at lykkes i nogle få kritiske lande og dermed illustrere at grøn vækst virker som udviklingsparadigme.
- kommentar til udbygning af antallet af medarbejdere: nå balance mlm int erne og eksterne, men også inddrage ekspertise fra andre organisationer, ikke altid behov for selv at have den detaljerede viden.

- anbefaling at lade forskning være snævert knyttet til landeindsatserne og bygge videre på erfaringerne herfra, således at GGGIs tre søjler bliver integrerede og gensidigt forstærkende.
- udtrykt interesse for at GGGI arbejder med innovative finansieringsmodeller og at forskningen også fokuserer på prissignaler og prissystemer, f.eks. i form af betaling for oplysning og prisfastsættelse af økosystemer og sammenhængen mellem subsidier og prissystemer til fremme af grøn vækst.

- [REDACTED]
- støtte til planen, men understregning af, at planen var baseret på en udvidelse af betalingsgrundlaget (donorkredsen), og at dette igen forudsatte en succesfuld implementering for at leve op til det internationale samfunds forventninger
 - henvisning til at planen indebar mere end en fordobling af organisationen på 2 år og at dette samtidig fordrede opbygningen af intern kapacitet.
 - understregning af behovet for at reagere i tide i personale spørgsmål og derfor opfordring til at reaktivere den subkomite om HR spørgsmål, der blev oprettet i 2011, for at give policyguidelines ved rekruttering.

- [REDACTED]
- gode råd til organisationsopbygning - størrelse vs hastighed og fokus og fra det abstrakte (nemt) til det konkrete og operative (svært). Konklusion: kun muligt at gå i dybden i 3-4 lande.

- [REDACTED]
- vigtigt at fastholde GGGI som uburekratisk organisation, ikke FN-agtig.

5) Approval of budget and regulations

Budget og administrative spørgsmål blev vedtaget. Udviklingsministeren advarede mod "projektitis" og understregede sin tilfredshed med at core funding var blevet kriterium for medlemskab af den kommende internationale organisations Council. [REDACTED] efterlyste en plan for at reducere brugen af eksterne konsulenter fra 78% af udgifterne i 2012 til 50%.

Tomas Anker Christensen/GU

Fra: Astrid Folkmann Bonde
Sendt: 2. oktober 2012 09:28
Til: Udviklingsministersekretariatet (INTERNAL) DL; 'Direktionssekretariatet (INTERNAL) DL'; Ib Petersen; Charlotte Slente; Peter Lysholt Hansen; Mette Ekerøth; 'Seoul'; Aron Bonanno; ALO
Cc: GRV, All (INTERNAL) DL
Emne: Resumé af bestyrelsesmøde i Global Green Growth Institute (GGGI) mandag d. 1. oktober 2012.

Klassifikation: UKLASSIFICERET

Resumé af 'virtuelt' møde i bestyrelsen af Global Green Growth Institute (GGGI) mandag d. 1. oktober 2012.

Kort bestyrelsesmøde i GGGI med fokus på status for omstillingen til international organisation, herunder særligt udfordringerne ved en evt. sen [redacted] ratifikation af aftalen om GGGI's omdannelse til international organisation. GGGI's direktør forsøger sammen med [redacted] at finde en løsning, men indsættelsen af en koreansk midlertidig fond, der skal varetage GGGI's funktioner og aktiver indtil den koreanske ratifikation foreligger, kan ikke afvises.

Rammen om HR systemet i den nye organisation blev drøftet med udgangspunkt i at lægge sig op af FN systemet, men samtidig også udvise fleksibilitet.

Retningslinjerne for GGGI's tre styrende organer blev helt kort drøftet. Spørgsmålet om den ledige plads i rådet blev ikke berørt. Derudover oplystes det, at den rådgivende komite (Advisory Board) ville bestå af eksperter fra forskningsmiljøet, den offentlige og private sektor, samt fra NGO'er. [redacted] vil stå som koordinator for opstilling af en liste over egnede kandidater. Endelig blev der informeret om status over de finansielle aktiviteter for 2012, samt budget for 2013. På 2012 overslaget fremgår et tydeligt underforbrug på landeindsatserne og et lille overforbrug på internationalt samarbejde og administrations aktiviteter. Hertil udtrykte udviklingsministeren bekymring over, at der ikke blev leveret på GGGI's hovedopgave på landeindsatser og at disse burde opprioriteres i 2013. Udviklingsministeren mindede også om nødvendigheden af at holde administrationsudgifterne på 7% af det samlede forbrug. Resten af bestyrelsen støttede det synspunkt, og GGGI sekretariatet udviste også bevidsthed om, at man ikke næste år kunne gemme sig bagved, at GGGI endnu var en ny organisation, men at det var nødvendigt at levere på fremsatte mål på landeindsatserne og fremvise konkrete resultater.

Næste bestyrelsesmøde bliver i det nye råd den 23. oktober 2012 i Seoul.

Fra dansk side deltog udviklingsministeren. Mødet blev ledet af bestyrelsesformand Lars Løkke Rasmussen.

Detaljeret referat følger fra GGGI-sekretariatet.

GRV/ Henrik Bramsen Hahn og Astrid Folkmann Bonde

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Global Green Growth Institute
Second session of the Council
Abu Dhabi, 17 January 2013

Minutes of the first session of the Council

Please see attached.

Minutes of the first session of the Council, first meeting

The first meeting of the first session of the Council of the Global Green Growth Institute (hereinafter, the “GGGI”) was held on 23 October 2012 from 16:30 to 17:20 at the Shilla Hotel, located at 202 Jangchung-dong 2-ga, Jung-gu, Seoul, Republic of Korea.

Members Present:

Australia, represented by Mr. Howard Bamsey, Special Advisor on Green Growth

Costa Rica, represented by Dr. Rene Castro-Salazar, Minister for Environment, Energy and Telecommunications

Denmark, represented by Mr. Christian Friis Bach, Minister for Development Cooperation

Ethiopia, represented by Dr. Tewolde Berhan Gebre Egziabher, Director-General, Ethiopian Environmental Protection Authority

Indonesia, represented by Mr. Agus Purnomo, Head of Secretariat, National Council on Climate Change

Kiribati, represented by Mr. Pinto Katia, Minister of Commerce, Industry and Cooperatives

Korea, represented by Mr. Ho Young Ahn, First Vice-Minister of Foreign Affairs and Trade and Mr. Boonam Shin, Ambassador for Green Growth

Mexico, represented by Dr. Francisco Barnes, President, National Institute of Ecology, Secretariat for Environment and Natural Resources

Norway, represented by Mr. Hans Brattskar, Director-General/Ambassador, Climate and Pollution, Ministry of Environment

Qatar, represented by Ms. Machaille Al-Naimi, Legal Counsel, Qatar National Food Security Programme

United Arab Emirates, represented by Dr. Thani Al-Zeyoudi, Director, Department of Energy and Climate Change, Ministry of Foreign Affairs

Mr. Kim Sang-hyup, Senior Secretary to the President for Green Growth

Mr. Lars Løkke Rasmussen, Chair

Mr. Richard Samans, GGGI Director-General

Members Absent:

Mr. Montek Ahluwalia, Deputy Chairman, Planning Commission, Government of India

Lord Nicholas Stern, IG Patel Professor of Economics & Government and Chair, Grantham Research Institute on Climate Change and the Environment, London School of Economics

Guests:

GGGI Secretariat

Agenda:

The following agenda items were proposed for the meeting in C/1/AG/1:

1. Opening of the meeting
2. Explanatory remarks
3. Adoption of the agenda for the first session of the Council
4. Rules of Procedure of the Council
5. Experts or non-state actor Council members
6. Composition of the Council Bureau
7. Nomination of the Director-General
8. Global Green Growth Institute Strategic Plan 2012-14
9. Any other business
10. Closing of the meeting

Vice-Minister Ahn Ho-young, Korea, opened the meeting and served as Chair *pro tempore* until the Chair of the Council was elected.

Chair *pro tempore* Ahn opened the meeting and began by congratulating the members for the successful conversion of the GGGI into an international organization. He explained that he would skip explanatory remarks and move straight to the adoption of the agenda, after which the Council will decide on the Rules of Procedure of the Council and the election of experts and non-state actor Council members and the composition of the Council Bureau, at which point the newly elected Chair will take Mr. Ahn's place and carry out the rest of the meeting. The newly elected Chair will oversee the nomination of the Director-General and adoption of the GGGI Strategic Plan 2012-14 and any other business of the Council. Chair *pro tempore* Ahn asked if there was any objection to the adoption of the proposed agenda, C/1/AG/1 and C/1/AG/2. The Council adopted the agenda by consensus.

Chair *pro tempore* Ahn moved to the decision on the Rules of Procedure of the Council, C/1/DC/1, and asked Mr. Samans to provide a brief explanation of the Rules to the Council.

Executive Director Samans explained that the proposed Rules of Procedure of the Council were the result of extensive consultations among member governments and cover the composition of the Council, nomination and election procedures, the role of alternates and representatives, vacancies, matters such as the election of the chair and vice-chairs and the processes that govern the meetings of the Council. The Rules of Procedure also allow the Council to create sub-committees and contain a number of suggested rules governing the Secretariat, the Secretary of the Council, the working language of the Council and rules regarding amendments and suspension.

Chair *pro tempore* Ahn thanked Mr. Samans for his explanation and asked for any comments or questions regarding the Rules of Procedure of the Council. Hearing none, the Council adopted the Rules of Procedure of the Council by consensus.

Chair *pro tempore* Ahn moved to the decision on experts and non-state actor members of the Council, C/1/DC/2, and asked Council members to turn to the decision annex for a list of proposed candidates. Chair *pro tempore* Ahn explained that the Council consists of ten country members, five experts and non-state actors, the host country and Director-General. The Council would now select the five experts and non-state actor members.

The proposed members were Lars Løkke Rasmussen for a term of two years, Kim Sang-hyup for a term of two years, Nicholas Stern for a term of one year and Montek Ahluwalia for a term of one year. There was no proposed fifth member at this time. Chair *pro tempore* Ahn expressed his belief that Lars Løkke Rasmussen, Kim Sang-hyup, Nicholas Stern and Montek Ahluwalia are valuable assets to the GGGI. Hearing no objection to the proposed candidates, the Council appointed the candidates as experts and non-state members of the Council by consensus.

Chair *pro tempore* Ahn moved to the decision on the composition of the Council Bureau, C/1/DC/3, and asked if there were any proposals or comments.

Korea began by thanking the Chair *pro tempore*. Showing due regard to a balanced representation among the members of the Council, Korea proposed that the Council Bureau consist of Lars Løkke Rasmussen as Chair and Australia and Indonesia as Vice-Chairs.

Chair pro tempore Ahn thanked Korea for their proposal and asked for comments.

Costa Rica seconded the proposal and stated that it seems to be a very well balanced and well thought first Council Bureau.

Chair pro tempore Ahn thanked Costa Rica for their comments and asked for any other comments or proposals from the Assembly. No further comments were offered and as the proposal from Korea was seconded by Costa Rica, the Council approved the composition of the Council Bureau by consensus. He asked Mr. Rasmussen to take over the chairmanship of the Council.

Chair Rasmussen thanked Vice-Minister Ahn and began by saying that he will do whatever possible to shape the GGGI in its transition to an international organization. Although this is not a full-time job, it is a full-time commitment. The Council should bear in mind that to bring added value to the world, the GGGI should be a very flexible organization, efficient, and remain focused on its core business and for that close cooperation is needed on the Council. In the beginning, the Council should meet every quarter but also have informal contact in-between meetings.

The Chair then moved to the decision on the nomination of the Director-General, A/1/DC/4, and nominated Richard Samans for a term of four years including the time already served as Executive Director of the GGGI.

Australia seconded the motion.

Chair Rasmussen asked for any other comments. Hearing none, the Council nominated Richard Samans for the position of Director-General by consensus. The Chair congratulated Mr. Samans and stated that he looked forward to close cooperation with the Director-General and his staff in the future.

The Chair directed the Council to the decision on the GGGI Strategic Plan 2012-14, C/1/DC/5, and asked for any questions. Noting the prior approval of the Board of the Organization of the GGGI Strategic Plan at its May 2012 meeting, the Chair moved that the Council re-approve the proposed Strategic Plan.

Qatar suggested that water and food security be added to the Strategic Plan. Water and food security are items that seem to fall within the overall goals of the GGGI. Qatar has shared this sentiment with the Director-General to possibly incorporate these elements into the Strategic Plan in the future.

Chair Rasmussen thanked Qatar and asked for any other comments. He clarified that although the Council re-approves the Strategic Plan, a substantive discussion about GGGI strategy should

be held at the next Council meeting. The establishment of a Transitional Sub-Committee to prepare for the next Council meeting [in January 2013] would be discussed at tomorrow's Council meeting.

Costa Rica began by stating that in light of the developments over the past week—the decision to host the Green Climate Fund Secretariat in Korea, the GGGI's conversion to an international organization—and having many country members that are very active in climate issues should make it worthwhile to reassess some of the possibilities of these new circumstances. The role the GGGI headquarters will play in climate change issues and the importance of many country members, such as Qatar, in the near future should be explored and discussed.

Kim Sang-hyup agreed with the comment from Costa Rica. Korea winning the race for the Green Climate Fund (GCF) Secretariat is good news for the GGGI. The GGGI is about strategy and helping developing countries to design and implement green growth strategies. The GCF's role is to provide financial support. It will be very critical for the GGGI to have a strategic partnership with the GCF and GGGI's strategic planning should include this new dimension. The GGGI needs to have an interactive headquarters strategy. Following the outcome of the Durban Conference, Korea has launched a green technology center and this is another element to consider. The GGGI also needs to consider people. The GGGI already has three important elements—strategy, money and technology—and people are at the center of this architecture. President Lee Myung-bak has also said that Korea will launch a graduate school for green growth, which will create a very valuable pool for green talent. With these four pillars, GGGI can change the world, he said.

Director-General Samans stated that there has just been an 'enlightened push' and takes on board the suggestions.

Denmark congratulated the Council and, in reference to Qatar's comment, expressed that the vision of green growth in the Strategic Plan is a vision that has to be guided by global concerns and constraints but also by national priorities and opportunities. This vision definitely incorporates the issues of water management, energy use, transport and urban constraints and it is a broad definition. However, the Council should also ask the Director-General to provide regular updates of the Strategic Plan and perhaps such an update, considering GGGI's new status as an international organization, can be given priority in 2013 and thereby accommodate necessary alterations and updates. That could provide a strong and united platform, but Denmark stands by the current strategy and believes it is a strong strategy that provides a clear vision.

Indonesia congratulated the Chair on his appointment and thanked the members of the Council for the trust and support given to Indonesia in selecting it to be both a member and Vice-Chair of the Council.

Indonesia stated that GGGI needs to be a flexible institution and that in the exploration of complementary roles with the GCF, GGGI can also explore additional efforts that can be made to bring the private sector into green investment. There is an even greater challenge in bringing green technology from the developed countries to the developing countries and perhaps GGGI

can take an active role in bringing such technology to those countries that are ready and looking for it.

Australia was very encouraged after hearing the recent comments because in a meeting essentially intended to be procedural, the Council has already gone into the substance that GGGI is designed to deal with.

Australia continued that, recognizing the nexus between water and energy as critical, Indonesia also raised another supremely critical issue for green growth, which is finding the investors and getting them involved in green projects. This underlines the importance of the proposal from Denmark that the Council look again at the Strategy as a matter of priority. Australia expressed its hope that the Director-General will offer a framework or basis for the Council to continue to consider these critical issues of substance.

Korea stated that its hosting of the GCF Secretariat will provide both opportunities and challenges to the GGGI and how the GGGI utilizes this opportunity will depend upon its success. There will be large potential to expand GGGI's country programs and projects and there can be a synergy effect with the GCF. It is hoped that the GGGI Secretariat will prepare a specific action plan regarding the country programs, management of the Secretariat and the regional offices at the next Council meeting in January.

Mexico stated that besides the efforts of the GGGI, there are other platforms currently in progress, such as the GCF, technology centers, and the G2A2 which work to enhance green growth financing at a global level. There are also ongoing efforts at multilateral banks. Part of the Strategy should include mechanisms by which to link with all of these efforts and ensure that GGGI is not replicating others and is coordinated with others at a global level.

Chair Rasmussen thanked all members for their comments and agreed with Australia's comment that it is a very good sign that members are so eager to discuss substantive issues in this Council meeting. He stated that all of these issues should be further discussed and a continuous discussion should be had regarding the Strategic Plan and turning the Strategy into reality. However, no comments were heard that disagreed with re-approving the Strategic Plan, and so the Council re-approved the Strategic Plan 2012-14 by consensus. Nonetheless, it is clear that the Council is prepared and willing to enter into further discussion once the Secretariat has prepared such a discussion.

There being no further comments or business of the Council, the meeting was adjourned.

End of meeting

Minutes of the first session of the Council, second meeting

The second meeting of the first session of the Council of the Global Green Growth Institute (hereinafter, the “GGGI”) was held on 24 October 2012 from 10:00 a.m. to 11:30 a.m. at the Shilla Hotel, located at 202 Jangchung-dong 2-ga, Jung-gu, Seoul, Republic of Korea.

Members Present:

Australia, represented by Mr. Howard Bamsey, Special Advisor on Green Growth

Costa Rica, represented by Dr. Rene Castro-Salazar, Minister for Environment, Energy and Telecommunications

Denmark, represented by Mr. Christian Friis Bach, Minister for Development Cooperation

Ethiopia, represented by Dr. Tewelde Berhan Gebre Egziabher, Director-General, Ethiopian Environmental Protection Authority

Indonesia, represented by Mr. Agus Purnomo, Head of Secretariat, National Council on Climate Change

Kiribati, represented by Mr. Pinto Katia, Minister of Commerce, Industry and Cooperatives

Korea, represented by Mr. Sung-Hwan Kim, Minister of Foreign Affairs and Trade and Mr. Boonam Shin, Ambassador for Green Growth

Mexico, represented by Dr. Francisco Barnes, President, National Institute of Ecology, Secretariat for Environment and Natural Resources

Norway, represented by Mr. Hans Brattskar, Director-General/Ambassador, Climate and Pollution, Ministry of Environment

Qatar, represented by Ms. Machaille Al-Naimi, Legal Counsel, Qatar National Food Security Programme

United Arab Emirates, represented by Dr. Thani Al-Zeyoudi, Director, Department of Energy and Climate Change, Ministry of Foreign Affairs

Mr. Kim Sang-hyup, Senior Secretary to the President for Green Growth

Mr. Lars Løkke Rasmussen, Chair

Mr. Richard Samans, GGGI Director-General

Members Absent:

Mr. Montek Ahluwalia, Deputy Chairman, Planning Commission, Government of India

Lord Nicholas Stern, IG Patel Professor of Economics & Government and Chair, Grantham Research Institute on Climate Change and the Environment, London School of Economics

Guests:

GGGI Secretariat

Agenda:

The following agenda items were proposed for the meeting in C/1/AG/1:

1. Opening of the meeting
2. Transitional Sub-Committee of the Council
3. FY 2012 budget and provisional Q1 FY2013 budget
 - a. Report from the CFO
4. Proposed framework for human resources
 - b. Report from the Secretariat
5. Proposed process for composing the Advisory Committee
6. Interim disclosure policy
7. Any other business
8. Closing of the meeting

Chair Rasmussen welcomed the members and drew their attention to Rule 13 of the Rules of Procedure, which states that meetings of the Council shall be conducted in closed session in which only the members may participate, unless the Council decides otherwise. He asked anyone present who was not a member to please excuse themselves.

The Chair began with the decision on the Transitional Sub-Committee of the Council, C/1/DC/6. He noted that The Council can establish sub-committees, as appropriate, for the effective coordination and operation of the GGGI and for that reason suggested that a Transitional Sub-Committee be established. He stated that the Council should further discuss more generally how it should organize its work and perhaps create more standing sub-committees at the next meeting in January.

The Council raised no objection to creating the Transitional Sub-Committee and the Chair asked for suggestions for the membership of the Sub-Committee.

Qatar said that it supports the creation of a Transitional Sub-Committee and would like to be a member.

Korea said that an informal meeting had been held the day before between 10 members and that, at that meeting, the composition of the Transitional Sub-Committee, made up of the attached seven members listed in C/1/DC/1 Annex 1, had been agreed upon. Korea hoped that the proposed membership would be adopted by the Council and asked for the members' flexibility and consideration.

Chair Rasmussen stated that the proposed membership of the Transitional Sub-Committee consists of Australia, Denmark, Indonesia, Korea, the Chair, the Director-General and Mr. Kim Sang-hyup.

Norway supported the proposed Transitional Sub-Committee members but asked that in the lead up to the January Council meeting, selection of committee members be an open process with exchange of information so that consideration can be given to further work that may be needed and which sub-committees other members may like to be a part of can be considered.

Mexico seconded the motion from Norway.

Mexico agreed with the proposed membership of the Transitional Sub-Committee and said it would like to engage in discussions between now and the next Council meeting to understand the different sub-committees that other members can participate in.

United Arab Emirates seconded the proposal from the Chair and agreed with the statements from Norway and Mexico that the members be informed on the process so that they can be fully on-board with the documents.

Qatar stated that in view of the proposed membership and what other members have said, it also supports the proposal and encourages an open, transparent communication going forward.

Chair Rasmussen thanked the members for their comments and concluded that the Council decided to approve the proposed list of members of the Transitional Sub-Committee by consensus. He agreed that a transparent process is needed and it is his intention to try to have an in-person meeting of the Transitional Sub-Committee in November before the COP-18 in Doha and that it may be appropriate to hold an informal Council meeting in Doha at that time, as many members will be attending COP-18.

He said that the Transitional Sub-Committee can share the discussions held during their meeting with the rest of the Council at the informal Council meeting. He noted that enough time should be allocated at the January Council meeting for substantial debate regarding how work is organized and establishing other sub-committees.

The Chair moved to the decision on the re-approval of the 2012 budget, C/1/DC/7, and asked CFO Munehiko Joya to provide an explanation.

CFO Joya started by saying that his purpose is two-fold: first, to propose a budget proposal for the rest of 2012 and 2013; and second, to introduce strategic priorities for making the financial administration process more transparent and accountable. The GGGI wants to maintain the already approved budget envelope for 2012, he said.

GGP&I, Research and Public-Private Cooperation have execution projections of approximately 60 percent, the main reason being a low level of execution up to August, but execution picks up from September. This is because more projects are moving from the scoping phases to the implementation phases, he explained. International Cooperation and Operation budgets are slightly over-budget due to costs of the IO conversion process but their impact on the overall budget envelope is small.

For the FY2013 Q1 budget, CFO proposed 85 percent of the 'strategic budget envelope' based on the GGGI's projected capacity to deliver projects in 2013.

In regards to the satellite offices, the office in the UAE is fully funded by the UAE government. The Copenhagen office rental costs are very low and there are plans to move to a UN house in the future, he said.

In London, an office space has been identified with an initial cost of USD 400,000, half of which goes towards a deposit and approximately USD 100,000 towards refurbishment and office furnishings. Another 10 percent goes towards the IT system and the rest is legal advisory and agency fees. Overhead fees fall under project budget and a new results-based budget system framework.

With regards to developing a full-fledged budget system in 2013, CFO underlined the current deficiencies including different templates and formats being used across different departments. He identified the need to implement a proper IT platform for budgeting purposes. The costs for this would need to come from a separate capital budget envelope as this is not an expense, but rather, an investment for the future of GGGI. CFO identified IRENA, also a very new organization, as a good example for further analysis on how the GGGI might proceed. He

proposed a budget of USD 30,000 for scoping purposes. This would allow the CFO to come up with a fuller capital budget requirement for consideration of the Council during its second session in Abu Dhabi in January.

CFO identified three dimensions in the design of a new finance and administration process: (1) policies – developing standardized rules and policies relating to finance and budget but also including HR, travel and procurement; (2) manuals to provide instructions on how to implement the above policies; and (3) formats and templates relating to all internal documents (e.g. mission requests).

CFO identified three strategic priorities in 2013: (1) internal system enhancement; (2) results-based budget; and (3) financial administrative process.

With regards to the results-based budget, CFO stated that the budget would serve as a common management tool that will help measure results agreed between the management and Council members. The budget would also be allocated based on accountability: the budget will be split between the project budget and the administrative budget. Project implementation units (GGP&I and satellite offices) would become project budget holders, whereas the headquarters, under the CFO, becomes the budget holder responsible for providing administrative services across the house. This allows for a clear line of responsibilities. There would also be periodic monitoring, reporting and auditing evaluating the executions of the budget. This would be reported by the CFO to the Director-General, who in turn would report back to the Council.

CFO stated that the budget would also become an important tool in measuring value for money. That is, how efficiently has money been spent? What is the scope of the development focus within the budget, which is important in the context of applying for ODA eligibility? Moving forward, the GGGI would also need to look at incentive mechanisms to reward quality and impact. The overall objective, however, would need to focus on maximizing the proportion and impact of the single dollar going to field projects.

Emphasizing the need to ensure integrity in budget allocation and execution, CFO stated that expenditures would be classified as either project implementation or administration-related. No transfer between the two budgets would occur nor would transfers occur between different budget holders. Annual budget audits, currently not in place, would also need to occur. CFO also identified the need to develop a system to forecast and report the funding level on a periodic basis, which would allow the GGGI to execute forward-looking financial planning and analysis.

Moving to the third priority, financial administrative process, CFO stated that this process will need strengthening through implementing a global banking tender and treasury management system. GGGI's current operations are very much manual and paper-based. Therefore, CFO proposed selecting a global banking partner to streamline the GGGI's bank account management for the headquarters moving forward, including the satellite offices and in-country operations. This selection would be done through a transparent public tender process. The IT platform mentioned above would need to incorporate such needs. A treasury management system, which falls under the procurement process, will be covered under a separate capital budget and will be proposed to the Council at the next session.

CFO concluded his presentation by summarizing the strategic priorities in 2013: (1) rolling out the entire budget process from planning through auditing and reporting back to the Council; (2) strengthening the financial administrative process to match the increasing complexity and scale of business at headquarters, but also including satellite offices and in-country projects; (3) enhance the internal system by proper documentation policies and business process manuals; and (4) integrate IT platforms through the capital budget, to be presented at the next session of the Council.

Chair Rasmussen thanked CFO Joya for his presentation. He clarified that the budget under discussion was already approved by the Board in May and that the Council, at this moment, was discussing its re-approval in general. He identified the two items for further discussion: (1) the upfront costs for the London office; and (2) the new IT platform. He opened the floor for questions and discussions.

Indonesia asked for an explanation as to what constitutes core funds. Indonesia also inquired as to whether there was a plan to limit overhead costs from not exceeding a certain percentage of the total GGGI budget.

Australia congratulated the CFO for a fresh presentation that made a very cogent case for improving financial processes, and further remarked that the Secretariat seems to be making real progress to establish the fundamentals of sound management.

Costa Rica stated that the CFO's presentation was very comprehensive and speaks to his experience. Costa Rica pointed out, however, that it is difficult to understand how public-private partnerships can be reflected in the budget. An example was offered where the Costa Rican government is facilitating interactions between the private sectors of Costa Rica and Korea in the implementation of a new fleet of public transportation in Costa Rica for around USD 200 million. Costa Rica noted that the GGGI could also play such a role in facilitating public-private partnerships.

Denmark commended the Secretariat, particularly the Director-General and the CFO, for their work. While recognizing the difficulties, Denmark stressed the need to address the underperformance of the budget when it comes to country programs and asked if the unused funds in this year can be transferred to next year's programs.

In terms of administration costs, Denmark stated that as a 'golden rule,' they should be kept below 7 percent of the total budget and asked for a clarification of the proportion of the administrative budget to the total costs.

On core funding, Denmark underlined that the vision for the GGGI was that core funding would be the primary funding mechanism in order to allow for operational flexibility. Denmark warned against project funding for an international organization.

United Arab Emirates echoed the remarks of other Members present and recognized the hard work of the Secretariat. Two further comments were outlined: (1) when it comes to real spending

compared to budgeted amounts, there is a lack of balance among the three activities of the GGGI— GGP&I (60%), research (58%) and public-private cooperation (31%)—and this needs to be addressed; and (2) looking beyond the budget of 2012-2013 to assess the long-term sustainability of the budget to ensure that there is no disturbance in the near future to the GGGI's work.

Ethiopia stated that it was apprehensive about moving forward too rapidly by looking at detailed budgetary considerations at this Council meeting, as budgeting is a very serious issue that requires substantial work beforehand. Thus, Ethiopia suggested that the Council approve the work that is ongoing and, in due course, consider further aspects.

Norway also congratulated the Secretariat for their work and continued by stressing the importance of core funding that Denmark had outlined. Norway further stated its wish to become one of the providers of core funding to the GGGI, which would depend on its domestic political process. It was also stressed that country programs are very much the GGGI's core activity and thus the budget would need to reflect this.

Qatar expressed its hope that the budget would, in due course, reflect the positions of other members of the Council that have not yet submitted their ideas and that the Council would be open to re-approving funding for some other themes in the future.

Korea stated that in regards to the United Arab Emirate's point on financial sustainability, ODA eligibility is a very important issue particularly when it comes to attracting core funding and should be given more weight. Korea continued by outlining hopes that Korea could, jointly with other OECD member states and in cooperation with the Secretariat, submit the requisite documents for ODA eligibility.

Kim Sang-hyup stated that as one of the founding members of the GGGI, the rapid progress that the GGGI has made in two and a half years was truly remarkable. But in doing so, there may have been certain technical errors in the process which he believed would not occur again in the future given the Secretariat's solid work. He stressed that the GGGI would need to be fully prepared for the process leading up to the obtaining of ODA eligibility.

Chair Rasmussen remarked that while there were many comments, most were positive words congratulating the Secretariat. He turned to the CFO to answer the questions raised.

CFO thanked the Members for their comments. In answering their questions he stated that he would come back to the Council at the next meeting with a full year's budget for 2013 which will be more itemized and will have detailed breakdowns at a more granular level. In terms of budget execution, he stated that he hoped to share stronger figures in due time as many of the GGGI's projects shift from the scoping to implementation phase.

Responding to Costa Rica's suggestions, CFO stated that he would like to infuse some incentive mechanisms within the budget similar to the OECD's central priority fund. However, the immediate focus was to establish a proper budget framework. In terms of ODA eligibility, the GGGI budget is divided into core funding and project funding. The latter is already ODA eligible.

In terms of core funding, detailed budget expenditure breakdowns are being prepared, which he will then take back to the OECD DAC while also sharing them with the Council.

Chair Rasmussen thanked CFO and recognized Director-General Samans to speak.

Director-General Samans clarified that in general, funds are eligible for carry-over. However, the GGGI is in talks with the Korean government on whether the project funds provided can be carried over. A full, bottom-up fiscal year 2013 budget will be developed in November and presented to the Council at its second session in January 2013.

On limits on administration costs, Director-General Samans stated that a limit has not been put in place because (1) the GGGI is still a start-up; and (2) there are central costs going beyond purely management, such as developing the models used. This is due to the nature of the GGGI as a knowledge organization, not purely a project-delivery vehicle.

Chair Rasmussen stated that it seems the Council is open to approving the general budget. He pointed to two specific items: (1) upfront cost to initiate the leasing contract for the London office and (2) the budget for the IT platform. He opened the floor for discussions or questions on these items.

Denmark echoed sentiments that the investment for the IT platform will be essential. On the London office, Denmark stated that while it acknowledges London's very good work, Denmark stressed the need for Seoul to remain as the GGGI's headquarters and forming the core of the organization with the top management and deputies being based here in Seoul.

Denmark continued that more thought needs to be given on making the significant investments requested for the London office's expansion. Denmark reminded the Members that the Copenhagen office is still very small at present. Further consideration regarding the process of developing the regional offices is required, perhaps by the Transitional Sub-Committee in a separate meeting in November, and therefore a final decision on the London office should be postponed.

If the Chair allows, Denmark added that it would like to submit a proposal on moving the current Copenhagen office to the brand new UN city within Copenhagen, which will house several critical partners of the GGGI including the UNFCCC and UNEP, at the proposed Transitional Sub-Committee meeting.

While not wishing to underestimate the work of the London office, Denmark reemphasized two points: (1) Seoul needs to remain as the headquarters; and (2) the regional offices – including Mexico, Copenhagen, and London – can be further discussed during the Transitional Sub-Committee meeting.

Indonesia echoed Ethiopia's comments on the need for a learning process as the institute moves forward. In terms of the London office, Indonesia stated that if there is a deadline, it must be respected, whereas if this can wait, it can be open to further discussions at a later point. Indonesia

further stated that discussions should be held on the possibility of having specifically defined assignments for the regional offices.

Norway stated that it would be absolutely essential to have a very strong headquarters in Seoul. On the London office, Norway inquired as to whether the Secretariat could provide further information or strategic rationale for expansion. However, Norway emphasized that it would not want any delay or risk imposed on the GGGI's ability to deliver on the country program implementation work being done in London because of such administrative issues.

Korea echoed the statements from Denmark and Norway on the need to maintain a strong headquarters in Seoul. The GGGI would first need to look at how to strengthen the Seoul headquarters before looking at regional offices. More rationale is needed on why the London office needs to be expanded before coming to any decision.

United Arab Emirates, as the member providing the budget supporting the IT infrastructure, underlined its backing for the establishment of an IT structure and stated that it would be happy to share its experiences with the Secretariat on the matter.

With the current staff in London being around 6-7 people, an expansion of the London office with 30 workstations would be a very significant expansion. While not wishing to create undue difficulties in the London office's ability to conduct its work, more rationale is needed on the currently proposed expansion. United Arab Emirates echoed statements that the Seoul office should serve as the main engine of the GGGI.

United Arab Emirates also raised the need to rotate staff among headquarters and the regional offices in order to facilitate in-house knowledge sharing.

Mexico recognized the need to maintain Seoul as the headquarters, but stated its firm belief in the utility of having regional offices as long as there is strong rationale to support this. In this regard, Mexico stated its interest in hosting a regional representation of the GGGI in Mexico, which it would want to discuss in the coming weeks before the next Council meeting.

Australia offered support for the CFO's initiative on the IT platform. On the role of Seoul as headquarters, Australia stated that there was no question of Seoul being the headquarters. The role of satellite offices should be reviewed as the organization moves forward and the Council should look at the grand picture to ensure that there is coherence in the way the GGGI establishes itself.

For the London office, Australia stated that the budget had already been approved numerous times and that there was a compelling case for approval in expansion. It would be unfortunate if the Council delayed support for the London office without good administrative reason. The GGGI had underspent badly and this substantive issue should be approved at the first meeting of the Council and should not be left to the Transitional Sub-Committee.

Chair Rasmussen turned the Council's attention to the Director-General for clarification. He echoed the statements that there should be no delay in supporting the London office but

expressed the other Members' concern that the premise was to either too large or too costly. He asked the Director-General if the issue could be pushed back to a later meeting.

Director-General Samans answered that the decision on the London Office cannot be deferred without jeopardizing the delivery of key elements in the GGGI's core business. He further explained that the Abu Dhabi office secured premises of 750 square meters while the Copenhagen office was planning to move from their current small office into a more permanent location. However, the London office, with the same number of employees as the Abu Dhabi office, has been using a make-shift spot with only four desks in the corner of Lord Nicholas Stern's office at the London School of Economics. Moreover, the Board of Directors had already made a decision to approve securing the rent in London and it was explicitly mentioned in the Strategic Plan 2012-14 to have the three satellite offices.

The temporary space for the London office may not be available much longer and deferring the decision will result in a high possibility of losing the potential new premise. He emphasized that this new premise is not overly large and that in three years 25 employees in London was not a stretch. He added that the question was not about expanding the London office but rather, providing the London employees a place to work every day and that he wanted the Council members to understand the full context of the potential decision that they were making.

Korea said that there may be a misunderstanding. The discussion was not about the approval of the London office itself but rather about principle. The GGGI is a new organization and Korea would like to see the whole picture developed first before making strategic decisions on the satellite offices. An expansion from 10 to 30 staff also represents a significant change.

Chair Rasmussen reiterated that the discussion at hand was not about increasing the staff in London but acquiring a premise for the London office. The problem was that the available space would very soon become unavailable. Some Council Members want to postpone a decision on this whereas the Director-General has made clear that the decision cannot be postponed. Thus, he made clear that a pragmatic solution was required at this point.

Kim Sang-hyup stated that a new dimension had come into play for the GGGI. Korea had been selected as the host for the Secretariat of GCF and because the GGGI is an institute providing strategy whereas the GCF is mainly about finance, there is potential synergy between the GCF and GGGI. In this regard, the Council may have to re-visit the strategy for the GGGI headquarters.

He went on further to raise the question of whether the expansion of the London office is in line with this new dimension. He had thought that the role of the London office, considered more as Nick Stern's team, was to systematically theorize green growth. He emphasized that the GGGI headquarters should be strengthened and projects should be led in Seoul, while strengthening strategic relations with the GCF. He inquired if the London team could come to the headquarters to do projects in Seoul. He said that he knew the importance of moving fast and that country projects should not be delayed.

Director-General Samans replied by saying that there has been co-teaming between London-based and Seoul-based employees on several projects. The satellite offices cannot be considered as separately owned subsidiaries and everything should be centrally managed out of Seoul. The real issue is where to find the talent. If GGGI is a global institution mobilizing the best talent and resources, it is a strategic asset to have a few satellite offices around the world. People will not all move to one location and expecting them to do so will stunt the organization and undermine the mission.

Director-General Samans reiterated that Seoul is the headquarters and will be the biggest beneficiary of the strategic expansion. Currently, nine country projects are managed by Seoul and four by London. Further, a portfolio management unit to serve as the basic integrating management team for all country portfolios will be established at the headquarters, along with a technical review committee composed of the senior positions in GGGI and senior fellows. The monitoring and evaluation team will also be based in Seoul. All of these require heavy staffing. In regards to the nine programs currently run out of the headquarters, most of the projects are very sectoral at this point and will need to become more strategic and whole of economy, which will require a substantial build-out of the respective budgets and teams.

Further, the Global Green Growth Academy will also be based in Seoul in conjunction with the United Arab Emirates office. GGGI will also create an academic journal run out of the headquarters. So, most of the strategic growth projected for GGGI will take place in the headquarters. In regards to London in this instance, the decision is to secure premises for the staff, not to move away from Seoul.

The Director-General continued to state that it seems that Members want to look at the overall strategy of the GGGI but that that may be a discussion for a later time. The urgent matter at hand is securing suitable premises for the London team.

Chair Rasmussen reminded the Council that the Transitional Sub-Committee meeting will take place on [20] November in Seoul, and asked whether the decision on the London office could be postponed to that meeting. He stated that as the Council is currently pressed for time, if a decision and consensus cannot be reached, it may be that the item can be pushed and resolved as a written procedure to follow.

Director-General Samans asked if there was a compromise and if it was possible to discuss the issue before the Transitional Sub-Committee meeting in November. He expressed concerns that without quick decision, the premises currently being considered for the London team may be lost.

Norway expressed reluctance in leaving the issue unsolved and thereby endangering progress in the country programs being run out of London and agreed that some sort of compromise should be reached.

Indonesia consented that there should be a proposed compromise but that the number of staff in the London office can be further discussed within the Transitional Sub-Committee. Indonesia stated that it did not want to demoralize employees at the London office but at the same time, the larger picture of how to develop the role of the London office should be discussed further.

Denmark agreed with Director-General Samans that a modern international organization should have a hub and spoke approach, with Seoul serving as the hub and the regional offices as the spokes. However, Denmark differed in their view that country programs were absolutely dependent on the London Office and expressed that most country programs were indeed anchored in Seoul. Denmark agreed that the London staff should feel appreciated, acknowledged and supported by the GGGI. Denmark further added that the whole strategy must be viewed before discussing further the roles of individual regional offices. Denmark proposed that a shorter lease and a more appropriate space sufficient for 10 people could be found as a compromise.

Chair Rasmussen asked Director-General Samans if a compromise for shorter lease period was possible.

Director-General Samans affirmed that the compromise of a three year option was viable, though it may result in higher leasing costs. He further agreed that the discussion on the increase of staff could be discussed at the Council session in January.

Australia stated that Director-General Samans had made a clear statement on the need to find premises for the London office, and emphasized that a decision should be reached at this meeting and should not be deferred.

United Arab Emirates agreed with Australia that the approval for securing the office premise should be reached but the number of staff and the budget for the offices should be revisited. United Arab Emirates proposed that those details be discussed at the next Council meeting in January.

Mexico commented that there seemed to be confusion between discussion of strategy and cost. Mexico reminded the Council that the decision to have three satellite offices had already been approved by the Council through its approval of the Strategic Plan, and that the issue at hand was about cost and not strategy. Mexico stated that they fully supported the regional office strategy and the notion that the London office be operational at the same level as other regional offices.

Korea restated that it was hesitant to make a decision on the issue without examining the whole picture of the relationship between the headquarters and the satellite offices. Korea agreed that a compromise should be reached, and proposed that a more modest space that could accommodate the current level of the London staff be secured.

Chair Rasmussen stated that a conclusion should be reached. He identified that while some of the Members were asking to secure the premises in London before it was lost, others were questioning if the London office requires such a large premise. Chair Rasmussen asked the Council if a mandate could be given to the Secretariat, headed by Director-General Samans, to either agree to a three-year leasing contract or find a less expensive premise. He called on the Council to be flexible in the matter and to take the Director-General's comments on jeopardizing country program work run out of the London office seriously. However, the decision would reflect the mandate to the Director-General to agree to either a three-year lease or identify a less

expensive premise, but that a premises contract will be made for a London office to secure an office space for the team from the first of January.

Indonesia seconded the proposal from the Chair and suggested that the Director-General be asked to identify the most cost-effective option for the London office and to assign a specific date for the Council to discuss the overall staffing plan and role of the offices.

Korea supported the compromise as long as a discussion on strategy would be held at the Transitional Sub-Committee meeting in November and at the Council session in January.

Kim Sang-hyup stated that if provided a clear vision of the headquarters' direction, many misunderstandings would be cleared and he asked the Director-General to provide an explanation as to the relationship between the headquarters and the London office. Mr. Kim continued to say that he was not against the location or funding for the office itself, but was more concerned with the nature of the London office. Mr. Kim was supportive of the roles to be played by the regional offices because the GGGI is designed to be a network organization, but expressed concern that London may be seen as a second headquarters.

Denmark expressed its support for the compromise proposed as well as authorizing the Director-General to secure office space in London in the most cost-effective manner to be found. Denmark added that it seems the office will require funds of more than USD 100,000 per year and that the cost would be closer to USD 200,000 per year, plus the initial cost of USD 400,000 and is therefore a significant investment and should be dealt with at this Council meeting. If needed, a teleconference could also be held in two weeks to confirm a final decision, or the Council could authorize the Chair to make the decision together with the Director-General after consultations. Denmark also proposed asking the Secretariat to prepare a platform for a thorough discussion on the future regional strategy of the GGGI.

Director-General Samans thanked the Council for its feedback and stated that the conversation reflects well on the Council as a serious deliberative body on its maiden voyage. The Director-General continued that his understanding is that there is a mandate to find a space for the London team but that it should have a smaller risk profile, either in terms of a shorter lease or in terms of smaller size. The Director-General would also work with the Chair to ensure that an appropriate space is identified. The Director-General's preference, given the time-limitations of securing a premise for the London office, would be to have a shorter lease or find a smaller space that is satisfactory in quick order, if possible.

Chair Rasmussen called for a short break of the Council meeting.

[Break]

Chair Rasmussen called the meeting to order and mandated that the Director-General enter into a leasing contract for the London office either based on the proposed arrangement but with a three year lease or a property that is either smaller or less expensive, in consultation with the Chair. He checked if the Council approved of this. Hearing no objection, the Council approved the 2012 budget and IT platform initial costs along with the compromise on the London office by

consensus. He added that there will be a Transitional Sub-Committee meeting in Seoul on 20 November and an informal gathering in Doha in December.

The Chair moved to the approval of the provisional FY2013 Q1 budget, C/1/DC/8, and asked for any questions. Hearing none and no objections from the Council, the FY2013 Q1 budget was approved by consensus.

The Chair moved to the approval of the proposed framework for human resources, C/1/DC/9. He asked the Director-General to provide the Council with an explanation of the proposed framework.

Director-General Samans explained that the proposed framework of principles was a design criterion for the human resources system required to build GGGI into an intergovernmental organization. The first proposal was to authorize the Secretariat to work with the Transitional Sub-Committee in further defining and implementing the details of the framework, particularly the pension scheme and the executive compensation framework. He added that the proposals will be discussed during the Transitional Sub-Committee meeting in Seoul.

The Director-General further expanded on the proposed framework by saying that most, but not all, of the United Nations (UN) system for managing human resources was to be adopted. He further recommended that the UN pay scale and system, including the post-adjustment and internal mechanism for employees up to and including the director level, be adopted. This would not include the Deputy Director-General or the Director-General level.

The Director-General proposed that although a large part of the UN salary system was to be adopted, due to the UN system's rigidity and because the GGGI is to be performance and capability-based, the GGGI planned to implement four or five broader salary bands rather than the 10 UN grades of job classification and multiple steps within the grades. Instead, a more nimble and flexible performance and merit-based culture that balances the UN pay system and performance will be put in place.

Secondly, the housing benefit structure of the UN is too complicated and not recommended for the GGGI to adopt. The Director-General explained that the GGGI will be taking on a flat scheme for ex-patriots living outside their home countries. Employees will be separated into three categorizations: international positions, domestic positions and general/administrative service positions.

In terms of education, the UN system of 75 percent seemed to be well accepted, and in regards to health insurance, a third party provider was to be selected. The pension scheme would require a general contribution of around 15 percent and although details are still in process of being worked out, the GGGI would likely use a third party provider.

In regards to executive compensation, consisting of the Director-General and most likely three Deputy Directors-General, the recommendation is for compensation to be at an "Asian Development bank minus" level, which is below the World Bank and slightly higher than UN levels. This agenda will be discussed in the Transitional Sub-Committee, but the Director-

General noted that this is a time sensitive issue as he had been operating without a deputy for a long time, and to be able to move swiftly, the GGGI needs to be able to recruit strong candidates for the Deputy Directors-General positions. The Director-General asked that the Transitional Sub-Committee make this issue an item of discussion, as the GGGI would then be able to post these positions in accordance with the agreed framework by early November and discuss with the candidates their compensation level. He iterated that by the end of the year the GGGI plans to have composed a team ready to begin by 1 January.

The Director-General raised the issue of the implementation of the regular employees framework to take effect on 1 January and the need to be able to explain to new recruitments what their package will be. The details of this framework will be finalized at the Transitional Sub-Committee meeting.

Denmark remarked that these were very wise recommendations. Denmark agreed that salary levels should be at a UN level but based on a performance-based system with more flexibility and much less bureaucracy. In this respect, Denmark said that the GGGI could move slightly towards the private sector/civil society framework and have a clear, performance-based bonus system for top management. Denmark added that for recruitment, the GGGI should have a very transparent, merit-based recruitment system where the top management again is subject to approval by a sub-committee, the Transitional Sub-Committee or another appropriate sub-committee, which takes responsibility for top level management. Denmark further agreed that the Transitional Sub-Committee should finalize and approve the human resources framework, allowing for a speedy process and early recruitment of critical positions.

Norway agreed with Denmark regarding bonus payments and the desire to see a concrete proposal for this system. Norway also agreed with the process outlined by the Director-General and to be discussed in the Transitional Sub-Committee. Norway again agreed on benchmarking the UN salary scale, stating that it is competitive and should be considered for all levels of the organization.

Korea supported Denmark's suggestion to apply the UN system plus bonuses based on performance, but added that the exact amount should be discussed further. In regards to recruitment, Korea agreed that the process should be transparent and open. However, the number of Deputy Directors-General should be decided. Korea suggested that the GGGI needs at least 2 Deputy Directors-General but the exact number should be decided by consensus before posting for recruitment.

Kim Sang-hyup added that the GGGI aims to be an action-oriented institute that delivers real results and this requires entrepreneurship. He added that because people matter, the compensation package, including salary, should be flexible and creative to attain talented people.

Ethiopia apologized for not being present when the London office agenda was discussed after the break and further commented that Ethiopia had no problem with the salary levels being based on the UN system. Ethiopia asked what the consensus on the London office was. (*A neighboring Member relayed the decision.*) Ethiopia agreed with no further questions.

Chair Rasmussen stated that the GGGI will still have an office in London and will find a space to serve for at least the next three years and asked for any further comments.

Costa Rica seconded Mr. Kim Sang-hyup on the need for a strong performance-based system and agreed with the remaining procedures.

Chair Rasmussen stated that the proposal was to authorize the Secretariat to work with the Transitional Sub-Committee to further define and implement the details of the framework for human resources. The decision for the specific numbers for the top levels of GGGI should be decided by the Council. The Chair asked for any further comments and hearing none, the proposed framework for human resources was approved by consensus.

The Chair moved to the composition of the Advisory Committee, C/1/DC/10. Stating that the Council was not yet ready to compose the Advisory Committee, he proposed that the Secretariat develop a set of criteria for membership and potential nominees for the Council to review at the next Council session in January. The Council approved the proposal by consensus.

The next issue for decision was the interim disclosure policy, C/1/DC/11. The Chair asked for questions and hearing none, the Council approved the interim disclosure policy by consensus.

Director-General Samans informed the Council members that as part of the ratification process in the Republic of Korea, the GGGI as a Korean NGO was subject to an auditing procedure, a common practice for Ministry programs. He added that the National Assembly Committee on Foreign Affairs was conducting its own review as well, due to the fact that this Committee is responsible for approving the GGGI's ratification in Korea. The Director-General added that the GGGI has received a field audit for five weeks and have been provided a long list of questions to answer, and that the Council will be notified of the outcome when available.

Chair Rasmussen stated that it was important for the Council to consider the information to come out of the audit as high priority. Although it is a Korean audit, the outcome will certainly interact with the ratification procedure in the National Assembly. He asked that the Secretariat provide the Council with a written form of the audit report in November. He further added that all Council members be prepared to answer questions regarding audits. He asked for any further questions.

Kim Sang-hyup remarked that a small gift of a passport cover made from CO2 and polypropylene would be given to the Council members.

Australia thanked the Chair and Korea for bringing the GGGI to this point. Australia emphasized that the GGGI owed Korea a great deal and also thanked the Secretariat for its work in managing and preparing the Inaugural meetings.

United Arab Emirates extended an invitation to the Council members to attend not only the GGGI Council meeting but also other events hosted during the Abu Dhabi Sustainability Week in January 2013. United Arab Emirates said that they will receive the contact details of the Members from the Secretariat and send an invitation to each Council member. Furthermore,

C/2/1

United Arab Emirates extended its sincere gratitude to the Korean government for its hospitality, as well as the Secretariat and Director-General for the great work done so far.

Director-General Samans reminded the Council that lunch was being provided.

Chair Rasmussen thanked Korea and the GGGI staff for the hard work done leading up to the Inaugural meetings in Seoul. He reminded the Council members that the next Council session will take place in January 2013 in Abu Dhabi and an informal gathering will take place in Doha in December 2012, following the Transitional Sub-Committee meeting held in Seoul on 20 November.

Having no further business, the meeting was adjourned.

End of meeting

Fra: Henrik Bramsen Hahn
Sendt: 6. december 2012 10:58
Til: Udviklingsministersekretariatet (INTERNAL) DL; Ib Petersen; Charlotte Slente
Cc: Peter Lysholt Hansen; Mette Ekerøth; Seoul; Addis Ababa; Phnom Penh; PRO; Annette Lassen; Astrid Folkmann Bonde; Erik Næraa-Nicolajsen; Janne Laigaard Schneider; Niels Hedegaard Jørgensen
Emne: Uformelt GGGI bestyrelsesmøde den 4. december 2012, Doha
Klassifikation: UKLASSIFICERET

Resumé: Godt møde, hvor bestyrelsen for første gang fik indsigt i konkrete projekter GGGI gennemfører i Etiopien og Cambodia. Der blev desuden taget hul på drøftelserne om regler for procurement, som skal drøftes på kommende bestyrelsesmøde i januar, og hvor udfordringen bliver at finde en balance mellem kvalitet, hurtighed, accountability og transparency. Sammensætningen af GGGI's advisory committee skal tillige drøftes i januar. GGGI vil snarest henvende sig til Danmark, [redacted] mhp. at drøfte aftale om privilegier og rettigheder for organisationens ansatte på lokalkontorer disse steder.

Formanden suppleret af eksekutivdirektøren (ED) redegjorde indledningsvis kort for mødet i transitional committee den 20. november og henviste til det udsendte referat.

1) Procurement Policy Concepts

CFO præsenterede statisk planerne, jf. den udsendte power point præsentation, herunder at det var tanken at ansætte en procurement officer. ED understregede behovet for fleksibilitet i procurement, da der var tale om strategisk arbejde med en partnership approach. Der var behov for Direct Contracting på baggrund af due diligence.

Sydkorea fremhævede, at den sydkoreanske revisionsrapport bl.a. var kritisk på procurement, så det var vigtigt med klare regler. I kontraktkomiteen burde også de to deputy directors sidde. Danmark støttede Sydkorea heri og fandt desuden, at der måtte ses på muligheder for outsourcing af procurement til en relevant organisation med ekspertise heri for at undgå opbygning af en procurementafdeling i GGGI. CFO svarede hertil, at det ikke var tanken at opbygge en egentlig procurement org., men at procurement officer skulle være et slags focal point i GGGI.

[redacted] lagde vægt på, at kvaliteten af GGGI's arbejde blev sikret i forbindelse med procurement. Man så gerne etableret et minimumsbeløb for, hvornår der skulle foretages udbud. [redacted] støttede Australien heri.

[redacted] holdt et langt indlæg om repræsentantens egne erfaringer fra katastrofen i Aceh og udbud i forbindelse med nødhjælpsindsatsen her.

[redacted] fandt, at man måtte være bevidst om de forskellige og ofte modsatte rettede interesser, der fandtes i bestyrelsen, og at man skulle prøve at se sig fri for dette. Hvilket også gjaldt i forbindelse med udbud.

Formanden konkluderede, at bestyrelsen ville komme tilbage til dette emne på mødet i januar. Det var vigtigt, at der var balance mellem value, costs, accountability og transparency.

2) Advisory Committee Composition

ED fandt, at det var vigtigt men den rette sammensætning af den ca. 20 personer store komité. Der måtte være repræsentanter for academia, civil soc. , business og pub. sec. Der skulle være en vis geografisk fordeling mellem kandidaterne samt balance mellem gender og forskellige fagområder, da GGGI er en multidisciplinary org. Der er mange subdiscipliner i grøn vækst. Det er op til bestyrelsen at beslutte dette i januar. [redacted] vil lede arbejdet suppleret af [redacted]

[redacted] fandt, at de lande, som p.t. bestræber sig på at implementere grøn vækst, skal have repræsentanter i komiteen. Fagligt var områder som energi, vand, men også byer vigtige.

[redacted] syntes ikke antallet af personer skulle begrænse og foreslog desuden honorar til disse.

Formanden konkluderede, at ED vil se nærmere herpå sammen med [redacted], og at bestyrelsen på ny ville skulle drøfte dette på mødet i januar. Formanden understregede behovet for klare regler på dette område inden kandidaterne udpeges. Forslag skal sendes inden jul.

3) Privileges and Immunities Strategy

ED henviste til den fremsendte juridiske redegørelse herom, som blev yderligere uddybet af forfatteren til redegørelsen. Det var tanken, at man i første omgang ville starte med forhandlinger om en host country agreement med de lande, hvor GGGI formelt var tilstede (UK, UAE og DK).

4) Green Growth Planning Project Presentation and Discussion

Ethiopia/Cambodia: Der henvises til detaljeret præsentation ved landekoordinatorerne, som sekretariatet vil eftersende. Fra dansk side spurgtes til donorkoordination i Addis samt projekternes bæredygtighed på mellem og lang sigt. Landekoordinatoren nævnte, at der i Etiopien foregår en indgående donorkoordination, som GGGI deltager i. Tilsvarende i Cambodia, hvor der tillige er et tæt samarbejde med EU. Man er desuden meget opmærksom på ejerskab til projekterne, herunder lokal uddannelse i vedligeholdelse (bl.a. af solfangeranlæg i Cambodia), så disse også kan fungere på længere sigt. Det oplystes, at GGGI har 5-6 medarbejdere i Addis.

Formanden bemærkede, at det var meget nyttigt med sådan information om konkrete projekter, som ville blive gentaget på fremtidige bestyrelsesmøder.

GRV/Henrik Bramsen Hahn

Fra: Mette Ekeroth
Sendt: 22. januar 2013 02:37
Til: GRV
Cc: Claus Grube; Direktionssekretariatet (INTERNAL) DL; Udviklingsministersekretariatet (INTERNAL) DL; Charlotte Slente; Henrik Bramsen Hahn; Astrid Folkmann Bonde; Seoul; Peter Lysholt Hansen; Mette Ekeroth
Emne: Amb. Seoul: Referat af GGGI Bestyrelsesmøde i Abu Dhabi den 17. januar 2013

Ambassaden Seoul den 22. januar 2013
Amb. j.nr. 46.C/2.

Resume: Bred enighed i bestyrelsen om behov for væsentlige forbedringer i sekretariatets oplæg på flere områder, herunder budget for 2013 og indkøbsregler med henblik på at sikre gennemsigtighed og efterlevelse af internationale standarder, og fastlæggelse af proces herfor før endelig godkendelse. Bestyrelsen etablerede tre underkomiteer, hvoraf Danmark blev medlem af Facilitative Sub-Committee og formand for Audit and Finance Sub-Committee. Beslutning om oprettelse af rådgivende komite blev udskudt. Næste bestyrelsesmøder vil finde sted i Seoul henholdsvis den 8.-9. juni og 5.-6. december 2013.

1. Det andet bestyrelsesmøde i GGGI fandt sted den 17. januar 2013 i Abu Dhabi, UAE, med deltagelse af 13 rådsmedlemmer (fraværende var [redacted] samt de [redacted]). Fra dansk side deltog undertegnede.

2. Bestyrelsen godkendte referat fra det første møde og tog rapporten fra overgangsunderkomiteens arbejde til efterretning. I forbindelse med generaldirektørens redegørelse for rekrutteringen af de øvrige ledelse, hvoraf det fremgik at der kun var en kvinde udvalgt til interviews til de tre ledelsesstillinger, understregede [redacted] støttet af Danmark, [redacted] nødvendigheden af at sikre kvinder i GGGI's lederstillinger. Efter dansk forslag opnåedes enighed om, at sekretariatet med mellemrum skal rapportere til bestyrelsen om de skridt, der er taget for at få kvinder i lederstillinger.

3. I forbindelse med redegørelsen for hovedkvartersaftalen med Korea, der blev undertegnet umiddelbart inden bestyrelsesmødet, anførte [redacted]

[redacted]

4. Sekretariatets forslag til budget for 2013 gav anledning til en lang drøftelse med udbredt kritik fra alle rådsmedlemmer af sekretariatets oplæg, der bestod af en række power points og et notat med baggrundsinformation. Fra dansk side anførtes, at der var behov for et egentligt detaljeret og gennemsigtigt budget, som ville tillade bestyrelsen af have en strategisk drøftelse af GGGI's udvikling, herunder udviklingen i satellitkontorer. [redacted] gav udtryk for tilsvarende synspunkter og anførte, at man ikke var overbevist om, at budgetforslaget afspejlede bestyrelsens beslutninger. [redacted] anførte at budgettet ikke var gennemsigtigt og gav tilstrækkelig information til at bestyrelsen kunne træffe de nødvendige beslutninger. Det var afgørende, at budgettet var gennemsigtigt og åbent for offentligheden, da der var tale om skattefinansierede bidrag. [redacted] støttede ovennævnte synspunkter. [redacted] anførte i et ganske følelsesladet indlæg, at sekretariatet ikke i tilstrækkelig grad lyttede til bestyrelsens synspunkter og at sekretariatet i visse tilfælde havde misinformeret bestyrelsen.

Efter yderligere drøftelser og uformelle konsultationer fremlagde formanden et beslutningsforslag, der blev godkendt af bestyrelsen. I overensstemmelse hermed godkendte bestyrelsen det foreslåede budget for 2013 på midlertidig basis indtil næste rådsmøde. Samtidig anmodedes sekretariatet om til næste møde i overgangsunderkomiteen den 31.1.-1.2. 2013 at fremlægge et overordnet udkast til (outline) og en beskrivelse af et detaljeret og gennemsigtigt budget for 2013 og budgetoverslag for 2014 og 2015. Endvidere anmodedes sekretariatet om senest den 15. marts at fremlægge et detaljeret budget for 2013 for Facilitative Sub-Committee med input fra Audit and Finance Sub-Committee og derefter at præsentere et revideret budget for bestyrelsen senest den 1. maj 2013. Endelig

instrueredes sekretariatet om i samarbejde med Audit and Finance Sub-Committee at udvikle et budgetformat for 2014, herunder med tidsfrister for den årlige budget proces, og forelægge det for bestyrelsen på dens næste møde

5. Forslaget til personaleregulativ blev godkendt med følgende ændringer/forbehold: 1) skattespørgsmålet for personalet var endnu ikke afklaret; 2) Formuleringen i regulativ 5.3. skulle ændres for at muliggøre positiv handling i forhold til at få kvinder i lederstillinger; 3) Bonussystemet skulle gælde hele ledelsen og generaldirektøren skulle konsultere bestyrelsen om bonusudbetaling til den øvrige ledelse og 4) der skulle som princip indføres delegering af ansvar med to niveauer.

6. Under drøftelsen af oplægget til indkøbsregler understregede [redacted] Danmark, [redacted] og [redacted] betydningen af, at GGGI levede op til international standarder. Fra dansk side foreslog man, at oplægget til GGGI's indkøbsregler blev vurderet eksempelvis af UNOPS, der havde tilbudt bistand.

Formanden konkluderede, at oplægget til indkøbsregler var godkendt indtil næste bestyrelsesmøde, hvor sekretariatet ville forelægge en uafhængig bench-marking af reglerne i forhold til andre internationale organisationer og sådanne ændringer, som dette måtte give anledning til.

7. Efter uformelle drøftelser besluttede bestyrelsen at godkende formandens forslag til sammensætning af følgende underkomiteer for 1 år:

a) Facilitative Sub-Committee:

Formand: Lars Løkke Rasmussen

Medlemmer: Indonesien, Korea, Danmark, Sang-hyup Kim og generaldirektøren

b) Program Sub-Committee:

Formand : Costa Rica

Medlemmer: Australien, Indonesien, Norge, Qatar og Lord Stern (såfremt han var rede hertil)

c) Audit and Finance Sub-Committee:

Formand: Danmark

Medlemmer: Korea, Mexico, UAE og Kiribati

8. Sekretariatets oplæg til udnævnelse af formand til den rådgivende komite [redacted]

9. Endelig besluttedes at afholde de næste møder i Seoul henholdsvis den 8.-9. juni i forbindelse med GGGs og den 5.-6. december 2013.

Ambassaden Seoul/ P. Lysholt Hansen

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 **INSPIRING
DENMARK**



Global Green Growth Institute
Second session of the Council
Abu Dhabi, 17 January 2013

Minutes for the second session of the Council

The second session of the Council of the Global Green Growth Institute (hereinafter, the "GGGI") was held on 17 January 2013 from 9:15 to 18:00 at Capital Suite #5, Abu Dhabi National Convention Center, Abu Dhabi, United Arab Emirates.

Members Present:

Australia, represented by Mr. Sean Batten, Director, Sustainable Development Funds

Costa Rica, represented by Dr. Rene Castro-Salazar, Minister for Environment, Energy and Telecommunications

Denmark, represented by Mr. Peter Lysholt Hansen, Ambassador to the Republic of Korea

Indonesia, represented by Mr. Lukita Dinarsyah Tuwo, Vice Minister for National Development Planning

Kiribati, represented by Mr. Pinto Katia, Minister of Commerce, Industry and Cooperatives

Korea, represented by Mr. Kim Sung-hwan, Minister of Foreign Affairs and Trade and Mr. Boonam Shin, Ambassador for Green Growth

Mexico, represented by Mr. Santiago Lorenzo, Green Growth Advisor, Ministry of Environment and Natural Resources

Norway, represented by Mr. Øystein Djupedal, County Governor of Aust-Agder County

Qatar, represented by Ms. Machaille Al-Naimi, Legal Counsel, Qatar National Food Security Programme

United Arab Emirates, represented by Dr. Sultan Al Jaber, Special Envoy and Assistant Minister of Foreign Affairs for Energy and Climate Change and Dr. Thani Al-Zeyoudi, Director, Department of Energy and Climate Change, Ministry of Foreign Affairs

Mr. Kim Sang-hyup, Senior Secretary to the President for Green Growth

Mr. Lars Løkke Rasmussen, Chair

Mr. Richard Samans, GGGI Director-General

Members Absent:

Ethiopia

Mr. Montek Ahluwalia, Deputy Chairman, Planning Commission, Government of India

Lord Nicholas Stern, IG Patel Professor of Economics & Government and Chair, Grantham Research Institute on Climate Change and the Environment, London School of Economics

Guests:

GGGI Secretariat

Agenda:

The following agenda items were proposed for the meeting in C/2/AG/1:

1. Opening of the meeting
2. Adoption of the agenda for the second session of the Council
3. Approval of the minutes from the first session of the Council
4. Report on the activities of the Transitional Sub-Committee
 - a. Capacity building in the Headquarters
 - b. Deputy Directors-General and Assistant Director-General recruitment update
5. Updates regarding Member states
 - a. Ratification update
 - b. Headquarters Agreement with the Government of the Republic of Korea
 - c. Privileges and immunities
6. FY2013 Budget
7. Regulations
 - a. Human Resources
 - b. Procurement Rules
 - c. Delegation of Authority
 - d. Disclosure Policy
8. Advisory Committee
9. Sub-Committees of the Council
 - a. Audit and Finance
 - b. Program
 - c. Facilitative
10. Schedule for future sessions of the Council in 2013
11. Provisional agenda for next session of the Council
12. Any other business
 - a. ODA eligibility
 - b. Headquarters premises
 - c. Presentation from Costa Rica
13. Closing of the meeting

I. OPENING OF THE MEETING

Chair Rasmussen opened the meeting and welcomed the members to the second session of the Council. He thanked the United Arab Emirates (UAE) for hosting the meeting and congratulated the UAE on an impressive World Future Energy Summit. He then invited Dr. Sultan Al Jaber of the UAE to take the floor.

Dr. Sultan Al Jaber thanked the Chair for his kind remarks and congratulated the Republic of Korea and the GGGI on the signing of the Headquarters Agreement just before. Dr. Al Jaber emphasized that the UAE has demonstrated a strong commitment to the ideals of green growth and that 2012 was a year of significant achievements for the GGGI. He emphasized on the importance of enhancing the capability of the GGGI regional office in Abu Dhabi and its potential to add real value to the region.

II. ADOPTION OF THE AGENDA FOR THE SECOND SESSION OF THE COUNCIL

Chair Rasmussen thanked Dr. Sultan Al Jaber for his remarks and moved to the agenda for the meeting, C/2/AG/1, which was accepted by the Council. He provided a brief explanation of the procedural aspects of the meeting and explained that the decision packet provided to the Council is in draft form, to be revised in real-time by the Council during its discussions.

III. APPROVAL OF THE MINUTES FROM THE FIRST SESSION OF THE COUNCIL

Chair Rasmussen then moved to the third item on the agenda, C/2/DC/1, the approval of the minutes from the first session of the Council. He asked for any comments. The Council approved the minutes of the first session of the Council, C/2/1, and took note of the Chairman's Summary of the first meeting of the Transitional Sub-Committee of the Council, C/2/2, and the Informal Gathering of the Council in Doha, C/2/3, by consensus.

IV. REPORT ON THE ACTIVITIES OF THE TRANSITIONAL SUB-COMMITTEE

Chair Rasmussen moved to the fourth item on the agenda, the Report on the activities of the Transitional Sub-Committee. He explained that the Transitional Sub-Committee had discussed the need to build the capacity of the Seoul headquarters in such a way that GGGI's deliverables are not compromised. He also brought attention to the recruitments of the Deputy Directors-General and the Assistant Director-General. Chair Rasmussen then gave the floor to Director-General Samans for further elaboration.

Director-General Samans thanked the Chair and welcomed the members to the session. In regards to capacity building, the Director-General explained that the Transitional Sub-Committee had discussed a framework for the institutional evolution of the GGGI such that it will lead to a significant increase in the capability of the Institute, and in particular the Seoul Headquarters, to execute the primary avenues of the GGGI's work. He continued that the discussions have focused on the basic emphasis of the satellite offices. He explained that the Transitional Sub-Committee had concluded that the top priority should be to build the capacity of the Headquarters to execute and integrate work across the offices and

for Green Growth Planning and Implementation (GGP&I) to be progressively centralized in the Seoul Headquarters.

Director-General Samans continued that the GGGI has a globally integrated organizational structure and although there is a preponderance of personnel in the Seoul Headquarters, there is not a preponderance of the core expertise required to execute GGP&I work. He stated that the framework agreed upon by the Transitional Sub-Committee was to take steps over the next one to two years to centralize activities in Seoul and for the Headquarters to become the repository of the knowledge and execution capability of the organization.

Chair Rasmussen asked for any questions or comments and stated that the Council would return to this issue in the budget discussion to come. As there were no comments, the Chair moved to the issue of recruitment, explaining that the Transitional Sub-Committee had posted three positions: (1) Deputy Director-General for GGP&I; (2) Deputy Director-General for Management and Administration; and (3) Assistant Director-General for Public-Private Cooperation. He stated that the deadline for applications had been 3 January and the GGGI had received over 250 applicants. He explained that of these applicants, an eight-person shortlist had been compiled and these applicants have been invited to interview at the Headquarters at the end of January. The Chair then gave the floor to the Director-General for further comments.

Director-General Samans stated that because what the GGGI is trying to accomplish hasn't yet been done, the challenge lies in making judgments about what type of profiles will be most useful in a candidate, as there is no pre-selected pool of candidates that can be tapped into. He indicated that he feels that a good team will be compiled. He also explained that the Transitional Sub-Committee had composed a Selection Committee which included the Chair, Kim Sang-hyup, Australia (to be represented by Ambassador Howard Bamsey) and himself as Director-General.

Chair Rasmussen thanked him for his comments and asked for any questions or comments. He gave Norway the floor.

Norway thanked the Chair and stated that it is looking forward to cooperation with the rest of the Council. Norway had no objections to the choices suggested by the Transitional Sub-Committee regarding the recruitment process, but emphasized the importance of achieving gender balance in the GGGI's top management. Norway continued that it was crucial for a development organization such as the GGGI to make credible efforts to secure proper gender balance in its decision-making and executive bodies, and stated that in Norway, it is normal practice to have a minimum of 40 percent of each gender represented in the top management.

Denmark expressed its pleasure at being in Abu Dhabi. Denmark echoed Norway's comments regarding gender balance, saying that although gender balance may not be achieved in one shot, it must be an important target that is worked towards and taken seriously.

Indonesia stated that it was delighted to be at the meeting and was looking forward to working closely with the members of the Council. Indonesia also expressed its strong commitment to green growth and the GGGI.

Indonesia supported the previously expressed views on gender balance and stated that it would like to

receive information on applicant profiles in order to select candidates that are in accordance with principles of gender balance. Indonesia expressed its hope that one of the three top management candidates currently being pursued would suit this profile.

Costa Rica asserted that in the past, the motto was 'think global, act local.' More recently, however, the motto has changed to become 'think local, act global.' Costa Rica continued that domestically, it was pursuing 50-50 gender balance and added its support to Norway, Denmark and Indonesia in favor of gender balance in the GGGI's top management.

Chair Rasmussen stated that he shares in the goal of achieving gender balance and that this was an issue emphasized in the Transitional Sub-Committee. He continued that although this was a goal, it is not always possible to achieve, particularly in a single step, and pointed out that the Council members themselves did not represent a gender balance. The Chair informed the Council that gender balance would be difficult to achieve in the current selection process. He asked the Director-General to elaborate on this issue.

Director-General Samans began by saying that the candidate pool was heavily weighted towards male applicants and estimated that only about 15 percent of the candidates were female. He stated that one shortlist candidate was female.

The Director-General continued that one of the benefits of having a search for a top team is that a great deal of talent is uncovered which may not be ready for a top leadership role at the moment, but can potentially help build the organization at the level directly below. He stated that in this regard, 30 to 40 percent of the applicants fitting this profile were women. He continued that the leadership team should be thought of in broader terms than only three individuals, and by engaging a senior tier beyond the management at the very top, GGGI may be able to work towards achieving greater gender balance and provide career mobility to those individuals at this level.

Denmark stated that if there were no qualified candidates who can contribute towards gender balance available, then of course gender balance becomes difficult to achieve. Denmark continued that while this may be the case, the Secretariat needs to engage in affirmative action and groom female staff so that, in a reasonably short period of time, females would also be in the higher management levels. To this end, Denmark suggested that the Secretariat be requested to report regularly on what actions were being taken to achieve gender balance.

Chair Rasmussen stated that he would take note of Denmark's suggestion and that it would be his responsibility as Chair to ensure that this issue is returned to.

Norway supported Denmark's suggestion to return to the issue of gender balance on a regular basis and to have the Director-General report on how gender balance is being incorporated into the recruitment process into the future.

Chair Rasmussen restated that he would take note of these suggestions and ensure that this issue is returned to on a regular basis and discussed, on the basis of a report from the Director-General.

V. UPDATES REGARDING MEMBER STATES

Chair Rasmussen moved to the updates regarding member states, which included documents C/2/4, C/2/5 and C/2/DC/2. He began with C/2/4, the ratification update. He recognized Korea to speak.

Korea explained that during the ratification process in the National Assembly, the opposition party had requested that Kim Sang-hyup resign as a member of the Council. Korea stated that Kim Sang-hyup had expressed his intention to comply with the opposition's request.

Chair Rasmussen thanked Korea for working so hard to ratify the treaty prior to its presidential election in December 2012.

In regards to Kim Sang-hyup's intention to resign, the Chair expressed his personal view that Mr. Kim's contributions to the Council are crucial and he hoped that Mr. Kim would decide to remain on the Council in his non-state actor capacity. He continued that as GGGI is still in a transitional period in its conversion to an international organization, it still required Mr. Kim's contributions and that it was the responsibility of the Council to make a judgment that enhances the interests of the GGGI as an international organization. The Chair stated that the Council should do its utmost to persuade Mr. Kim to remain as a member of the Council.

Australia supported the contributions made by Mr. Kim to GGGI thus far and hoped these contributions would continue.

Costa Rica stated that the Council should convince Mr. Kim to remain as a member.

Chair Rasmussen concluded that based on the statements from Australia and Costa Rica and the manner of the Council, it was the consensus of the Council for Mr. Kim to remain as a member.

Korea stated that the government would respect the decision made by the Council.

Kim Sang-hyup thanked the Council for their kind words and stated that what is good for the GGGI is good for him.

Australia stated that it also strongly supports the notion of gender balance. In regards to the ratification process, Australia will be having an election in mid-2013 and this will likely cause a delay in ratification. Because of this, Australia expects to be able to ratify in late 2013.

Indonesia informed the Council that it was currently in process of ratification and this process is expected to take a couple of months. Indonesia continued that despite the ongoing ratification process, the Indonesian government is ready to work closely with the GGGI and enhance cooperation.

Norway shared that it expects ratification to occur before the summer, most likely May or June.

Costa Rica stated that its Congress would resume on 21 January and that once Congress resumes, it would be able to provide a realistic date to expect ratification.

Chair Rasmussen thanked the members for their updates and asked the Director-General to provide some comments on the Headquarters Agreement with the Republic of Korea, C/2/5.

Director-General Samans explained that the GGGI had been provided the level of privileges and immunities that is customary for officials of international organizations and diplomatic missions. He explained that this includes such things as the inviolability of the organization's premises, exemption from censorship on materials and communication, legal protections, and tax exemptions. He continued that this Agreement covers Council members and experts on mission in a limited form.

Chair Rasmussen thanked Korea for its strong efforts to reach an agreement on the headquarters within a few months' time. He then moved to the Decision on Privileges and Immunities, C/2/DC/2, and asked the Director-General to provide further information.

Director-General Samans informed the Council that the GGGI had been advised to secure, in a consistent manner, certain privileges and immunities, particularly in countries where the GGGI has a presence. He continued that in order to have a more efficient process, the GGGI was recommended to develop a generic baseline for a privileges and immunities framework that would serve as the basis for discussions with various governments.

The Director-General explained that the proposed decision before the Council was to endorse the GGGI to begin a process of consultations to structure such a generic framework for privileges and immunities. He also indicated that the GGGI would place a priority on those countries in which it has either a satellite office or significant country engagement.

Chair Rasmussen asked for any questions or comments.

Australia supported the Director-General's plan to prioritize consultations with those member states in which GGGI has a presence. He asked whether the decision should be amended to reflect the emphasis on key members.

Indonesia shared Australia's view that the consultations be prioritized.

Chair Rasmussen thanked the members for their comments and moved the proposal to decision. The Council approved the decision, by consensus.

VI. FY2013 BUDGET

Chair Rasmussen moved to the decision on the FY2013 budget, C/2/DC/3. He reminded the Council that it had approved the Q1 FY2013 budget in the first session of the Council and that the Council would now be deciding on the remainder of the FY2013 budget. The Chair continued that several of the items that the budget touches upon, such as the strategy, capacity building, etc., would be further discussed later in the session as well. He asked the Director-General to provide opening remarks for the budget before moving to a presentation from the CFO.

Director-General Samans introduced CFO Joya to the Council for those members who had not met him previously and then began to provide some contextual comments to place the budget and work

program in strategic context.

The Director-General began by explaining that the budget has been designed to implement the strategy as explained in the three-year Strategic Plan. The budget is a results-based budget, designed to achieve the GGGI's fundamental goal and purpose to develop and pioneer a new green growth paradigm by supporting the emergence of a critical mass of successful examples that convincingly demonstrate that green growth is both feasible and desirable. He explained that the budget is intended to support the objective of having 10 to 15 countries, from a diversity of geographies and economic profiles, demonstrate that it is possible to design a core economic development strategy that achieves high growth, employment expansion and strong environmental performance. He continued that all aspects of the GGGI, from Research to Public-Private Cooperation to International Cooperation to Management and Administration, are focused on achieving this goal.

He continued that the budget conforms to the strategy in terms of resource allocation as well. He explained that over two-thirds of the program resources in the budget were designated for GGP&I, with 15 percent designated for Research and a lower amount designated for Public-Private Cooperation since it is still at an earlier stage of development.

The Director-General stated that the criteria for the selection of countries consisted of: strong, high-level political commitment; a requirement that the work be aligned with the GGGI's strengths, and that the GGGI has a preference for comprehensive, whole-of-economy or major economic sectors as the focus of its work; and the scale of potential economic, social and environmental impact. The GGGI also seeks to be a partner to these countries, becoming a neutral, trusted advisor. He stated that the portfolio and work scope conform to this principle.

He continued that this fundamental strategy of the GGGI implies that the country portfolio should be diverse in the following respects: geography; level of income; and typologies of economies. The current GGGI portfolio reflects this principle of the Strategic Plan. He also reminded the Council that should an additional opportunity arise in a country the GGGI is currently operating in that is not a part of the approved annual budget, the Secretariat is required to come back to the Council for approval before moving on such a project.

In regards to Research, the Director-General noted that a number of projects were approved in the Strategic Plan. One such project is Green Growth Tools and Methodology. The Director-General stated that a substantial investment was being made in this year's budget to build both an internal methodology and tools as well as to support the emergence of an open-source platform that engages some of the world's best models in an open process of access. There are also policy initiatives being developed, as well as technology.

In regards to Public-Private Cooperation, the Director-General reminded the Council that this is a two-fold effort: (1) to help countries translate their policy into investment cases and investment pathways; and (2) to shift the policy debate so that there is a better international enabling environment for private sector engagement into green growth.

The Director-General added that internal capacity-building is a key element of the Strategic Plan and the budget. In terms of overall numbers, the Director-General stated that the current proposal projects the budget to come to about 46 or 47 million dollars. He stated that benchmarking had also been done

to ensure that the GGGI is building a structure that is sustainable and consistent with expectations in terms of what is required to have impact on the ground without placing too heavy of a burden administratively.

The Director-General then asked CFO Joya to present an overview of the budget.

CFO Joya explained that as the GGGI is currently in its second year of the Strategic Plan, the current budget proposal keeps in the same style as the FY2012 budget that was approved by the former Board of the Organization but puts a greater focus on results as the main driver of resource allocation. He continued that the budget will be used as a tool for accountability to monitor expenditures against results to be achieved. Further, as GGGI's results will be delivered through its country projects, the budget proposal is designed to be read in conjunction with the included budget background paper (C/2/6), which details the objectives of each country project and the expected outcomes. Lastly, the results-based budget framework will need to be formalized via financial regulations and its execution monitored by key performance indicators and to this end, the FY2013 budget allocated 340 thousand dollars to initiate the ERP process.

CFO Joya explained that exhibit 1 of the first document in C/2/6, the 'GGGI Results-Based Budget 2013,' shows GGGI's corporate budget envelope and its breakdown into the five main areas of business: GGP&I, Research, Public-Private Cooperation (PPC), International Cooperation and Management and Administration on the basis of results to be achieved. He explained that over 80 percent of the resources allocated would be to the three main pillars of GGP&I, Research and PPC. He cited 53 million dollars as the maximum budget envelope, assuming that all projects are implemented, included those currently in the scoping phases.

CFO Joya continued to exhibit 2, which showed a more conservative budget envelope estimate of approximately 47 million dollars and the same project composition and resource allocation, leaving a difference of approximately 6 million dollars between the numbers provided in exhibits 1 and 2. This difference is due to the forecasted probability of project implementation, CFO Joya explained, assuming that the country programs achieve an implementation rate of 85 percent and those in the scoping phases will achieve a level of 60 percent.

CFO Joya explained that exhibit 3 focuses on the GGP&I budget envelope, excluding projects still in the scoping stages. This exhibit also provided two charts, one showing the maximum budget, assuming all projects are delivered, and the other showing the estimate, assuming projects are implemented at a rate of 85 percent, he explained.

Exhibit 4 shows scoping stage projects, CFO Joya explained. He continued that assuming eight projects in total for the year, the left-hand side chart provides the maximum budget, assuming all eight scoping stage projects are delivered, and the right-hand side shows the more conservative budget scenario. However, he said, this figure cannot currently be determined as it is highly dependent on the progress made in these projects, which have a high level of uncertainties.

Exhibit 5 shows the research project envelope, consisting of 13 projects in total and CFO Joya proposed a budget of 7 million dollars.

Exhibit 6 shows the PPC budget envelope, and CFO Joya proposed a budget of 3.3 million dollars to

support the 7 projects in PPC.

In regards to International Cooperation, exhibit 7 shows the budget and the Department's 7 main activities, CFO Joya explained.

He continued that exhibit 8 gives the proposed Management and Administration budget envelope, including 340 thousand dollars for the first phase of ERP, which represents about 6 percent of the budget envelope.

Exhibit 9 is a display of the staffing level evolution from 2012 through 2014, he said. He explained that the Strategic Plan indicates that the staff should number 140 in total by the end of 2013, but the actual projection is to have 138 staff members. CFO Joya indicated that this means the GGGI will look to deliver more with fewer resources and stated that this is a good indication.

CFO Joya continued to exhibit 10, GGGI's outsourcing ratio. He stated that the GGGI would like to shift its dependence on outsourcing to be more internalized by increasing internal capacity.

Exhibit 11 provides a chart that attempts to forecast revenue and new funding for the year, he explained. CFO Joya stated that an estimated 49 million dollars would be received through core funding, representing about 70 percent of new funding, with the remaining 30 percent coming in the form of project funding. CFO Joya explained that if this projection is combined with the estimated 5 to 6 million dollar carry-over from 2012, the proposed budget envelope is 53 million dollars.

CFO Joya moved to exhibit 12, which shows budget allocation in terms of the five main areas of business and major expenditure categories.

Exhibit 13, CFO Joya explained, illustrates the GGGI's commitment to development activities and to this end 33 million dollars will be allocated to GGP&I and, specifically, allocated to developing countries to support their green growth strategies. He continued that this is also important strategically as the GGGI makes its application for ODA eligibility.

Exhibit 14 shows the results-based budget framework, the CFO stated. He explained that the Director-General distributes accountability in delivering results among the executive team, including the CFO. This accountability continues to the director-level. The executive team is responsible for achieving results under the guidance of the Director-General, who is responsible to the Council. CFO Joya continued that the CFO will act as an anchor in this framework to coordinate and monitor the budget process to ensure that accountability remains with each budget holder and to ensure that there is no shift of budget or expenses between different envelopes. Flexibility also needs to be ensured so that budgets can be reprioritized within the same budget envelope, he said.

In terms of next steps, CFO Joya explained that the results-based budget needs to be formalized through financial regulations. He added that key performance indicators (KPI) need to be developed in order to closely monitor and evaluate performance and results. The results-based budget framework should also be rationalized and automated in order to work more efficiently and effectively, he concluded.

Director-General Samans remarked that the presentation thus far had been an outline of how the budget had been constructed to implement the Strategic Plan for FY2013. He continued that in terms of internal capacity building, there will be a net additional increment of about 70 staff members across the different Offices, with the majority, about 40, in the Seoul Headquarters. Of the 40 staff members projected to be in Seoul, a significant number are at the senior level, he said.

In regards to GGP&I, the Director-General continued, about 80 percent of the team is currently based in Seoul and another 23 members are expected to be added this year across the Offices, with the majority being in Seoul. He stated that the staff trajectory for London, while seeing a slight increase this year, is expected to plateau over the next year to 18 months. He added that at that time, the composition of the employees in London will shift to research, as per the decision of the Transitional Sub-Committee.

The Director-General clarified that the capacity building data refers to regular employees only, not short-term or consultant-based hires.

Chair Rasmussen asked the Director-General why only one Deputy-Director General was indicated in exhibit 2, when two Deputy Directors-General were currently being sought.

Director-General Samans clarified that exhibit 2 shows only the GGP&I and Research departments and within this area, there will only be one Deputy-Director General appointed.

Chair Rasmussen opened the floor for comments and questions and recognized Denmark to speak.

Denmark expressed that although the background packet provided a great deal of information, it would still like to see a "real" budget. By this, Denmark clarified that it meant a detailed and transparent budget that allows the Council to engage in strategic discussions moving forward. Denmark elaborated that it would like to see, for example, what the budget allocations are between the Headquarters and satellite Offices in terms of total activities, country programs and scoping and personnel, including short-term personnel.

Denmark continued that while flexibility in the budget is good, the Council needs to know what is actually happening within the budget. For example, what are the expansion plans for the Headquarters and satellite Offices in regards to program responsibility? Here, Denmark pointed out the difference between the management of programs being done at the Seoul Headquarters while the actual implementation may be carried out in one of the satellite offices.

With these concerns, Denmark stated that it cannot approve the presented budget on the background information it currently had and suggested that the Secretariat compose a detailed budget, taking into consideration the comments put forward by the Council.

UAE commented that it needed to know the rationale behind estimating the FY2013 budget based on both the budget envelope and the expected actual expenditures. The UAE asked that since the difference between the two budgets is more than 6 million dollars, why not consider only the actual expenditure?

In regards to staffing, the UAE commented that there will be a significant increase in the number of

staff this year and that this increase in staffing should reflect the geographical diversity and representation of all member states. The UAE continued that it would also like to have more information on the London Office, as the background materials provide information about the other satellite Offices and their budgets.

Korea commented that the budget should be based on the forecasted actual expenditures. Korea continued that as the Secretariat had provided two budgets in its proposal, it was not clear which one of the two budgets the Council was considering for approval.

Korea further commented that it was not certain whether the FY2013 budget actually reflected and implemented previous Council decisions regarding the budget, in terms of capacity building in the Headquarters, comprehensive human resources and recruiting policies and efficient Management and Administration.

Korea continued that in regards to scoping projects, there was a lack of explanation on the reasons and rationale behind why particular regions and countries were selected for scoping projects. Korea felt that the regional distribution in these projects is unbalanced and suggested that the Program Sub-Committee discuss the country selection criteria in its meetings.

Korea commented that the background information provided on the satellite offices currently shows only the budget and expected programs for the London Office but lacks such detailed information for the Seoul Headquarters and other regional Offices and it would like to see this information. Korea would also like more information on how the budget will be distributed among the Headquarters and three regional Offices.

Norway stated that this was the first budget it had seen with so few details on the actual priorities that the Council is to decide upon. Norway continued that a typical budget would show the amount of money available and the amount used, presented in such a way so that the Council, who is not involved on a day-to-day basis, is able to set actual priorities based on the details provided.

Norway further commented that while the Secretariat had provided a good presentation, the budget itself was not transparent. Norway expressed its concern over this lack of transparency, as the GGGI is funded by public tax money. Norway continued that without better knowledge and details, it was not ready to make a decision on this budget and the priorities it sets out. This lack of knowledge, Norway continued, caused it to feel that it did not know what the practical decisions would be and their implications.

Costa Rica called attention to the fact that while the Council was starting to have a sense of how the budget would look, it was insufficient. Costa Rica stated that it would like to have more detailed and transparent information and that the Council is interested in having a say and controlling the priorities followed by the administration.

Costa Rica continued that it agreed with the Director-General's earlier statements regarding the intent behind resources and how they are used, but that it would be interested in adding the theoretical discussion of extractive economies versus non-extractive economies. Costa Rica continued that this was because all of the examples that the GGGI had selected in Latin America are extractive economies living fiscally from the extraction of natural resources. Costa Rica put forth that the discussion may be

richer if other types of examples were presented as well, and that this tied back into the discussion on the country selection process.

Indonesia commented that while this was called a “results-based budget,” it hadn’t seen what the expected result was for the budget in each of the GGGI’s efforts in terms of capacity building and programs.

Australia commented that it may soon be time to hear responses from the Director-General and CFO. Australia stated that while it found the presentation strong on the consistency of the overall budget plan with the Strategic Plan, there was near unanimity amongst the Council members around the need for further detail. However, Australia continued, while further details were required it was also important for speed of progress to be maintained in the GGGI and that the need for detail should not impede the progress of the Institute. Australia further commented that, like Indonesia, it too would like to see a more results-focused budget.

Chair Rasmussen reminded the Council that the budget they were currently discussing was the proposed budget for FY2013 only, and as it was already mid-January and the next Council session would not be held until June, not approving the budget at all would put the organization in a problematic situation. He gave the floor to the Director-General.

Director-General Samans agreed with the Council’s suggestions that more detail be included in the budget. However, he noted that the narrative attached to the budget document provided much more detail on individual projects in GGP&I and Research, while comparatively thin detail was provided for the International Cooperation and Management and Administration portions of the budget. The Director-General asserted that this is a transitional issue in the sense that in other organizations, it is common for sub-committees to delve deeper into issues and provide guidance to the full board or council, and for that full council or board to then give final approval. But in the case of the GGGI, sub-committees still have not been established and so the current document was at a much more summarized level. He also cited other international organizations such as IRENA and IFAD that provide narrative budgets to their Councils for approval.

Director-General Samans continued that this is also a transitional issue in that the teams required to put together the budget and documents were the same teams that were required to compose the regulations and policies also being considered by the Council. Furthermore, he continued, this work was done by a still skeletal team over the holiday period.

He continued that if the budget did not conform with the Strategic Plan, there would be cause for concern at a fundamental level. As this was not the case, he said, it was hoped that there was, at minimum, a fundamental basis of comfort for the Council in regards to the direction of the organization.

Director-General Samans then commented that the rationale behind displaying an actual expenditure versus budget envelope was that the GGGI is still building its core portfolio and therefore, it required more of an R&D approach to the budget. He continued that if a cap were placed on the budget, given the number of uncertainties involved in a project, the GGGI would be locking itself into a lower level of activity than may be desirable. He further elaborated that in order to avoid having a low utilization rate, management needs to have latitude to manage towards a higher utilization rate and the ability to

engage in due diligence and innovation while still coming in under the estimated budget total. The Director-General stated that management is committed to operating at the actual budget level, but needs scope within the budget to be able to engage in due diligence that, in many cases, will result in a decision not to proceed.

He continued that in regards to the budget format, the format was the same as the format used in prior Board meetings of the Organization when approving the budget. While this was not a reason to be content with the current budget format, he stated, this format was not without precedent.

In regards to capacity building, the Director-General commented that the budget remains faithful to the Transitional Sub-Committee's decision to invest heavily and principally in the Seoul Headquarters. He explained that short-term employees, such as consultants, compose a much smaller portion of the overall human resources and therefore would not vary the basic proportions significantly. He further asserted that the true barometer of whether the on-going capacity of the organization is being built is the employees invested in on an on-going basis, not short-term employees.

The Director-General continued that the GGGI can continue to engage in its project work while developing two things: (1) more specific information in the budget; and (2) developing a budget format that the Council finds satisfactory. Further detail can also be added, he said, as the Audit and Finance and Program Sub-Committees are established and begin to work with the Secretariat.

Chair Rasmussen stated that he is in agreement with the comments made by Norway previously regarding clarity and transparency. He continued that he views the Council as budget holder level one.

He stated that the CFO will give a presentation on ERP, which is vital to ensure that the budget is fulfilled in reality. He also cited discussions regarding procurement, human resource policy, delegation of authority and the organizational structure as being interlinked with the budget and stated that this creates a sort of paradox, as these issues have yet to be discussed by the Council.

The Chair continued that some kind of approval was required on the budget, as FY2013 has already begun. He suggested that the proposed budget be approved on an interim basis until the next session of the Council. He continued that he would also suggest that the Council request the Secretariat to present an outline of a detailed and transparent budget for FY2013 and budget outlines for FY2014 and FY2015 to the Facilitative Sub-Committee¹ at its meeting at the end of the month. He requested that budget outlines for FY2014 and FY2015 be included in order to show how the potential savings to come from the difference in projected and actual expenditures would be dealt with and accounted for.

Chair Rasmussen suggested that the Secretariat be requested to submit to the Facilitative Sub-Committee, by mid-March, a detailed budget for 2013 and that the document be shared with the full Council. Following comments from the Council, he said, a revised FY2013 budget would be submitted by 1 May to the Council for final approval either via written procedure or at the next session. He emphasized the importance of the Council having ownership of the budget and its role as budget holder level one.

He continued that the Council should request the Secretariat to develop a budget format for FY2014 in

¹ The Transitional Sub-Committee held a meeting on 1 February 2013, not the Facilitative Sub-Committee.

cooperation with the Audit and Finance Sub-Committee, including deadlines for the annual budget process, to be presented to the Council for consideration at its next meeting. He also felt that it was important to establish a procedure which enables the Council to provide its input to the budget and approve the budget for the coming year in the fourth quarter of the current year.

The Chair stated that he agreed with the Director-General that the background papers regarding the programs were quite detailed and that compared to the previous year's budget documents, these were very improved.

Kim Sang-hyup commented that he believes the GGGI will be one of the most important organizations in the 21st century, but in order to realize this belief, the Secretariat and Council should have a shared vision and sense in regards to the strategic direction of the Institute. He continued that it seems there is an information and perception gap between the Secretariat and the Council and that the Council does not have sufficient information and a sufficient sense of the GGGI's direction. He stated that it appears that the Secretariat does not pay enough attention to the concerns and worries of the Council and that it worries him that similar situations are happening repeatedly. He continued that a proper mechanism must be found to strengthen the links and understanding between the Council and Secretariat, because if such unnecessary misunderstandings and misperceptions are not resolved, the GGGI's direction will lose meaning.

Chair Rasmussen called for a break.

[Break]

Chair Rasmussen called the meeting to order and presented his proposal on the FY2013 budget decision, based on the discussions held prior to the break. He asked for any comments from the Council.

Norway stated that it supported the proposal from the Chair. Norway continued that it hoped that in the years to come, the Sub-Committees would be able to do much of the detailed work and the Council would be able to concentrate on the overarching lines of the organization.

Korea commented that the Chair's proposal was balanced and that it was supported by Korea. Korea also requested that the Secretariat provide the Council with concrete information about the entire budget, and in particular, the project budget.

Denmark found the Chair's proposal acceptable because it provides a process by which the Council will be presented with a budget which reflects the requirements of each member's home government. Denmark expressed its expectation that the final budget presented by the Secretariat will reflect the views of the Council.

Chair Rasmussen stated that before taking a final decision, the CFO would present the ERP proposal because it would be a part of the interim budget, should it be approved by the Council. He added that the discussion would continue after lunch and thanked the UAE for arranging a lunch for the Council.

UAE thanked the Chair and explained where the lunch would be held.

[Lunch]

Chair Rasmussen reopened the meeting and asked the CFO to present on the proposal for ERP implementation before the Council reached a conclusion regarding the FY2013 budget.

CFO Joya began by explaining that ERP has overarching implications on how GGGI will conduct its work going forward. He continued that this means conducting work through rules, regulations, and policies and the rationalization and automation of business processes so that work and information flow is more efficient and effective.

CFO Joya asked the Council to recall that in the Inaugural meetings of the Council, it had approved 30 thousand dollars to scope the current status of GGGI's business process. A consulting company had been hired to conduct this scoping project in December 2012, revealing three observations, the CFO explained.

CFO Joya explained that one observation was that currently, there are no common policies and procedures for items that affect the organization at all levels, such as budget, finance, procurement, human resources and travel. A second observation was that work flow is not consistent throughout the organization, and the third observation was that GGGI's IT infrastructure is not secure or reliable enough to integrate and automate its business process, CFO said. He provided the process of receiving and processing disbursement requests as an example of a process that is inefficient and difficult to process.

The CFO stated that while ERP is very important, in many cases, many ERP projects are failures. Therefore, he explained, it is important that the key success factors to implementing ERP are identified. The CFO identified key elements to be: (1) strong commitment from the Council, Director-General and senior management; (2) a well-documented and well-planned ERP implementation roadmap; (3) a well-developed documentation process for policies and procedures; (4) a clearly defined IT organization and infrastructure; and (5) key talent needs to be mobilized to drive the project.

The CFO then provided an ERP implementation roadmap to the Council. He stated that "sequence" is a key success element and comes through policies and procedures, and therefore different key policies and procedures need to be developed. He continued that based on the documentation of and development of policies and procedures, the next step is ERP implementation, meaning that GGGI's work should become more efficient through further rationalization and automation of business processes.

The CFO continued that the GGGI is currently beginning to build the platform for ERP implementation and is focused on the development and documentation of policies and procedures.

In addition, the CFO continued, the proposed budget to implement the two phases of ERP is approximately 340 thousand dollars. He added that following the successful outcome of the first phase, the Secretariat would return to the Council with a proposal for additional budget to provide for the second phase.

The CFO then described some of the expected benefits of the ERP process, such as increased

productivity as a result of common policies and procedures, improved information sharing and data integrity, greater organizational integration, more transparent and effective financial management, more robust decision-making procedures and an improvement in risk management capability.

CFO Joya explained that the main areas in which policies and procedures need to be developed and documented are finance, procurement, human resources, budget, travel and delegation of authority. He further elaborated that as travel accounts for approximately 80 percent of the total budget, addressing travel policies and procedures is key to supporting in-country operations and this is expected to be covered through financial regulations.

Chair Rasmussen thanked the CFO for his presentation and commented that the CFO and his staff have a heavy workload in front of them because so many aspects of the organization are involved in implementing the ERP system. He asked whether the GGGI would be creating a tailor-made ERP system or a mix of various off-the-shelf systems. He continued that there is a tendency that, if one is not focused, IT system development can become very costly. The Chair also clarified that the budget, if adopted in interim form, would allocate resources for the first step of the ERP process.

CFO Joya explained that the GGGI would purchase an off-the-shelf system in order to keep customization to a minimum, because the ERP system would need to be updated every two to three years and less customization allows for easier updates and is therefore more practical. He added that the system would be tailored to GGGI policies and procedures but kept to a minimum.

Chair Rasmussen asked for any comments or questions and hearing none, proceeded to the decision on the FY2013 budget. The Chair stated that the earlier discussion held regarding what the baseline for the budget is, the budget envelope or the estimated expenditure, is precisely why this budget needs to be developed in greater detail and these questions should be answered in a more precise way as the next session of the Council approaches. The Council decided to adopt the proposed FY2013 budget with the revised provisions, C/2/DC/3, by consensus.

VII. REGULATIONS

Chair Rasmussen then moved to the Decision on Human Resources Staff Regulations, C/2/DC/4. He explained that while there will be further discussions on additional regulations at a later time, today the Council would be deciding upon the Human Resources Staff Regulations, procurement, delegation of authority and the Disclosure Policy. He invited the Director-General to speak on the Human Resources Staff Regulations.

Director-General Samans referred the Council to the Human Resources Staff Regulations, C/2/7, explaining that they had been benchmarked against other international organizations and with outside assistance and expert advice. He invited Kristen Son, Senior Program Manager of the Human Resources Department, to speak on the Human Resources Staff Regulations.

Kristen Son explained that the Human Resources Staff Regulations outline the basic principles of Human Resources policy and extensive benchmarking against other international organizations, such as IRENA, had been conducted. She clarified that should the Council approve the current Human Resources Staff Regulations, the Director-General would create more detailed and comprehensive staff

rules to be submitted to the Council at a later date.

She continued that the Council would have the opportunity to amend the rules. She added that salary levels, categories and grades had all been discussed and approved at the last Transitional Sub-Committee meeting and the Staff Regulations reflect this.

Chair Rasmussen asked for any questions or comments from the floor.

Denmark asked whether and to what extent the Staff Regulations had been discussed with the GGGI staff because it should be a comprehensive process involving various staff groups so that all points of view are taken into consideration.

Denmark continued that on regulation 4.3 regarding tax reimbursements, this was a topic that still required square brackets as a placeholder since this issue had not been settled yet. In regards to regulation 5.3, Denmark reemphasized the issue of gender balance and stated that adjustments would need to be made to ensure the GGGI has a proactive policy for ensuring gender balance.

Denmark added that in terms of the bonus system, it was Denmark's understanding that all members of the executive would be part of a simple bonus system developed based on a draft from the Secretariat. This also means, Denmark continued, that the salary system and bonuses should be approved by the Council as well.

Denmark asked how the performance of personnel would be evaluated.

Korea asked whether the IRENA regulations that had been benchmarked were the regulations for the IRENA Preparatory Commission or if they had been benchmarked against IRENA's current policies.

Korea expressed its concern over the principle of checks and balances in the top management, stating that it feels too much authority is given to the Director-General and too little to the Deputy Directors-General.

Kristen Son responded that in regards to internal communication on staff regulations, several meetings had been held with senior management and the Management Committee. She clarified that the issue of tax reimbursement still had not been resolved and it was on the agenda for the upcoming Transitional Sub-Committee meeting. The bonus system, she stated, was approved by the Transitional Sub-Committee and was up to 10 percent, based upon the performance evaluation.

She continued that IRENA's current regulations had been benchmarked, as well as IRENA's staff rules and policy manuals. She added that in regards to delegation of authority, she felt that authority should be delegated to the Deputy Directors-General with some flexibility.

Denmark remarked that staff regulations are an issue that should be discussed with all staff, not only top management, and urged the Secretariat to have formal and substantive discussions with the staff regarding these regulations. Denmark continued that this does not mean that the general staff should make all decisions, but that the staff's input should be reflected.

Denmark continued that as it is presented now, the Council determines the bonus for the Director-

General and the Director-General determines the bonuses for the deputies. However, Denmark stated, it was Denmark's understanding that the Council should decide on the bonuses for all top management based on a proposed system from the Director-General.

Director-General Samans stated that a fuller staff discussion regarding the regulations would be held and that it was the custom, and perhaps even the rule in the Seoul Headquarters, that the staff sign that they have been consulted and have been a part of the discussions as the GGGI transitions from the previous system to the new system.

In terms of the performance evaluation system, the Director-General continued, a method for administering performance evaluations throughout the organization would need to be devised and the evaluations for the latter half of 2012 were currently underway internally.

The Director-General stressed that the Council was now considering a set of overarching regulations that apply to the GGGI as an international organization. He continued that he agreed that the responsibility for primary performance evaluation be cascaded down to direct supervisors, but that evaluations across an organization need to be calibrated to contend for differences in approach and behavior among departments. He continued that if evaluations are not calibrated, there will be inequities across the organization. Thus, he argued that the principle is to strike a balance between cascading responsibility down to direct supervisors while ensuring that the Management Committee looks at evaluations across the board to ensure they are roughly in line with one another.

In regards to the bonus system for top management, the Director-General clarified that the Secretariat should provide a framework for suggestions as to how bonuses are calculated and agreed that this should be a policy that is taken either by the Council or the Facilitative Sub-Committee.

Director-General Samans continued that he felt the performance evaluations of the Deputy Directors-General were the responsibility of the Director-General because they are direct reports. However, he continued, the bonus evaluation system is a policy and clearly should come from the Council. The Director-General explained that he views the Director-General as being responsible for the staff in the organization, while the Council judges the Director-General's performance and conducts the Director-General's evaluation. He concluded that a specific framework regarding this issue should be developed for the Council's consideration.

Denmark commented that its understanding had been slightly different from that of the Director-General's, because what is important is that the Council looks at the performance of the Director-General and the rest of the top management team. Denmark continued that it should be up to the Director-General to provide his assessment of the team to the Council, but that the decision itself should be taken by the Council.

Korea clarified that its earlier comment regarding which IRENA staff regulations had been benchmarked was to point out that one set of regulations were from the early stages of IRENA while another set was after IRENA had launched as an international organization. Korea suggested that if GGGI wanted to benchmark IRENA, it should be benchmarking its regulations as an international organization.

Director-General Samans stated that the benchmarking was conducted on IRENA as a functioning

inter-governmental organization after its launch.

Australia pointed out that the definition of “staff” in the Staff Regulations was different from the definition of “staff” in the Headquarters Agreement and asked for clarification.

Chair Rasmussen asked the Director-General to provide a response to this and comments on the square brackets in the text regarding tax reimbursement.

Director-General Samans stated that Australia had surprised him with the question and that this difference in definitions would need to be looked into, and then a response would be given to Australia.

Australia agreed with this and elaborated that the Staff Regulations seem to cover all staff, while the Headquarters Agreement included specific text regarding non-local staff and staff paid an hourly rate.

Director-General Samans responded that the Headquarters Agreement is largely concerned with the staff located in the Republic of Korea, whereas the Staff Regulations are organization-wide and so therefore, there are some areas in which the scope of the Staff Regulations is broader than that of the Headquarters Agreement.

The Director-General continued that there had been discussion in the Transitional Sub-Committee regarding tax reimbursement and that it had been decided not to address that issue in today’s meeting and to instead address it at the upcoming Transitional Sub-Committee meeting. So, this was an item that was not proposed to be finalized at the moment, he said.

Chair Rasmussen stated that it was clear that a final approval of the Human Resources Staff Regulations would not be possible, considering the unresolved bracketed text. Thus, he said, the question is whether the Council can adopt these Staff Regulations in general.

Director-General Samans commented that he is comfortable with the suggestion that he develop the ratings for the deputies but that he consult with the Facilitative Sub-Committee, which is responsible for human resources issues, before finalization. He added that he felt he should shape and justify his recommendations and ratings for top management.

Denmark responded that the proposal was satisfactory. Denmark reiterated that it should be possible to take active, positive steps towards establishing gender equality and to involve the staff in the process.

Australia supported Denmark’s suggestion to amend section 5.3 to include concrete language concerning the desire to achieve gender balance.

Kim Sang-hyup commented that to his knowledge, female staff far outnumbered the number of male staff at the working-level, and so the gender balance issue may need to be addressed in the opposite direction.

Chair Rasmussen stated that gender balance presents a complicated challenge and balance should be struck not by looking at the entire staff but at the different levels of the organization.

Kim Sang-hyup clarified that he was trying to say that in five or ten years, the issue of gender balance will work itself out as female staff are promoted. He stated that he agreed that gender balance should be sought but that in reality, as a member of the Selection Committee for the current search for top management, it had been difficult to identify female candidates for the positions.

Chair Rasmussen stated that the issue of gender balance did not need to be finalized today but that it is a challenge that should be dealt with. The Chair continued that the question about where approval authority lies in the bonus system raises a more general issue as to the principle behind the delegation of human resources. He stated that this discussion should be continued in the Facilitative Sub-Committee and that he personally felt that two levels of management should be involved in all major Human Resources decisions. He continued that he agreed that it is the responsibility of the Director-General to assess and develop the bonus system and that this policy should be approved by the Facilitative Sub-Committee. He added that it should be a general principle that the "next level" is involved in all major decisions regarding Human Resources.

The Chair recommended that the Council approve the Human Resources Staff Regulations for final approval by the Transitional Sub-Committee at its next meeting. He continued that the Transitional Sub-Committee should take a decision that is in line with the discussion held today and should narrow the questions regarding the remaining bracketed text, gender balance and engaging two levels of management in all major Human Resources decisions.

Director-General Samans emphasized that the Council was currently considering general regulations and that a set of rules for the more detailed aspects of Human Resources will be developed. He continued that in the rules is where the evaluation process could be considered and that this could be discussed in the Transitional Sub-Committee. He added that it is difficult, in a regulation document, to delve into the nature of how such a two-level process would be implemented.

Chair Rasmussen stated that his proposal was to include a general principle that the Secretariat would need to take into account when implementing the Staff Regulations. He continued that the proposal for the decision would be to endorse the Staff Regulations and to authorize the Transitional Sub-Committee to make the final approval. The Chair concluded that rather than take the time to draft a revised decision now, he would move on to the next item on the agenda and return to the final decision afterwards.

Australia asked whether additional information would be required for the Transitional Sub-Committee to make an informed decision regarding the resolution of tax reimbursements and mechanisms.

Chair Rasmussen assured the Council that this was not an issue.

Norway commented that as the discussion had covered several issues and that not all of them would be reflected in the decision at the moment, it is important that the Council be made aware of, in writing, what is decided by the Transitional Sub-Committee.

Chair Rasmussen agreed with Norway's comment and confirmed that the Transitional Sub-Committee would be reporting back to the Council. He continued that many of the policies being discussed were first-generation and so moving forward, these issues should be discussed again on a regular basis, whether that discussion is through Council meetings or another venue. He added that the

Council should seek to create a situation where it can discuss green growth politics and leave many of the decisions it was currently engaged in to the Sub-Committees. And, he continued, these Sub-Committees should continuously report to the Council on their activities to ensure transparency and accountability.

The Chair asked the staff to prepare a proposed decision reflecting the discussion. He then moved to the discussion on the Procurement Rules.

The Chair informed the Council that the proposed procurement policy had been developed in the past few weeks following a meeting of the Transitional Sub-Committee, and as such he expected that the Council would have questions and comments. He gave the floor to the CFO to speak.

CFO Joya thanked the Chair and explained that the content of his procurement rules presentation was designed to reflect the Council's discussion on the subject during its first session. He then proceeded to provide an overview of the proposed Procurement Rules, C/2/8.

CFO Joya explained that the Procurement Rules are designed to be high level rules outlining the general framework or guidelines from which more detailed policies and procedures regarding procurement would be drawn up. The Director-General is the final approver of all procurement activities, but would also delegate some of his authorities to lower level management staff according to the rules on the Delegation of Authority, which was also being prepared.

The CFO explained that the Procurement Rules cover various kinds of goods and services, including real property, and would apply to all GGGI activities in Headquarters, regional Offices, in-country work, etc. Certain aspects, however, are not covered, including, for example, staff contracts and Memorandums of Understanding, unless financial liability is involved. If procurement requirements were to arise under co-finance projects, the partner's procurement rules can be utilized provided they are consistent with the GGGI's own rules, he continued. Otherwise, GGGI rules apply.

CFO Joya outlined seven principles guiding GGGI's Procurement Rules: (1) ethics; (2) accountability; (3) competitiveness; (4) fairness; (5) transparency; (6) efficiency/effectiveness; and (7) value for money. The Director-General, as final approver, is supported by three committees: (1) Contract Review Committee; (2) Technical Evaluation Committee; and (3) Financial Evaluation Committee.

He explained that the Contract Review Committee exercises oversight of the procurement process and provides recommendations to the Director-General. It would be chaired by the CFO who is joined by two other permanent members appointed by the Director-General. CFO Joya stated that the Technical Evaluation Committee's role is to assess technical value. The key players are the end users, namely the incoming Deputy Directors-General and the Assistant Director-General, he said. The Financial Evaluation Committee would assess the financial, i.e. cost, aspects of procurement activities. It would be chaired by a soon-to-be-hired Procurement Officer who is joined by other independent members. He continued that the Procurement Officer's responsibilities would include selecting the procurement methodology, preparing tender documents and reporting to the Contract Review Committee.

CFO Joya further explained several elements that should govern procurement activity, including: (1) segregation of duties between the three Committees; (2) preventing any conflicts of interest from arising; (3) selection of procurement methodology; (4) preventing manipulation of the rules to

circumvent thresholds; and (5) minimizing bureaucracy by exercising flexibility.

He then gave an explanation of the different procurement methodologies, including which would apply according to three "categories." He explained that there are three main categories. The first is high value – greater than 150 thousand dollars in the case of goods and greater than 75 thousand dollars in the case of services. An open, competitive process would need to take place when there are numerous potential suppliers, whereas if there are a limited number of suppliers, a limited competitive bidding process can be utilized. CFO continued that the second category is lower value – up to 150 thousand dollars in the case of goods and up to 75 thousand dollars in the case of services. A request for quotations can be the appropriate methodology here. He added that for lowest value – up to 5 thousand dollars – the appropriate methodology to use would be minor purchases.

CFO Joya stated that the most important distinction between the newly proposed Procurement Rules and the existing rules is that whereas the latter allows for direct contracting for goods and services under a certain threshold value, under the new rules, all procurement activities would go through a procurement process regardless of value. However, he said, direct contracting would exist as a third category under the new rules, the distinction being that there are no applicable thresholds. He continued that direct contracting would only be possible in exceptional circumstances as defined separately in the proposed rules and conditioned by three requirements: first, sufficiently detailed justifications exist; second, the Contract Review Committee recommends the use of direct contracting; and third, the Director-General approves.

CFO Joya concluded that the newly proposed Procurement Rules were much stricter than the GGGI's existing rules, as well as those rules that exist in other organizations.

Chair Rasmussen thanked CFO Joya for his presentation and turned to the Council for questions.

Norway thanked the CFO for his presentation and underlined the importance of sound Procurement Rules. While expressing satisfaction with the CFO's presentation, given the importance of these rules and given the fact that Norway had not had the opportunity to comprehensively review the rules, Norway proposed that the Council adopt the Procurement Rules on an interim basis, which would then be reconsidered by the Council in its third session in June for final approval.

Chair Rasmussen recognized the improvements made in the proposed new Procurement Rules but also recognized the need to give the Council more time to decide on an issue of such importance, referencing the Korean BAI audit on GGGI in which the existing Procurement Rules were a point of criticism. He stated that he would be comfortable adopting the proposed rules on an interim basis, which would then be revisited in June.

Australia offered compliments to the Secretariat for preparing a well-structured set of Procurement Rules. Australia continued by stating that while it agreed with the Rules in general, for Australia, value for money would stand as the overriding principle guiding the Procurement Rules. Furthermore, Australia commented that RFQs cannot be designed with the objective of ensuring economic benefits to the host country, but rather they should aim for value for money. Australia further stated their disagreement with Item G, under which direct contracting might be appropriate. Australia continued that it would be difficult to imagine a scenario in which the Council would be comfortable with a partner government or organization specifying a supplier for direct contract.

Denmark echoed Norway's statements about the importance of procurement rules and emphasized that the Council will need to make sure that it has done everything possible to ensure that the proposed new Procurement Rules meet a higher standard.

Denmark further provided its endorsement of the Chair's proposal for interim approval and proposed that the GGGI could ask UNAPS, which, in a letter to Director-General Samans, offered its assistance with regards to procurement rules, to conduct a benchmark study on the rules.

Indonesia seconded Australia's statement on value for money and stated that while integrity is identified as a principle in the detailed explanation, it is not mentioned as one of the seven principles outlined in CFO Joya's presentation. Indonesia stated that the lack of consistency should be addressed.

Indonesia further commented that while focusing on value for money and accountability, flexibility is important, whereby the GGGI could utilize a partner country's procurement rules without compromising its own principles.

Korea stated its support for the Chair's proposal on taking a step-by-step approach to finalizing the Procurement Rules and further stated that better regulations on procurement were required, stating that "more than 50% of the GGGI's budget is [spent] on outsourcing."

Korea asked the CFO for clarification on the discrepancy between the proposed composition of the Contract Review Committee during his presentation at the Informal Gathering of the Council in Doha, Qatar, in December 2012 and during his presentation at this meeting. Korea also identified the need for checks and balances and questioned whether this principle is respected under the proposed Rules, wherein the Director-General has authority for final approval on all procurement activities.

Korea continued by asking the Secretariat for an explanation on the threshold of 150 thousand dollars for goods and 75 thousand dollars for services, inquiring as to why the Secretariat had not chosen to reduce these thresholds, which it had committed to doing during the Informal Gathering.

Norway commented that Denmark's proposition to benchmark procurement rules would be beneficial. Norway continued by saying that as "the biggest donor," it wants to see transparency in the GGGI's execution of taxpayer funds.

While the current rules might be good enough, Norway stressed that it is important that the GGGI be measured by the highest standards of transparency and fairness possible and that it would be important for Norwegian audit authorities to see that money allocated to GGGI is spent well.

UAE commended the Secretariat for its hard work and stated that the proposed Procurement Rules provided a good basis upon which further improvements can be made. In specific, UAE commented that if single-source procurement is undertaken, the Secretariat should provide a clearer picture of the criteria for such action.

Chair Rasmussen asked the Secretariat to provide an answer to the questions and comments raised, and asked the Secretariat to verify if indeed UNAPS had offered to do a benchmark study.

Director-General Samans stated that UNAPS had offered to become GGGI's contractor to handle procurement and asked if this was what Denmark was referring to. He further stated that while UNAPS was an expert in the area, the UN system of procurement was not necessarily the most desirable one for the GGGI. He concurred that benchmarking would be useful, but asked for more time to evaluate which organization would do the benchmarking.

Denmark clarified that it was in possession of a letter addressed to Director-General Samans from the Executive Director of UNAPS in which the latter was offering the GGGI assistance in a number of areas, including capacity development. Denmark stressed that it would be important to conduct a benchmark and that it be done by an independent agency, while also underlining the belief that the UN's standards were of sufficiently high level.

UAE commented that drawing from its own experiences, it does not see UNAPS as the right entity to conduct procurement for the GGGI. UAE further stated a RFP should be issued to identify the best candidate to conduct the benchmark.

Chair Rasmussen clarified that the issue at hand was not about selecting an external entity to conduct procurement for the GGGI, but rather identifying the right entity that would conduct the benchmark study for the GGGI. The Chair proposed that the Council adopt the proposed Procurement Rules on an interim basis for immediate effect, following which the final approval would be taken in June. Keeping this in mind, the Transitional Sub-Committee, during its meeting on 1 February, would take up the issue of identifying the right candidate for a benchmark study.

Chair Rasmussen stated his agreement with the Australian comment that value for money be listed as the first principle guiding the GGGI's procurement rules. He asked the Council for any further comments before moving on.

Korea stated its wish to hear an answer from the Secretariat on its two questions.

CFO Joya thanked the members for their comments and added that in drawing up the new Procurement Rules, UNAPS and other UN organizations such as IFAD had been benchmarked. He further added that while UNAPS's procurement heavily focused on goods, GGGI's would tilt more towards services due to the nature of its work. He assured the members that value for money, in addition to the other identified principles, would not be compromised under the proposed rules.

Moving to specific questions, CFO Joya stated that because the incoming Deputy Directors-General will likely be most active in procuring goods and services, the decision was made to not have them as part of the Contract Review Committee due to possible conflict of interest. Based on this decision, it was further decided that the incoming Deputy Director-General would sit on the Technical Evaluation Committee instead.

He continues that while the Contract Review Committee would be chaired by the CFO, the Director-General could appoint at least two other permanent members, which could include staff from the Legal team. He added that the Internal Auditor was also removed from serving in any committees because doing so would likely prevent him/her from assessing or evaluating the GGGI's activities from a neutral perspective.

With regards to thresholds, CFO explained that there exist different thresholds for different procurement methodologies, and in reality, all procurement activities, regardless of value, would need to go through the procurement process. CFO Joya highlighted this as the key difference between the new and existing rules and also underlined the fact that different thresholds exist for different levels of procurement so that these rules do not hamper day-to-day business.

While recognizing the possibility of using a partner's national procurement system, as Indonesia suggested, the primary objective would be to create value for money, not to benefit any country. CFO Joya concluded by stating that the Procurement Rules would be continually evolving and thanked the members for their support towards adopting these rules on an interim basis.

Chair Rasmussen thanked CFO Joya for his clarifications and asked the Secretariat to prepare an amended decision document. He clarified that the Council would be postponing the final decision on the Procurement Rules until June, and bearing in mind the time, the Chair proposed that the Council move forward to the next agenda item at hand, Delegation of Authority.

With no members of the Council asking for a presentation from the Secretariat on Delegation of Authority, the Council decided to approve the Decision on Delegation of Authority, C/2/DC/6, by consensus. The Chair moved on to the Disclosure Policy, C/2/9.

Denmark stated that no presentation on Disclosure Policy would be needed but commented that (1) the decision not to disclose should be undertaken by the top management instead of the Secretariat; and (2) 45 days for a preliminary response to a request was too long.

Chair Rasmussen, hearing no objections to changing "Secretariat" to "top management," proposed this change and asked the Council what an appropriate time for response would be.

Denmark commented that while in Denmark 10 calendar days is the norm for a preliminary response, 15 calendar days in the case of GGGI could be an appropriate number.

Chair Rasmussen acknowledged Denmark's comment and inquired the Director-General's opinion as to whether this would be executable.

Director-General Samans stated that the Secretariat would accommodate the proposal of 15 days provided that the Council could revisit this number should it become necessary to do so.

Chair Rasmussen reconfirmed the Council's proposal on the wording of the Disclosure Policy with "Secretariat" changed to "top management" and "45 days" to "15 days." With these changes, the Council approved the Decision on the Disclosure Policy, C/2/DC/7, by consensus.

The Chair proposed that the Council skip to the agenda item on the Sub-Committees of the Council to discuss the terms of reference, scope and proposed candidates before moving to a break, following which a final decision would be made.

VIII. SUB-COMMITTEES OF THE COUNCIL²

Chair Rasmussen stated his belief that the three proposed Sub-Committees of the Council were necessary and that they were already discussed during the Council's earlier deliberations on the budget. He stated that in terms of the composition of the Sub-Committees, a balance should be struck between contributing and participating members of the Council in each Sub-Committee. In line with this, he proposed that a contributing member chair the Audit and Finance Sub-Committee and that a participating member chair the Program Sub-Committee.

Chair Rasmussen further added that having consulted with members, he proposed that Costa Rica chair the Program Sub-Committee and that Denmark chair the Audit and Finance Sub-Committee. He explained that while the latter decision on Denmark was not his original intention due in part to the fact that the Chair himself is a Dane, there was a lack of willing candidates.

With regards to the Facilitative Sub-Committee, the Chair proposed that the current Transitional Sub-Committee members take on this responsibility for the next year. He explained that the GGGI was still in a transitional phase and the most efficient way to take the Institute forward would be for the Transitional Sub-Committee to take the reins of the Facilitative Sub-Committee. He also revealed Australia's wish to step down from the Transitional Sub-Committee. Therefore, the Facilitative Sub-Committee would exclude Australia, for a total six members (Chair Rasmussen, Denmark, Indonesia, Korea, Kim Sang-hyup and Director-General Samans), which is more in line with the original proposal from the Secretariat of five as the maximum number of members for each Sub-Committee.

Chair Rasmussen also proposed that he would serve as the Chair of the Facilitative Sub-Committee and that Kim Sang-hyup would continue to serve as a member. He also identified Lord Stern as an excellent candidate for the Program Sub-Committee. He asked the rest of the members for their comments on the above proposals.

Norway underlined its strong support of the Chair's proposals. Norway further added that while they were honored to have been approached by the Chair to serve as the chair of the Audit and Finance Sub-Committee, unfortunately they did not have the capacity to perform such a task.

Norway also stated its strong support for the proposal that Costa Rica chair the Program Sub-Committee. Norway outlined its interest in serving on the Program Sub-Committee as member.

Denmark thanked Norway for its comments.

Costa Rica stated that it would be honored to serve as the chair of the Program Sub-Committee.

Korea outlined its expectation that the three Sub-Committees would actively participate in dealing with the direction and activities of the GGGI as well as serve as a standing or regular consultation mechanism between the Secretariat and the Council.

Australia explained that while Ambassador Howard Bamsey had asked to step down from the Facilitative Sub-Committee, he was very enthusiastic about serving on the Program Sub-Committee

² The discussion did not follow the sequencing of items on the Agenda, C/2/AG/1.

with Norway and under the chairmanship of Costa Rica.

Qatar, having taken the floor for the first time, offered its greetings to the rest of the Council members. Qatar continued by outlining its keen interest to serve on the Program Sub-Committee and supported Costa Rica's chairmanship of the said Sub-Committee.

Indonesia offered its support to Chair Rasmussen's proposals and underlined the need for balance between participating and contributing members. Indonesia stated their intention to serve on the Program Sub-Committee.

UAE stated its intention to serve on the Audit and Finance Sub-Committee.

Denmark stated that while there was no original intention on its part to chair the Audit and Finance Sub-Committee, it was ready to do so, given the Council's wish.

Korea reminded the Council that it too wanted to serve on the Audit and Finance Sub-Committee as the biggest donor and host country.

Chair Rasmussen thanked the members for their comments and called for a short, ten minute break before continuing the discussions.

[Break]

Chair Rasmussen reconvened the Council and thanked the members for their patience and cooperation. Before continuing the discussion on the Sub-Committees, the Chair proposed that the Council approve the revised decision documents on Human Resources, Procurement Rules and the Disclosure Policy.

Director-General Samans stated that he fully endorsed the current framework, under which the Secretariat would be allowed to move forward on these issues on an interim basis pending a final decision in the near future, particularly as the GGGI is currently in an important transition phase, including in regards to Human Resources.

Chair Rasmussen thanked Director-General Samans for the clarification and proposed that the Council move on to the Procurement Rules. The Chair proposed that the Council adopt the revised decision document, reading "to approve the Rules to enter into effect on January 18 and until the next Council session, at which time the Secretariat shall provide final Procurement Rules that are revised to incorporate recommendations from the Council and reflect benchmarking of relevant best practices; and to authorize the Secretariat to develop guidelines or a handbook for the Rules consistent with the revised Procurement Rules, as described above."

Denmark stated it was happy with the revision but proposed an amendment as follows: "and reflect independent benchmarking." The Procurement Rules document was amended as such and the Council adopted, by consensus, the Decision on the Procurement Rules, C/2/DC/5.

Chair Rasmussen returned to the discussion on Sub-Committees and proposed that, at least in regards to the Program and Facilitative Sub-Committees, the limit on members should be increased from five

to six.

He continued by clarifying the difference in scope and role between the Program and Facilitative Sub-Committees. A distinction between results, monitoring and evaluation and strategy would be made, and it would be the responsibility of the Program Sub-Committee to advise the Council on decisions pertaining to the results, monitoring and evaluation framework as presented under Article 8, section 5 (b) of the Establishment Agreement as well as decisions pertaining to Article 8, section 5 (c) and (f) of the Establishment Agreement. On the other hand, the Facilitative Sub-Committee would advise the Council on decisions relating to strategy, also presented under the Article 8, section 5 (b), he explained.

The Chair asked if there were any further comments or proposals on the Terms of Reference of the Sub-Committees.

Hearing none, the Council moved on to the composition of the Sub-Committees. Chair Rasmussen proposed that the Audit and Finance Sub-Committee be chaired by Denmark, with Kiribati – subject to Kiribati's acceptance – Korea, Mexico and UAE joining as members for a total of five members. The Program Sub-Committee would be chaired by Costa Rica with Australia, Indonesia, Norway, Qatar and Lord Stern – subject to his acceptance – as members, for a total of up to six members. The Facilitative Sub-Committee would be chaired by Chair Rasmussen himself, with Denmark, Indonesia, Korea, Kim Sang-hyup and Director-General Samans joining as members, for a total of six members.

Norway thanked the Chair and offered its support for the proposal.

Indonesia, having realized that the Chair's proposal contains its name on both the Facilitative and Program Sub-Committees, stated its preference to be a member of only the Program Sub-Committee, if possible.

Qatar, recalling Chair Rasmussen's proposal that the Transitional Sub-Committee would take over the Facilitative Sub-Committee's role for only one year, inquired as to whether the Terms of Reference reflected this.

Chair Rasmussen acknowledged Qatar's statement and requested that the language in the Terms of Reference for the Facilitative Sub-Committee be changed to reflect a term of one year instead of two. The other Sub-Committees' terms would remain as two years.

Denmark offered its support to the Chair's proposal but reminded the Council that there were some members of the Council, including Denmark, which have only a one-year term on the Council, but are being asked to serve on Sub-Committees for a two-year term.

Chair Rasmussen stated that the easiest way to solve the issue raised by Denmark was to amend each Terms of Reference for the three Sub-Committees so that each consists of a term of one year. This would not preclude the possibility of members serving on Sub-Committees for more than one year, but it would allow the Council to come back to composition of the Sub-Committees each year for discussion.

Chair Rasmussen continued by stating that he was pleased to see numerous members wishing to be

part of the Program Sub-Committee, as it reminds the Council that the core business of the GGGI is Green Growth Planning and Implementation. He further stated that it would be beneficial for the Council as a whole, not just in the Program Sub-Committee, to discuss the program aspects of the GGGI as was done during the Informal Gathering in Doha.

Kim Sang-hyup thanked the Chair for his proposal and stated that more communication and interaction were necessary between the Council and the Secretariat, and in his capacity as a member of the Facilitative Sub-Committee, he would do his best to play such a bridging role.

Chair Rasmussen thanked Kim Sang-hyup for his comments.

Director-General Samans commented that the creation of the three Sub-Committees was a major step forward in terms of governance. The Secretariat, including the Director-General himself, was eager to engage in work with the three Sub-Committees, which they had attempted to create for some time.

He continued by stating that a certain mode of operation and engagement would need to be developed in each case, because while the Sub-Committees are asked to look into deeper issues and details on behalf of the Council, it is also true that the individual members that compose the Sub-Committees cannot engage in their respective Sub-Committee duties on a full-time basis. Thus, an orderly way of organizing the work would be necessary so that the Council can look to the Sub-Committees, particularly the Chairs, to provide the sort of due diligence that the Council needs, as well as rely upon the advice of the Sub-Committees to conduct its business in a more informed and efficient manner.

Director-General Samans concluded his remarks by applauding Chair Rasmussen for his leadership in composing the three Sub-Committees. However, he also stated his slight concern that if Indonesia excused itself from the Facilitative Sub-Committee, there would be no participating member on this Sub-Committee.

Chair Rasmussen thanked Director-General Samans for his comments and stated that he was in agreement on the need for a participating member to be on the Facilitative Sub-Committee and asked Indonesia to reconsider their position on the issue. Before concluding, he remarked that there was consensus to change the term of all Sub-Committee members to one year.

Indonesia stated that for the sake of the GGGI, it would agree to stay on as a member of the Facilitative Sub-Committee as well.

Chair Rasmussen thanked Indonesia and turned to Australia.

Australia asked the Chair if it would be possible to see the Terms of References on the screen again with the changes incorporated. With the screen back on, Australia continued by clarifying its position that it would be happy to agree with the change of moving the strategy component from the Program Sub-Committee as a responsibility of the Facilitative Sub-Committee.

Chair Rasmussen clarified that this change was made after informal discussions among some of the Council members in the lead up to the Council meeting. He continued that the argument was that as the Facilitative Sub-Committee would likely meet on a more regular basis compared to the other Sub-Committees, it would make more sense to have it responsible for advice on strategy. The Chair further

clarified that this, however, does not change the fact that the responsibility for advising the Council about the Green Growth Planning and Implementation aspects of the GGGI's strategy still lay with the Program Sub-Committee.

Hearing no further comments, the Council approved the Decision on the Sub-Committees of the Council, C/2/DC/9, with the revised Terms of References, by consensus.

IX. ADVISORY COMMITTEE

Chair Rasmussen stated that the Council members had been asked to propose candidates to the Advisory Committee at the last meeting. He added that thus far, two proposals had been received. He continued that the current proposal is to appoint two chairs, approve the criteria for membership and to request the Secretariat to provide a draft Rules of Procedure.

UAE commented that while it was fully aware of the importance of the Advisory Committee's role, it was not sure if this Council meeting was the appropriate time to discuss this issue, especially as the Council had just spent time finalizing the Sub-Committees of the Council.

Australia offered its strong support to the two proposed candidates – Professor Thomas Heller and Dr. Young Soogil – but also stated that the role of the Advisory Committee is not sufficiently clearly defined, which has made it difficult to propose candidates to the Secretariat. Australia added that more work was necessary to make clear how the Advisory Committee would work and how it would interact with the different Sub-Committees and the Secretariat. Australia further explained that it would be important that the Advisory Committee has a strong representation of candidates with strong development backgrounds.

Kim Sang-hyup stated his understanding that one of the unique points of the GGGI is its focus on public-private partnerships. Given also his understanding that a “corporate committee” would be established soon to induce private partnership, he inquired as to how this committee would differ from the Advisory Committee.

Chair Rasmussen stated that he was not aware of plans for a “corporate committee.”

Director-General Samans clarified that in strategy discussions going back some time, such an idea had been raised. He stated that while the nomenclature of “committee” had not been decided, the difference between such a group of private sector actors and the Advisory Committee is that the latter advises the GGGI as a whole and is composed of academics, civil society, public and private sectors. He added that the Advisory Committee is a broader and multi-stakeholder conception.

The “corporate committee,” he clarified, would be a much smaller, specialized group of private sector leaders that advises on private sector-related public-private cooperation activities and public-private related aspects of GGGI's research work. The benefit of having this group is that by giving the private sector a stake in the organization, better feedback or results can follow from them, he said.

Director-General Samans concluded by commenting that it would be conceivable to have one or two members of the potential corporate group engaged as private sector actors on the Advisory Committee

as well.

Denmark stated their alignment with the position of the UAE and Australia, in that perhaps the Council needs a little more time to think about what the exact role and composition of the Advisory Committee would be. Denmark added that this could be an issue to be looked at more closely by the Facilitative Sub-Committee before appointing any members to the Advisory Committee.

Norway commented that the Advisory Committee is a very positive initiative that sets the GGGI apart from other international organizations, especially the consideration of public-private partnership opportunities and having academicians as potential members.

Norway concurred with the statements made by the UAE, Australia and Denmark by stating that it was premature to talk about approving the membership of the two aforementioned candidates not because they were not sufficiently qualified, but because the Council would need to deliberate on how the composition of the Advisory Committee would be made in the first place. Norway continued by stating that one idea could be to have the Secretariat and the Director-General, in consultations with Chair Rasmussen, provide suggestions for candidates, keeping in mind the balance of public versus private actors and geographical representation.

Chair Rasmussen thanked the members for their comments and suggested that the Council deliberate on the exact decision that the Council would like to take relating to the Advisory Committee, rather than simply postponing a decision. The Chair identified that it would be helpful to have the Secretariat provide to the Council the draft Rules of Procedure of the Advisory Committee before it makes a final decision.

Chair Rasmussen also stated that the idea behind appointing Professor Heller and Dr. Young as co-Chairs was to allow them to provide input towards identifying the right candidates.

Korea stated that a two-track approach, in which the Secretariat proposes to the Council a list of candidates and the Council members also propose their own candidates, was appropriate.

Australia asked the Council whether the rest of the members were in agreement with Australia's view that the role of the Advisory Committee was insufficiently defined. If this was indeed the case, Australia proposed that the Secretariat or the Facilitative Sub-Committee take this matter up quickly and discuss specific issues such as remuneration, which was mentioned earlier.

Additionally, while considering Dr. Young's candidacy with the greatest respect, Australia added that Professor Heller had been involved for a long time and that it was important that the Council convey its strong desire that Professor Heller remain involved. Meanwhile, as the Council deliberates on the exact decision to be taken, Australia argued that it was important for the Council to give both candidates assurances about its confidence in their potential candidacy as members of the Advisory Committee.

Chair Rasmussen reiterated his belief that a simple postponement of the issue of the Advisory Committee without taking any decision would not be ideal operationally. He added his agreement that the GGGI has enjoyed strong cooperation with both proposed candidates and that no mistrust, on the Council's part, of the two candidates existed.

The Chair proposed that the Council take the Decision on the Advisory Committee forward by asking the Secretariat to: (1) propose, in cooperation with the Facilitative Sub-Committee, a terms of reference for the Advisory Committee that will include a proposal about how to compose the Committee; (2) provide a draft Rules of Procedure of the Advisory Committee in accordance with the terms of reference to the Council for adoption at its next meeting; and (3) develop an initial list of candidates for consideration by the Council at its next meeting.

Denmark stated its agreement with the Chair's proposal but proposed adding a paragraph that would stipulate that Advisory Committee members are not remunerated for their work but will only have travel and hotel accommodation costs covered.

Chair Rasmussen stated that Denmark's statement seems in line with the general opinion of the Council and that this should be taken into account when the Council asks the Secretariat to develop the necessary regulations or framework for travel reimbursements for members of the Advisory Committee. The Chair asked Denmark to repeat its proposal.

Denmark proposed that the Secretariat would provide a draft Rules of Procedure of the Advisory Committee to the Council for its review, including a framework for travel and hotel accommodation reimbursement, but no other remuneration. The point was that membership for the Advisory Committee would be awarded on the basis of the individual candidate's desire to engage in green growth work, not for other reasons, Denmark added.

Chair Rasmussen stated that this was clear enough. In responding to Kim Sang-hyup's inquiry as to how many members the Advisory Committee could accommodate, the Chair clarified that answering this would be part of the exercise of the Secretariat's drafting a terms of reference and the Rules of Procedure.

Australia stated its support for the Chair's proposal but clarified that the Council may need to consider, if it has not already, the idea that the Advisory Committee elects its own chair, as stipulated in Article 9.4 of the Establishment Agreement.

Chair Rasmussen stated that as the issue on Advisory Committee is taken forward, Australia's point will be taken into account.

Hearing no more comments on the issue, the Council approved the Decision on the Advisory Committee, C/2/DC/8, by consensus.

X. SCHEDULE FOR FUTURE SESSIONS OF THE COUNCIL IN 2013

Chair Rasmussen stated that this year's Global Green Growth Summit (GGGS) will be hosted in June in Seoul, and so the proposal was to have the third session of the Council back-to-back with the GGGS. The exact dates had not been decided yet, but the Chair proposed that the second weekend of June could be an idea. However, he added, the decision on the date of the Council session would need to take into consideration when the GGGS should be held.

Kim Sang-hyup stated that in scheduling the GGGs, the importance of publicity would need to be strongly considered. In that regard, it would be best to have the GGGs on a Monday and/or Tuesday. He added that the fourth board meeting of the Green Climate Fund will be taking place in Korea and this could provide an opportunity for the GGGI to explore strategic collaboration with the GCF. He added that it might also be worth inviting GCF board members to the GGGs.

Chair Rasmussen acknowledged Kim Sang-hyup's remarks but stated that the decision today should be for the date of the third session of the Council and proposed the 8th and 9th of June.

Denmark stated its agreement with the Chair's proposal and added that because of the high financial and logistical costs of hosting Council meetings outside of the Headquarters, as a general rule, they should be held in Seoul while leaving open the possibility of the occasional session held elsewhere. Denmark also proposed that the last session of the Council, during which the budget will be discussed, be held in Seoul in the first week of December.

Chair Rasmussen thanked Denmark for its comments and agreed that such a discussion was necessary, but invited comments specifically on the scheduling of the third session of the Council first before moving on. Chair Rasmussen stated that it would be useful to spend two days for the third Council session because a lot of material will be discussed, which by nature are time-consuming. Thus, he proposed that the Council reserve two dates in June for the third session but then come back at a later point to decide definitively whether both days are required.

Kim Sang-hyup reiterated that for the sake of increasing publicity for the GGGs, it would be beneficial to hold it on Monday with the third session of the Council held before the GGGs.

Chair Rasmussen acknowledged Kim Sang-hyup's remarks and repeated that the Council will make a "reservation" of two days in June for the third session of the Council and then return to the details at a later point. These details will need to be made clear as soon as possible after the Secretariat, in cooperation with the Chair and the Korean government, decide on the date for the GGGs, he added.

Chair Rasmussen returned to the point raised by Denmark earlier and stated his agreement that the last session of the Council, in which the budget is discussed, should be held in Seoul. The Chair added that while the COP has been used in previous years as a coinciding event during which the Council has also met at the end of the year, the fact that this year's COP is held earlier in November puts the Council in a difficult position to adopt the budget at that time. He continued that this is because the Secretariat will likely need more time than would be allowed by a November Council session to prepare the relevant documents on the budget.

Denmark proposed that the last session of the Council this year not be held on a weekend, and could be held on Thursday the 5th of December or Friday the 6th. This would give the Secretariat sufficient time for preparations. Denmark inquired the opinion of Director-General Samans.

Norway supported Denmark's proposition for the dates of the third session of the Council. Norway was supportive of Denmark's proposal that as a general rule, Council sessions be held in Seoul. However, given Norway's belief that three Council sessions a year is sufficient, particularly from the next year on with the Sub-Committees fully established and running, it would be beneficial to have one out of three sessions outside of Korea. The benefits would be that it increases the GGGI's visibility,

Norway stated. Norway stated that, for example, a Council session could be held in Norway, Denmark or Europe in general, where awareness of the GGGI is not so widespread.

Norway also commented that New York City during the UN's General Assembly could be a useful occasion to host a Council session, as numerous officials and experts relevant to the GGGI gather in New York during that time. Norway added that an alternative idea would be to have the three Sub-Committees meet in New York instead of the full Council.

Denmark stated that while it had nothing against holding one Council session outside of Seoul, the GGGI would need to be careful in not having too many meetings in general. With regards to the venue of Sub-Committee meetings, Denmark strongly suggested that these are held in Seoul because it allows the Sub-Committee members to interact with the relevant Secretariat staff.

Chair Rasmussen acknowledged the comments and stated that there was a concrete proposal to make a reservation for the fourth session of the Council on the 5th and 6th of December in Seoul. The Chair asked Director-General Samans whether this would be a suitable date.

Director-General Samans agreed that the two dates would suit the Secretariat.

Chair Rasmussen proposed to the Council that it reserve the 5th and 6th of December for the fourth session of the Council in Seoul. He stated his agreement with Norway's point that with the establishment of the Sub-Committees, the Council would not need to meet four times a year. However, the Chair proposed that in this year, 2013, the Council convene in early autumn as well, possibly September, because a discussion would be needed in the third quarter – whether it is a formal session or an informal gathering – on the future budget. The Chair also agreed with Denmark that inviting the Sub-Committees for a meeting in New York would be very costly.

Norway stated that the important decision for them at this point was to decide whether or not the Council or the Sub-Committees would convene in early autumn or not. Norway also reiterated the added value in being present in New York during the General Assembly despite the costs.

UAE commented that while as a Council member it understands the Council's desire to receive regular updates from the Secretariat on progress being made, having four Council sessions a year would allow for only a three-month interval between each subsequent session and thereby put a great deal of pressure on the Secretariat to organize and prepare for these meetings. The UAE continued that this would be detrimental to the Secretariat's ability to produce the work that the Council wants it to produce. Thus, the UAE suggested that the Council needs to be rational in determining the number of meetings to be had until the organization has reached a stage of stability and the Secretariat is capable of delivering what is expected of it.

Chair Rasmussen acknowledged the comments and proposed that the Council decide to meet three times in 2013, with the subsequent sessions scheduled in June and December. Nevertheless, the Chair added that it would be important to have a discussion on the procedures and processes regarding the budget in early autumn by means of written inputs or by a virtual meeting, so that there is a window of opportunity to present proposals.

Director-General Samans commented that this was a good solution, bearing in mind the very heavy amount of work that is needed to prepare each Council session. He also added that in taking this option, it makes the calendar issue much easier and efficient for the Sub-Committees.

Director-General Samans further stated that having a virtual meeting in September of each Sub-Committee, at a minimum, could also be useful.

Chair Rasmussen reconfirmed that the intention of the Council was to reserve the dates of 8th and 9th June for its third session and 5th and 6th December for its fourth session, for a total of three sessions of the Council in 2013. Both the June and December sessions would take place in Seoul. The Council then approved the Decision on the schedule for future sessions of the Council in 2013, C/2/DC/10, by consensus.

XI. PROVISIONAL AGENDA FOR NEXT SESSION OF THE COUNCIL

Chair Rasmussen stated that the discussions during this session had already created a few agenda items for the next session of the Council and invited comments and proposals.

Korea suggested that capacity-building issues, such as strengthening the Headquarters, strengthening the research function, enhancing public-private partnership initiatives including fund raising, which is related to the Advisory Committee, should be discussed at the next session and for the time being could remain as permanent issues for discussion. Korea added that last year's budget remains to be discussed and that a report from the Secretariat was required.

Chair Rasmussen agreed that last year's budget would need to be an item on its own in the agenda of the next session. The Chair also agreed with the need for discussions on the different items identified by Korea, which would be a part of an integrated discussion regarding the budget.

Chair Rasmussen proposed that a discussion about substance or the GGP&I work of the GGGI should also be included in the agenda. He added that such discussion on the actual work of the GGGI, including its research activities, should be discussed at the Council whenever time allows to do so.

Taking into consideration the comments made, the Council decided to approve the Decision on the provisional agenda for next session of the Council, C/2/DC/11, by consensus.

XII. ANY OTHER BUSINESS

Chair Rasmussen invited Korea to offer an update on ODA eligibility.

Korea stated its understanding that the Secretariat would present on the updates regarding the ODA eligibility application and invited the Secretariat to present first before offering comments.

Director-General Samans commented that no formal presentation was ready but provided an update on the status. He emphasized that the application for ODA eligibility status to the OECD DAC was a strategically significant step for the GGGI considering, among other factors, that this is an issue of

importance to a number of donors. He explained that the GGGI had engaged in a couple of rounds of discussion with the DAC Secretariat and that the GGGI Secretariat is expecting preliminary feedback from the DAC Secretariat on the application before filing the final proposal.

Director-General Samans further outlined hopes that the Republic of Korea, as well as some other members, would be prepared to jointly put forward the application, due by end of February with results to be revealed by May or June. He further stated that because the GGGI's activities are overwhelmingly focused on developing country economic issues and poverty reduction, he felt GGGI was a strong candidate. The Director-General underlined again that he feels ODA eligibility is a top strategic priority and that it will be treated as such.

Norway stated that it was pleased to see the Director-General and the Secretariat moving forward on this issue and that Norway looked forward to helping in this regard.

Korea stated that there is only a very short window of time before the DAC Secretariat returns with their preliminary feedback sometime at the end of January and the due date for the final proposal. Korea urged the Secretariat to prepare a detailed work plan, including a timeline for action, to be submitted to the Transitional Sub-Committee at its meeting on 1 February.

At the same time, Korea explained that it is willing to submit the application to the DAC Secretariat on behalf of the GGGI and called on other GGGI members who are part of the DAC, such as Australia, Denmark, Norway and the United Kingdom, to jointly submit the application. Following this, Korea stated that it would be necessary for the five countries to negotiate with other DAC member countries in the coming months. Korea concluded by stating its hopes that the Council and the Secretariat pay close attention to the issue of ODA eligibility.

Denmark commented that they are certainly ready to support the application, which is very important, but outlined hopes that Korea would take the lead to make sure all of the relevant members are fully informed of the process and that all the relevant preparations are undertaken.

Korea remarked that like last year with the Establishment Agreement, Korea was willing to take leadership with the support of other countries. Korea added that the preparation of documentation should be done by the Secretariat and it was willing to cooperate closely for this.

Kim Sang-hyup shared the news that Angel Gurría, Secretary General of the OECD, will be in Korea in early February for a meeting with the President and the President-elect. He added that as Angel Gurría is a strong supporter of Korea's green growth initiative, the GGGI could provide him with a brief explanation of the its work and application for ODA eligibility.

Chair Rasmussen thanked the members for their comments and stated that ODA eligibility would be added to the agenda for the Transitional Sub-Committee meeting. He added that it was of great importance that the Council and Secretariat work hard towards this goal, as some donor funding is conditioned on the GGGI successfully attaining ODA eligibility status and if the GGGI fails to attain eligibility this time, it would have to wait another 5 years before applying again, which would be a "disaster."

Chair Rasmussen turned to Korea to provide an update on the Seoul Headquarters.

Korea explained that the Secretariat's plan to increase the number of staff in the Headquarters will create additional space constraints at the current premises. Thus, Korea, as host country, was willing to work closely with the Council and Secretariat to facilitate a move to a more suitable premise.

Korea added that its Foreign Minister had a consultative meeting with Chair Rasmussen and Director-General Samans about Incheon City's proposal to provide GGGI with a new Headquarters premise coupled with generous terms. Going forward, Korea is willing to consult bilaterally and with the Secretariat to continue discussions on the issue.

Chair Rasmussen thanked Korea and shared with the Council that he had had a bilateral meeting with Korea on the idea of moving the Headquarters to Songdo, Incheon City. He added that it was indeed a very generous offer and stated that the proposal received from Incheon City would be shared with the Council. He concluded that at some stage, the Council will have to come back to this issue of whether the GGGI accepts Incheon City's offer. The Chair turned to Costa Rica for their presentation.

Costa Rica thanked Chair Rasmussen and the members of the Council and stated that since Costa Rica's joining of the GGGI, it had always strived to be an active and engaged member. Costa Rica recalled President Lee Myung-bak's words during the GGGI's Inaugural Meetings of the Assembly and the Council about the importance of training people. With that in mind, Costa Rica had put together a consortium of five Costa Rican institutions to launch an international graduate program on sustainability and green growth, with the idea of offering an opportunity for global cooperation on capacity-building and expanding partnerships.

Costa Rica added that the overarching mission of this new initiative is to help train a new generation of leaders to be change agents that will bring the new paradigm of green growth into practice at all levels in both the public and private sectors. Currently, the five institutions represent over 100 nationalities and are supported by 1,000 different partners. The five participating institutions are CATIE, Earth University, the National Institute of Biodiversity, INCAE and United Nations University for Peace, each with its respective specializations but all located in Costa Rica.

Costa Rica extended an offer to the Council members to visit the universities involved and help facilitate links and partnerships with other universities and institutions involved in green growth within those countries represented by the GGGI member-states.

Chair Rasmussen thanked Costa Rica for its presentation and turned to the Council for remarks.

Kim Sang-hyup welcomed the Costa Rican proposal and pointed out the importance of educating people, citing the example of Korea's development experience. He further added that a graduate school for green growth will be launched at KAIST, in addition to a special program for green growth and sustainable development at KDI. He stated that training people should be at the center of GGGI's tasks and that he would like to see more developments such as these in the future.

Chair Rasmussen stated that the Council was eager to learn more about Costa Rica's initiative and would return to it later, while adding that he welcomed such inputs to the Council.

Chair Rasmussen commented that after a long day, the Council, while only taking interim decisions on some agenda items, made significant progress. He thanked the members for their participation and

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cooperation and thanked the Secretariat for their hard work in preparing the meeting. He concluded by stating his wishes for continued cooperation in the future and to meeting again in June in Seoul.

Having no further business, the meeting was adjourned.

End of meeting

Fra:
Sendt:
Til:
Emne:

[Redacted]

Klassifikation: UKLASSIFICERET

[Redacted]

[Redacted]

[Redacted]

Fra: Astrid Folkmann Bonde

Sendt: 16. juni 2013 22:43

Til: Ib Petersen; Charlotte Slente; Peter Lysholt Hansen; Mette Ekeroth; Thierry Hoppe; GRV, All (INTERNAL) DL; Susanne Rumohr Hækkerup; Jakob Tvede; Alexander Leopold Watts; Kit Clausen; 3GF (INTERNAL) DL; Nis Lauge Gellert; Morten Thoft Korlund; Franz-Michael Skjold Mellbin; Martin Bille Hermann; Tim Mac Hansen; Mikael Ekman; Dorte Chortsen; Marcus Carter Mathiasen; Henning Nøhr; Mike Speirs; Morten Elkjær; NEA; Hanoi; Dhaka; Ulrich Sørensen; Seoul; ALO; UGS; Klavs A. Holm; Addis Ababa

Cc: Dorthe Lange; Udviklingsministersekretariatet (INTERNAL) DL

Emne: Referat af udviklingsministerens deltagelse i GGGI bestyrelsesmøde og GGGS 2013 og [Redacted] i Seoul d. 8 - 10 juni 2013

Resumé: Tredje møde i GGGI's (Global Green Growth Institute) bestyrelse d. 8.-9. juni 2013 med deltagelse af bl.a. udviklingsminister Christian Friis Bach, bestyrelsesformand Lars Løkke Rasmussen og Howard Bamsey som nyligt udnævnt generaldirektør for GGGI forløb planmæssigt og i god stemning. Vigtige institutionelle beslutninger blev truffet, hvorved der skabtes en god ramme for GGGI's fremtidige administrative og strategiske arbejde. GGGI afholdte i dagene efter d. 10. - 11. juni 2013 et Global Green Growth Summit, hvori udviklingsministeren deltog med taler og indlæg. Udviklingsministeren mødtes desuden med den koreanske udenrigsminister Yoon Byung-se til drøftelse af det stærke strategiske samarbejde om grøn vækst, trilateralt samarbejde, World Water Forum, 3GF og arktis. Til bilateralt møde med den mexicanske

miljøminister blev ligeledes drøftet samarbejde på det grønne område, World Water Forum, 3GF, samt mulighederne for etableringen af et GGGI kontor i Mexico.

Udviklingsministeren deltog i **bestyrelsesmøde i GGGI** d. 8. - 9. juni 2013, hvor der skulle fremlægges status for landeaktiviteter, godkendes budget for 2013 inkl. fremskrivninger for 2014 og 2015 og tages vigtige institutionelle beslutninger, herunder retningslinjer for regnskaber, finansielle regulativer, HR-politik og udbudsregler.

Vigtigt punkt var fremlæggelsen af status for landeaktiviteter, som viste et tydeligt underforbrug på landeindsatser i 2012, som var nede på 50% udbetaling af budgettet. En lang række af bestyrelsesmedlemmerne udviste bekymring for dette og opfordrede til, at der iværksattes aktiviteter til håndtering af nuværende og fremtidige underpræstationer på landeprogrammerne. Der blev også fra GGGI-sekretariatet fremhævet, at man fremover ville søge at prioritere landeindsatserne, således at man i fremtiden ikke vil have så mange små projekter med budgetter på under 3 mio. USD, men i stedet ville arbejde mod større landeprogrammer med mulighed for større indvirkning og effektivisering af midlerne.

Udviklingsministeren tilsluttede sig bemærkninger om bekymring for underlevering på landindsatserne og opfordrede samtidigt til større fokus på de fattigste lande, især i Afrika og at fastholde prioritering af landeindsatser fremfor aktiviteter på kommunalt niveau.

2013 budgettet blev første gang præsenteret på bestyrelsesmøde i januar 2013, men medførte stor diskussion grundet manglen af grundlæggende detaljer. Budgettet har efterfølgende været igennem en løbende arbejds- og evalueringsproces ved hjælp af underkomitéer under bestyrelsen, hvor Danmark ved amb. Peter Lysholt Hansen har spillet en afgørende rolle. Budgettet opnåede herved en acceptabel detaljeringsgrad og blev vedtaget på bestyrelsesmødet uden særlige bemærkninger.

En større drøftelse på bestyrelsesmødet omhandlede processen for vedtagelse af retningslinjer for regnskaber, finansielle regulativer, HR-politik og udbudsregler, som ligeledes har været igennem arbejdet i underkomitéerne. Flere medlemmer foreslog, at retningslinjerne burde vedtages præliminært, således at der bibeholdtes mulighed for regulering. Fra dansk side blev argumenteret for nødvendigheden af at få fastsat det institutionelle rammeværk, som har manglet og som har skabt usikkerhed og inkonsistens i beslutningsprocedurerne i GGGI. Der blev truffet beslutning om godkendelse af retningslinjerne for både regnskaber, finansielle regulativer, HR og udbudsregler, men med mulighed for at tage dem op til revision i løbet af et par år. Fra dansk side blev lagt vægt på, at man nu fik indført disse retningslinjer til vejledning for medarbejderne, som derved ikke fremover skulle tage beslutninger til højeste ledelsesniveau i hver eneste henseende, som tidligere havde været tilfældet.

På bestyrelsesmødet blev også fremlagt status for GGGI's optagelse på DAC-listen, som efterfølgende er blevet godkendt på møde d. 13. juni 2013 i DAC-arbejdsgruppen WP-STAT.

Bestyrelsen blev også orienteret om nylige ansættelser i form af vice-direktører for landeprogrammerne og administrationen, hertil blev især lagt væk på, at man var bevidst om, at der ikke på nuværende tidspunkt var en acceptabel kønsbalance på chefsniveau, men at man arbejdede på at løse denne problematik gennem vedtagelse af en kønspolitik for GGGI.

Der blev også orienteret om forestående fælles donor review, som vil blive afholdt i september ved udenrigsministeriet/Henning Nøhr som teamleder med besøg på landeprogrammer i Etiopien og Cambodja og hovedkvarteret i Seoul.

Der blev ligeledes truffet beslutning om privilegier og immuniteter, ligesom der blev drøftet proces for rekruttering af ny generaldirektør [REDACTED]

Formand Lars Løkke Rasmussen orienterede også om afholdelsen af et retreat for bestyrelsen i Indonesien d. 21.-24. september 2013 med henblik på at besøge GGGI's program i Indonesien og drøfte udformningen af GGGI's strategi, som skal afløse den nuværende strategi i 2014.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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Global Green Growth Institute
Third session of the Council
Songdo, 8-9 June 2013

Minutes for the third session of the Council

The third session of the Council of the Global Green Growth Institute (hereinafter, the “GGGI”) was held on 8-9 June 2013 at the Songdo Convensia in Songdo, Incheon City, Republic of Korea.

Members Present:

Australia, represented by Rod Hilton, Assistant Director-General, AusAID

Costa Rica, represented by Rene Castro-Salazar, Minister for Environment, Energy and Telecommunications

Denmark, represented by Christian Friis Bach, Minister for Development Cooperation and Peter Lysholt Hansen, Ambassador to the Republic of Korea

Ethiopia, represented by Seyoum Menegistu, Advisor, Ethiopian Environmental Protection Authority

Indonesia, represented by Endah Murniningtyas, Deputy Minister for Natural Resources Development and Environment

Kiribati, represented by Tiarite George Kwong, Minister for Environment Land and Agricultural Development

Mexico, represented by Juan José Guerra, Minister of Environment and Natural Resources and Enrique Lendo, Head of International Affairs Coordinating Unit, Ministry of Environment and Natural Resources

Norway, represented by Øystein Djupedal, County Governor of Aust-Agder County

Republic of Korea, represented by Cho Tae-yul, Second Vice-Minister, Ministry of Foreign Affairs and Kanghyun Yoon, Director-General of the Global Economic Affairs Bureau, Ministry of Foreign Affairs

United Arab Emirates, represented by Thani Al-Zeyoudi, Director of the Department of Energy and Climate Change, Ministry of Foreign Affairs

Kim Sang-hyup

Lars Løkke Rasmussen, Chair of the Council

Howard Bamsey, GGGI Director-General

Members Absent:

Qatar

Montek Ahluwalia, Deputy Chairman, Planning Commission, Government of India

Lord Nicholas Stern, IG Patel Professor of Economics & Government and Chair, Grantham Research Institute on Climate Change and the Environment, London School of Economics

GGGI Secretariat:

Robert Dawson, Deputy-Director General for Management & Administration

Munehiko Joya, Chief Financial Officer

Mattia Romani, Deputy Director-General for Green Growth Planning & Implementation

Agenda

1. Opening of the meeting
2. Adoption of the agenda for the third session of the Council
3. Approval of the minutes from the second session of the Council
4. Updates regarding Member states
 - a. Update on the Joint Donor Review
 - b. Ratification update
 - c. Privileges and Immunities
 - d. ODA eligibility
5. Sub-Committees of the Council
 - e. Report from the Sub-Committees
 - i. Internal Audit Plan and Budget
 - f. Proposed coordination for Sub-Committee schedules
6. Regulations
 - g. Human Resources
 - h. Procurement Rules
 - i. Financial Regulations
7. Presentation on the GGP&I program
 - j. Country program selection criteria
8. Budget and capacity building issues
 - k. FY2012 audited financial statements
 - l. FY2013 budget
 - m. FY2014-15 projections
9. Membership expansion
10. Advisory Committee
11. Written Procedure
12. Process for recruiting the next Director-General
13. Update on physical expansion plans
14. Provisional agenda for the next session of the Council
15. Any other business
16. Closing of the meeting

Decisions

C/3/DC/1: Decision on the approval of minutes for the second session of the Council

The Council decided:

1. To approve the minutes from the second session of the Council, as attached in C/2/MIN/1;
2. To take note of the Summary of the first meeting of the Facilitative Sub-Committee, FSC/1/SUM/1, and the Minutes for the second meeting through the sixth meeting of the Facilitative Sub-Committee of the Council, as attached in FSC/2/MIN/1, FSC/3/MIN/1, FSC/4/MIN/1, FSC/5/MIN/1 and FSC/6/MIN/1;
3. To take note of the summaries for the first, second and third meeting of the Audit & Finance Sub-Committee of the Council, as attached in AFSC/1/SUM/1, AFSC/2/SUM/1 and AFSC/3/SUM/1; and,
4. To take note of the Summary for the first meeting of the Program Sub-Committee, as attached in PSC/1/SUM/1.

C/3/DC/2: Decision on the Agreement on the Privileges and Immunities of the Global Green Growth Institute

The Council decided:

1. To take note of the draft Agreement on the Privileges and Immunities of the Global Green Growth Institute, as attached in C/3/3.

C/3/DC/3: Decision on the Human Resources Staff Regulations

The Council decided:

1. To approve the Human Resources Staff Regulations, as attached in C/3/6, Annex 1.

C/3/DC/4: Decision on the Procurement Rules

The Council decided:

1. To adopt the revised GGGI Procurement Rules, as attached in C/3/7;
2. To approve the GGGI Procurement Rules to enter into effect on 8 June 2013; and,
3. To request the Secretariat to develop guidelines or a handbook for the Rules consistent with the revised Procurement Rules as described above by 30 September 2013.

C/3/DC/5: Decision on the Financial Regulations

The Council decided:

1. To adopt the Financial Regulations, as attached in C/3/8, with immediate effect;
2. To request the Secretariat to develop detailed Financial Rules consistent with the Financial Regulations by the next session of the Council; and,
3. To adopt a minimum of seven (7) percent as the overhead cost recovery rate for GGGI earmarked funded projects, as recommended by the Facilitative Sub-Committee and attached in C/3/8/ADD/1.

C/3/DC/6: Decision on Country Program Selection Criteria

The Council decided:

1. To take note of the concept note for country program selection criteria, as attached in Annex 1;
2. To request the Secretariat, in collaboration with the Program Sub-Committee, to develop a set of country program selection criteria for circulation to the Facilitative Sub-Committee before the strategic discussion held by the Council in September 2013; and,
3. To request the Facilitative Sub-Committee, in cooperation with the Program Sub-Committee and Secretariat, to present country program selection criteria for consideration and decision by Written Procedure to the Council by 30 September 2013.

C/3/DC/7: Decision on the financial statements and budget

The Council decided:

1. To take note of the FY2012 audited financial statements, as attached in C/3/10;
2. To approve the FY2013 budget, as attached in C/3/11; and,
3. To approve the proposed FY2014-15 budget framework and deadlines for the annual budget process, as attached in C/3/12.

C/3/DC/8: Decision on membership expansion

The Council decided:

1. To take note of the Facilitative Sub-Committee's decision to invite Mongolia and the Republic of Rwanda as Members of the GGGI; and,

2. To request the Secretariat, in consultation with the Facilitative Sub-Committee, to develop a detailed proposal for pursuing the expansion of GGGI membership for consideration at the next session of the Council.

C/3/DC/9: Decision on the process for decision by Written Procedure

The Council decided:

1. To adopt the proposed process for decision by Written Procedure, as attached in Annex 1.

C/3/DC/10: Decision on the recruitment of the next Director-General

The Council decided:

1. To authorize the Facilitative Sub-Committee to commence the recruitment and appointment process for the Director-General, utilizing the services of an international search firm where appropriate.

C/3/DC/11: Decision on physical expansion plans

The Council decided:

1. To request the Secretariat to initiate a process of identifying potential options to accommodate the GGGI's growth expansion plans, taking into account projected increases in staff size, the work and responsibilities of the Secretariat and the GGGI Headquarters in Seoul.

C/3/DC/12: Decision on the provisional agenda for the next session of the Council

The Council decided:

1. To approve the provisional agenda for the next session of the Council, as per the discussion in the meeting.

Key Conclusions

The Council reached the following conclusions:

Session Minutes

1. The minutes should be less detailed and make clear the major decisions and discussions in the Council.

ODA Eligibility

2. Should the GGGI receive ODA eligibility, the GGGI should increase efforts in attracting contributing countries to join its membership.
3. Should the GGGI receive ODA eligibility, the GGGI will be required to prepare an annual DAC report and if this is the case, the Secretariat should begin preparations for such a report.

Sub-Committees of the Council

4. In relation to the report of the AFSC: The Secretariat should develop an internal budget process in addition to the overall annual budget process deadlines to ensure that the budget is developed via a bottom up and transparent process. The Secretariat should also develop a template for its internal decision-making documents.
5. The Sub-Committees will consider rules and procedures to allow for more efficient decision-making. The discussion on the coordination of the Sub-Committees should be continued at the informal session of the Council in September on the basis of a proposal from the Secretariat, specifically outlining a timeline of the yearly Council and Committee meetings.
6. An issue for PSC consideration is how the GGGI communicates its work and achievements to both member states and a global audience. The Secretariat should consider communicating its achievements, practices and experiences via a yearly report. In addition, sufficient yearly planning and coordination—for example, in approval of projects—needs to be developed and communicated to the governance bodies to ensure a smooth decision-making process.
7. The Secretariat should provide a midterm review of programs and country operations and its in-country activities so that lessons may be learned.

Regulations

8. The issue of gender balance should be addressed by developing a gender policy for the GGGI, taking into account any barriers that exist. The Professional and General categorization of staff can be considered archaic and as such, the Secretariat should consider the treatment of locally engaged professionals in terms of titles.

9. Staff need to receive training in the use of the Procurement Rules. To ensure transparency, the Procurement Rules should be publicly available on the GGGI's website. Procedures to deal effectively with fraud and corruption in a transparent manner should be developed in the Rules that are to be written following the Regulations.

Country Program Selection Criteria

10. The reasons behind low disbursement in certain projects should be taken into account and if there are consistent problems in a particular project, this should be brought to the attention of the Council. This could potentially be reported via a list of projects of concern.
11. The Council recommended that the Secretariat focus on a select number of country programs where there is a prospect of demonstrating success, rather than to continue to expand its portfolio significantly.
12. Country selection criteria should be well-aligned with both the budget and strategy.
13. Similar frameworks to those that have been developed for the GGP&I program should also be developed for the Research and PPC programs and should be discussed by the Council in the future. The Secretariat should develop a method of tracking the progress of projects and disbursement and communicate this to the Council on a regular basis, in addition to its portfolio monitoring and master deck activities. The Secretariat further needs to alert the Council and the Chair if consistent problems occur in a particular project.
14. The Secretariat, in cooperation with the Government of Mexico, should explore the details around the possibility of opening a regional Office in Mexico and prepare a paper to allow the Council to discuss this in the future.

Financial Statements and Budget

15. Regarding the annual budget process, the Secretariat should prepare the budget so that reporting can be done according to International Aid Transparency Initiative standards.

Advisory Committee

16. The Secretariat should keep the Council informed of any developments concerning the Advisory Committee.
17. The Advisory Committee may consider how synergy with the Global Green Growth Forum (3GF) can be fostered, so that the GGGI may take greater ownership of the 3GF.

Process for the recruitment of the next Director-General

18. The FSC is encouraged to engage the services of an international search firm in the recruitment process and to ensure comprehensiveness in the terms of reference. The FSC is also encouraged to consult with other Council members on issues such as the terms of reference and the final short-list so that the decision will be one all Council members can own.

Discussion

1. OPENING OF THE MEETING

Chair Rasmussen opened the meeting and welcomed the members to the third session of the Council. The Chair welcomed the top management team to their first session with the Council: Howard Bamsey, Director-General; Robert Dawson, Deputy Director-General for Management & Administration; and Mattia Romani, Deputy Director-General for Green Growth Planning & Implementation (GGP&I).

Chair Rasmussen informed the Council that Mr. Nikolaus Schultze would be joining the GGGI as Assistant Director-General for Public-Private Cooperation (PPC) in September 2013.

The Chair also informed the Council that he would call for an informal session of the Council to be held in September in Indonesia to discuss the strategic direction of the GGGI and its added value. Several Council members voiced their support for such a discussion.

Director-General Bamsey stated that the Secretariat was working to address two key concerns expressed by the Council to date: better and accelerated delivery of work and greater transparency. To this end, the Secretariat had prepared a draft organization chart with line functions that was available to the Council for their reference if interested.

UAE stated that it would be good for the organization chart to be available so that the Council can provide feedback and comments to the Secretariat.

2. ADOPTION OF THE AGENDA FOR THE THIRD SESSION OF THE COUNCIL

UAE stated that it felt that the budget was one of the most important items to be discussed during the Council session and as such, it would be better to discuss the budget items during the current meeting rather than during the next day's meeting. The UAE continued that this would allow the Secretariat to reflect on the views of the Council and provide feedback as well.

Chair Rasmussen proposed that the Council discuss the items on the agenda through the updates from the Sub-Committees and then discuss the budget. The Council had no objection to this proposal.

3. APPROVAL OF THE MINUTES FROM THE SECOND SESSION OF THE COUNCIL

UAE had no objection to the minutes from the second session of the Council but suggested that, in the future, the Secretariat provide an executive summary with the decisions and major discussions held during the Council.

Hearing no other comments and no objections, the Council approved the Decision on the approval of the minutes from the second session of the Council¹, by consensus.

4. UPDATES REGARDING MEMBER STATES

a. Update on the Joint Donor Review

Director-General Bamsey informed the Council that the first meeting of the Donor Consultative Group (DCG), held on 14-15 February 2013, had brought together the contributing members of the GGGI as well as non-member donors to learn more about the GGGI's programs from the Secretariat. He added that it had been a positive meeting and that attendees had felt that an annual meeting would be appropriate.

Director-General Bamsey added that the second Joint Donor Review would take place in September 2013, led by Denmark and including Australia, Norway and the Republic of Korea. The Review Team will visit the GGGI's programs in Ethiopia and Cambodia.

b. Ratification update

Director-General Bamsey informed the Council that of the 18 Signatory States, 11 had completed the ratification process of the Agreement on the Establishment of the Global Green Growth Institute (the "Establishment Agreement"), 2 were nearing completion and 5 expected to ratify by the end of the year.²

Norway stated that its Parliament had ratified the Establishment Agreement on 7 June 2013. Norway added that should the GGGI receive ODA eligibility status, Norway would be able to contribute to core funding.

Australia, Costa Rica, Indonesia, and Mexico affirmed that their domestic process for ratification was underway and that they expected to ratify by the end of 2013 or early 2014.

Regarding the Headquarters Agreement between the GGGI and Korea, Korea informed the Council that it expects the ratification process to be completed in the National Assembly in June.

c. Privileges and Immunities

Director-General Bamsey informed the Council that the Secretariat had provided a draft Agreement on the Privileges and Immunities of the Global Green Growth Institute to the Council for their information and that this draft Agreement would serve as a standard template from which to begin negotiations with partner countries. As such, the Council

¹ C/3/DC/1

² Norway informed the Council that its Parliament ratified the Establishment Agreement on 7 June 2013. Thus, the current status of ratification is 11 ratified, 3 nearing completion and 4 expecting to ratify in 2013.

was only asked to take note of the draft Agreement. The Director-General added that the GGGI had begun initial discussions with governments in which the GGGI has a regional Office.

The Council took note of the draft Agreement on the Privileges and Immunities of the GGGI.³

d. ODA eligibility

Director-General Bamsey informed the Council that the Governments of Korea, Australia, Denmark and Norway had submitted an application for ODA eligibility status to the OECD DAC secretariat on behalf of the GGGI and that a decision would be made during the meeting of the Working Party on Statistics on 11-13 June 2013.⁴

Korea asked whether any countries had shown interest in joining the GGGI if it received ODA eligibility status.

Director-General Bamsey answered that while he was not aware of any countries that had expressed such an interest, there was a member of the Council for whom this would affect their disbursement of funds and a non-Council member that would then be in a position to potentially provide funding.

Denmark commented that should the GGGI receive ODA eligibility, the GGGI should increase efforts in attracting contributing countries to join.

Chair Rasmussen added that were ODA eligibility granted, the GGGI would be required to prepare an annual DAC report and in that case, the Secretariat should begin preparations for such a report.

5. SUB-COMMITTEES OF THE COUNCIL

a. Report from the Sub-Committees

Chair Rasmussen, as Chair of the Facilitative Sub-Committee (FSC), informed the Council that the FSC had held 6 meetings since January but that less frequent meetings were expected in the future. He continued that the FSC had discussed and taken decisions on issues relating to Human Resources and recruitment of top management, and had endorsed the FY2013 budget presented to the Council for decision.

Denmark, Chair of the Audit & Finance Sub-Committee (AFSC), informed the Council that the AFSC had worked with the Secretariat in revising the FY2013 budget following discussions in the second session of the Council in Abu Dhabi. Denmark continued that the AFSC had also worked with the Secretariat on the FY2014 budget template and

³ C/3/DC/2

⁴ The GGGI received ODA eligibility status on 13 June 2013.

deadlines for the annual budget process, the Financial Regulations and Procurement Rules. The Procurement Rules have been benchmarked by UNOPS and, in the opinion of the AFSC, are to international standards. The GGGI had also hired a Chief Internal Auditor.

The AFSC asked the Secretariat to develop an internal budget process in addition to the overall annual budget process deadlines to ensure that the budget is bottom up and transparent. The Secretariat should also develop a template for its internal decision-making documents.

Costa Rica, Chair of the Program Sub-Committee (PSC), informed the Council that it had discussed the GGGI's collaboration on a climate change report initiated by Norway and ways to improve the GGGI's operations and the annual work budget. Costa Rica added that the PSC had highlighted the importance of the type of partnership the GGGI has with a host government and the level of commitment from that government. The GGGI needed to increase speed of delivery without sacrificing quality in projects and the PSC expressed concern over the low level of disbursement thus far. Costa Rica also asked how the GGGI could break from the traditional roles of donor and recipient in working with its Members.

At the request of Costa Rica, Deputy Director-General Romani explained that GGP&I had underspent in Q1, spending approximately 15 percent of planned funds. He continued that smaller projects with smaller budgets had disbursed better, but that larger country projects with larger budgets had under-delivered. The Deputy Director-General explained that the low levels of disbursement were due to four fundamental factors: 1) uncertainty around the budget; 2) uncertainty around headcounts; 3) lack of a clear Procurement policy; and 4) the process of transition to an international organization and the subsequent changes in the structure and policies of the organization had resulted in delays.

Deputy Director-General Romani stated that the policies and procedures to be considered by the Council during this session, if adopted, would address several of these issues. He added that the GGP&I department was in process of developing a clear strategy with more precise planning and methods of communicating with the PSC and Council. Deputy Director-General Romani reported that the GGGI was 95 percent there in terms of having strong documentation in place and Memorandums of Understanding with a majority of partner governments.

b. Proposed coordination for Sub-Committee schedules

Chair Rasmussen stated the importance of coordinating and planning the meetings of the Sub-Committees in such a way that a smooth and efficient decision-making process is facilitated.

Director-General Bamsey explained that the Secretariat is in process of considering how to coordinate the Sub-Committees and would discuss its conclusions with the Sub-Committees.

Australia suggested that the Sub-Committees consider rules and procedures to allow for more efficient decision-making between sessions so that the Council does not become too involved in the management of the Secretariat. Australia continued that the Sub-Committees in the future should shift to a more strategic focus and then monitor and evaluate the Secretariat's adherence to the given direction. Australia also expressed its disappointment with the low disbursement rates to date and its desire to see dramatic improvement in this regard.

Denmark agreed with the long-term vision for the Sub-Committees offered by Australia but felt that the GGGI was still in transition to an international organization and therefore a close working relationship between the Secretariat and Sub-Committees is necessary to build trust, confidence and concrete progress in terms of rules, regulations and procedures.

Chair Rasmussen concurred with Denmark that the close interaction with the Sub-Committees had been necessary although he had no intention of micro-managing the organization. He further added that it may be good to reevaluate the Secretariat and its adherence to regulations and other issues in about a year.

UAE agreed with Chair Rasmussen's comments. UAE stated that an issue the PSC should consider is communication and how the GGGI communicates its work and achievements to both the member states and a global audience. The UAE suggested that the Secretariat communicate its achievements, practices and experiences via a yearly report.

Norway emphasized that the Secretariat must begin showing success in its programs in the next year or so and the Council should begin focusing less on internal issues and more on the overarching strategic issues, such as how to build the GGGI to be successful and a different international organization from others. Norway added that whether the GGGI should expand to more country programs or concentrate on a few countries that are more likely to be successful is another question to be considered.

Director-General Bamsey responded that the Secretariat understood the concerns expressed by the Council and was working to build its internal capacity to begin demonstrating that green growth works not just in theory but also in practice.

Costa Rica stressed the importance of balance between process and delivery.

Indonesia stated that the type of engagement the GGGI has with governments may vary by country and that is why it is worthwhile to see not only the map of countries the GGGI is engaged in, but also what the GGGI is doing in each country. Indonesia added that the

Secretariat should provide a midterm review of programs and country operations and its in-country activities so that lessons can be learned.

Chair Rasmussen stated that disappointment with the low disbursement rate to date was shared by the members of the Council and therefore urged the Council to approve the proposed internal regulations, which would provide the Secretariat clarity and a clear framework to deliver in. He further concluded that the discussion on the coordination of the Sub-Committees should be continued at the informal session of the Council in September.

Sang-hyup Kim stated that he was confident that the GGGI is making progress and expressed his pleasure at hearing that other countries had been expressing their interest in joining the GGGI. Mr. Kim then expressed his intention to resign from the Council and his gratitude for the opportunity to work with the members of the Council. He added that the strategic collaboration between the GGGI and Green Climate Fund (GCF) would be highly important in the future.

The Council expressed their sincere appreciation for Mr. Kim's contributions to the GGGI and green growth over the years, stating that the GGGI would not be where it is today if not for the efforts of Mr. Kim.

6. REGULATIONS

Chair Rasmussen opened the discussion by suggesting that, should the proposed regulations be adopted, the Council review the appropriateness of the regulations for the GGGI in approximately two years' time. He added that the Secretariat could also come to the Council at any time should any concerns arise about the regulations.

a. Human Resources

Deputy Director-General Dawson informed the Council that the Human Resources Staff Regulations had come into effect as of 1 April 2013, with all staff contracts shifting from GGGI as a Korean organization to GGGI as an international organization. Deputy Director-General Dawson explained the distinction between Professional and General category staff, stating that Professional level staff generally required international experience while the General category are recruited against the local hiring situation. He added that the Staff Rules will be reviewed by himself and the Director-General and will be provided to the Council once completed.

Australia suggested that the Director-General consider the issue of gender balance in the organization and take into account any barriers that exist. On the Professional and General categorization, Australia commented that this distinction can be considered archaic and as such, the Secretariat should consider the treatment of locally engaged professionals in terms of titles.

Ethiopia commented that the grade structure has budget implications and so there should be a flexible ratio around costs in the capital budget.

Director-General Bamsey stated that the Secretariat is working to address issues of gender balance as well as the categorization between Professional and General.

Deputy Director-General Dawson stated that the issue of gender balance cannot be resolved simply through recruitment but that it is also a matter of creating a work environment that appeals to women professionals. To this end, the Deputy Director-General planned to create a gender action program to address this.

Hearing no objections, the Council adopted the Human Resources Staff Regulations, by consensus.⁵

b. Procurement Rules

Deputy Director-General Dawson explained that UNOPS had performed the benchmarking on the Procurement Rules but that they had also been tailored to the specific needs of the GGGI. Overall, the benchmarking was useful and accepted by the Secretariat.

CFO Joya informed the Council that the Procurement Rules applied different types of procurement methodologies to different activities and sustainability was a key principle throughout. He explained that a Procurement Committee is established under the Rules and that a Procurement Officer should be in place by the end of the northern summer.

Denmark, as Chair of the AFSC, stressed the importance of training staff in the use of the Procurement Rules. Denmark suggested that the Secretariat develop procedures to ensure transparency in matters of fraud and corruption. Furthermore, Denmark highlighted the strong relationship between a good procurement policy and staff ownership and quality in the GGGI's results. Several council members voiced their support for this point.

Australia stated that the Procurement Rules should be publicly available on the GGGI's website.

Norway added that the flexibility of the Procurement Rules is also important to ensure that the Secretariat is able to deliver with high quality and on time.

Hearing no objections, the Council adopted the Procurement Rules.⁶

c. Financial Regulations

⁵ C/3/DC/3

⁶ C/3/DC/4

Chair Rasmussen informed the Council that in addition to the proposed Financial Regulations, the FSC had made a recommendation to the Council to adopt an overhead recovery rate of a minimum of 7 percent, to be considered and decided upon here.

CFO Joya explained that the Financial Regulations had been benchmarked against other international organizations and that the UN served as the basis, but that the Financial Regulations were tailored to the needs of the GGGI.

Australia asked whether Regulation 3.8, section b.1, referring to supplementary program activities, also covered activities that may potentially include a new donor, as this would have an impact on the budget and would need to be brought to the Council's attention. Australia added that the Council should also be made aware if there is a possibility of the Secretariat not receiving promised funds so that implications for programs and budget can be considered at an early stage.

Australia added that the Council should keep a close eye on Regulation 3.3 and 3.4, referring to how projects may proceed in both GGP&I and Research and the role of the PSC in that process, considering the current issue surrounding the disbursement rate. Australia continued that it would be important to ensure that these Regulations deliver proper oversight and accountability without creating unnecessary hurdles. Australia suggested that one possibility the Council might wish to consider in the future was a financial or risk threshold, whereby some projects would undergo an easier approval process than others.

Norway encouraged the Secretariat, in the development of Financial Rules, to engage in an inclusive process with the Council on technical matters so that recommendations could be given and considered by the Secretariat. Norway continued that measures for anti-corruption and protection of whistle-blowers and mechanisms to allow staff to report should be included and have the lowest thresholds possible.

Denmark, as Chair of the AFSC, responded that anti-corruption and mechanisms for whistle-blowers had been considered and the AFSC had felt that these should be included in the Financial Rules. Regarding Australia's question on Regulation 3.8, Denmark responded that this includes situations involving new donors. Regarding Regulation 3.3 and 3.4, Denmark stated that this had been done to try to facilitate flexibility.

Australia asked for the Secretariat's plan to include other traditional safeguards under the Regulations or Rules.

Deputy Director-General Dawson responded that the development of safeguards was considered a specific, major activity in the Secretariat and a separate position dedicated to this was included in the organization chart.

Hearing no objections, the Council adopted the Financial Rules and an overhead recovery rate of a minimum of 7 percent, by consensus.⁷

⁷ C/3/DC/5

7. PRESENTATION ON THE GGP&I PROGRAM

a. Country program selection criteria

Deputy Director-General Romani provided a brief presentation on the GGGI's approach to the selection of country programs.⁸

Costa Rica commented that in discussing country program selection criteria, the PSC had raised the point that the GGGI should consider being more active in climate change issues and in pursuing regional programs with Small Island Developing States.

Director-General Bamsey replied that the PPC program was in the early stages of discussion on an activity involving the private sector and the climate change negotiation process.

Australia commented that when looking at disbursement in the GGP&I programs, the capacity of the Secretariat to deliver projects needs to be taken into consideration. The Council was also recommended to consider what types of monitoring can be undertaken to bring a sense of accountability to the disbursement issue. Australia continued that the reasons for low disbursement in certain projects should be taken into account and if there are consistent problems in a particular project, those should be brought to the attention of the Council.

Denmark stated that it is more concerned by impact rate than disbursement rate, which are linked. On country program selection criteria, Denmark felt that it must be demand-driven and have clear government-level commitment to green growth. Denmark stressed the importance of the GGGI's role as a "trusted advisor" to governments and being embedded in the decision-making process. Denmark continued that it felt that the GGGI should focus on projects at the national level and noted interaction with other international organizations as crucial.

Mexico proposed that the Secretariat consider opening a regional Office in Mexico to focus on green growth in Latin America and the Caribbean. Mexico offered financial support to this end.

Chair Rasmussen thanked Mexico for their generous offer and suggested that the Secretariat explore the details around such a possibility, in cooperation with the Government of Mexico, and prepare a paper to allow the Council to discuss this at a later time.

Norway supported the proposal from Mexico and felt that this was a possibility that the GGGI should consider in its long-term thinking. Norway emphasized the importance of delivery and with that, a focus on fewer countries and government-level commitment to

⁸ C/3/9

green growth. Norway stated that the GGGI's unique qualities lie in the quality of its advice and knowledge, cooperation with the private sector and a focus on green growth.

Costa Rica also supported the proposal from Mexico and emphasized the role of trusted advisor as one that can move beyond the traditional roles of cooperation.

Indonesia reiterated the importance of the trusted advisor role and the need for in-country staff to understand the local situation on the ground. Indonesia added that it is important that the GGGI identify and work with the correct government counterparts, as many countries will already have some sort of network in place that can be utilized and the GGGI can ensure that it is in line with that country's mechanisms and working in areas that it can play a strategic role in.

Regarding disbursement, Indonesia stated that during the implementation phase, it is important to be open to adjustment in plans because delays are possible when work begins with technical ministries, but these partnerships will also build trust and result in higher quality of outcomes.

Indonesia continued that when working with the private sector, working with the appropriate ministries will be important in identifying the government's role in greening the private sector and industry mapping.

UAE commended the Secretariat's use of a portfolio monitoring and master deck and inquired whether the Secretariat would be able to develop a method of tracking the progress of projects and disbursement and communicate this to the Council on a quarterly basis.

Director-General Bamsey assured the Council that the Secretariat would take note of the recommendations of the Council in relation to its GGP&I programs. He said the Secretariat would consider how to exit a project or program that is not heading for success.

Deputy Director-General Romani stated that, in line with the Council's recommendations, the Secretariat did not plan to expand its portfolio significantly next year and expected that only a few countries would be added to the scoping portfolio.

On issues affecting disbursement, Deputy Director-General Romani felt that issues could be grouped into three main categories: 1) issues of political alignment within a country, which have affected the GGGI's ability to lay the foundation for the trusted partnership desired; 2) capacity to execute; and 3) uncertainty around the budget, processes, Financial Regulations and headcount.

Regarding the UAE's suggestion of reporting, Deputy Director-General Romani stated that the Secretariat would work to do this with the PSC, which would then be able to report on progress to the Council.

Costa Rica suggested developing a “fast track” process for those projects moving from scoping to implementation that have no concerns and should clearly be approved.

Chair Rasmussen underlined the important strategic value of the interventions on this agenda point. He was looking forward to discussing these issues further along with strategic issues on the basis of three papers outlining thoughts on the strategy from 2015 on GGP&I, PPC and Research in order to have a holistic discussion of the future direction of the GGGI.

Hearing no objections, the Council approved the decision on country program selection criteria, by consensus.⁹

8. BUDGET AND CAPACITY BUILDING ISSUES

- a. FY2012 audited financial statements
- b. FY2013 budget
- c. FY2014-15 projections

Chair Rasmussen explained that the budget materials presented to the Council had been drafted by the Secretariat in conjunction with the AFSC and had been endorsed by the FSC.

Deputy Director-General for Management & Administration, Robert Dawson, explained that there had been both structural and content revisions to the FY2013 budget since the draft presented to the Council in its second session in Abu Dhabi. He continued that the overall budget was USD 48.74 million, an increase of 24 percent over the FY2012 budget. The FY2013 budget breakdown was: GGP&I, USD 28.8 million; Research, USD 6.6 million; PPC, USD 3.1 million; International Cooperation, USD 4 million; and Management & Administration, USD 6.15 million.

Deputy Director-General Dawson added that a capital budget of USD 1.27 million was also included in the budget to look at computerization issues generally in the Secretariat and determine the level of ERP needed.

CFO Joya provided a brief presentation on the major revisions between the draft budget presented to the Council in its second session and the current draft budget.¹⁰

Denmark, as Chair of the AFSC, informed the Council that the AFSC and Secretariat had worked to create a budget that would facilitate strategic discussions within the Council, and this is why the budget includes projections for FY2014 and FY2015. Scoping and projects in implementation were separated in the budget and efforts were made to ensure transparency. Denmark also drew the Council’s attention to an increased number of staff based in partner countries in the budget. Denmark stressed that the budget for ERP had not been presented to

⁹ C/3/DC/6

¹⁰ C/3/11

the AFSC and therefore was not endorsed by the Sub-Committee.

UAE asked for the reasoning behind the significant increase in the FY2013 budget total over that of FY2012, considering that the Secretariat had not expended its entire allocated budget in FY2012. The UAE asked for similar explanations behind the budgets for the different departments in the GGGI, as many had increased significantly but to date, the Secretariat was under-spending. The UAE also shared its concern that a reduction in the UAE Office budget would have an impact on the quality and ability to deliver on the project in the UAE at a critical time.

Regarding internal capacity building, the UAE expressed its concern that the GGGI is too heavily reliant upon outside contractors and consultants and asked how the GGGI plans to link its growth in in-country staff with increases in the capacity of those local resources. The UAE was also concerned about the increase in budget for legal counsel. The UAE added that senior staff in the GGGI represented over half of the total staff size, suggesting that a large number of daily activities are delegated to external consultants.

The UAE added that concerning its own funding contributions to the GGGI, the proposal to allocate USD 3 million to GGGI core activities was not in line with the understanding between the UAE and the Government of Korea, as the UAE funds are only to be used to support the UAE Office.

Denmark expressed its support for the increase in in-country staff due to the important role this would play in enabling the GGGI to impact the strategic direction of partner government policy and to build the analytical capacity of partner governments on the ground. Denmark continued that it would like to see more focus on low-income countries and was pleased to see the increased level of scoping activities in Small Island Developing States and sub-Saharan Africa. However, Denmark cautioned against spreading the GGGI's resources too thin, as the key goal was to see strong results and policy changes towards a greener pathway in countries. Regarding the ERP system, Denmark supported the Secretariat's looking for a strong financial system to be put in place in cooperation with the AFSC.

Mexico asked whether the Secretariat had a process when considering partners to work with on projects, as several organizations now work on green growth, and if the Secretariat reached out to various actors and initiatives to try to increase impact.

Several members of the Council expressed their pleasure at the marked improvement in the structure of the budget compared to that presented at the second session.

Director-General Bamsey assured the Council that the Secretariat would work to implement the message given today: to deliver, focus on existing country programs, ensure delivery in-country and provide resources in-country. The Director-General encouraged the Council to continue providing feedback to the Secretariat at any time.

Regarding the increase in budget over FY2012, Director-General Bamsey explained that this was due to the improvements being made by the Secretariat in building increased capacity

and aiming to perform better than last year. However, the Director-General stated that the Secretariat needed to improve its performance and disbursement before the end of the year. He continued that the budget was grounded in reality and was not believed to contain any fundamental inaccuracies, but that the GGGI was dependent upon voluntary contributions and the actual funding provided by contributing members. This meant that revenue was not always predictable.

Regarding the use of external consultants, Director-General Bamsey explained that the Secretariat was working to increase internal capacity but that until that time, the GGGI would continue to require the services of external partners. Even with increased capacity in the Secretariat, he continued, given the work that the GGGI is engaged in, external consultants would still be needed for certain activities in which the GGGI did not have in-house expertise.

On the allocation of UAE funds, Director-General Bamsey stated there appeared to have been a misunderstanding between the UAE and the Secretariat and that the funds would be re-allocated to reflect the wishes of the UAE Government.

Regarding in-country staff, Deputy Director-General Dawson stated that in-country staff were very important but come with additional budgetary costs and management. To this end, efforts would be made in the Secretariat to structure efficiently the allocation of staff in-country, their management and conditions of employment.

Deputy Director-General Dawson continued that the costs for legal counsel would necessarily increase as the number of projects that the GGGI is involved in increases.

On recruitment of staff and particularly at the senior levels, Deputy Director-General Dawson emphasized the importance of recruiting the right people for the task and that this was not a matter of being "senior staff" but rather bringing in experienced staff to manage long-term processes.

CFO Joya added that the budget had been developed from the basis of the Strategic Plan 2012-14. Regarding the use of external consultants, CFO Joya explained that the high level of outsourcing that appeared in the budget is partly due to the GGGI's business model. CFO Joya continued that other organizations, such as the UN, classify their expenditures as "loans" or "grants" and recipient countries are responsible for all outsourcing activities. However, because the GGGI expended funds itself and did not engage in loans or grants, it maintained ownership of all outsourcing activities and this led to increases in the budget.

Australia commented that the materials provided to the Council on the budget and revisions made since the second session of the Council were very helpful and encouraged the Secretariat to continue to do so to ensure maximum transparency and accountability.

On disbursement, Australia stated that while it is important to increase the rate of disbursement, this should not be done at the expense of value for money. Australia also stressed the importance of core funding for the GGGI and encouraged those contributing

members providing core funding to make payments on schedule. Australia added that there should be a feedback process for this as well.

Australia stated that the use of consultants should be tied to outcomes in-country.

Regarding the annual budget process, Denmark urged the Secretariat to prepare the budget so that reporting can be done according to International Aid Transparency Initiative standards, as this would add to the credibility of the GGGI.

Hearing no further comments and no objections, the Council approved the decision on the financial statements and budget, by consensus.¹¹

9. MEMBERSHIP EXPANSION

Chair Rasmussen informed the Council that the FSC had approved the Secretariat's proposal to invite Mongolia and the Republic of Rwanda to join the GGGI as founding members, particularly considering that the GGGI currently has programs in each country.

Chair Rasmussen continued that the issue of an overall strategy for membership expansion of the GGGI needs to be developed, and to this end the Secretariat should do this in cooperation with the FSC.

Hearing no objections, the Council adopted the decision on membership expansion, by consensus.¹²

10. ADVISORY COMMITTEE

Chair Rasmussen explained that it had become clear that the role of the Advisory Committee is closely linked to the GGGI's PPC activities, and as such, the FSC had felt that further discussion on the Advisory Committee should be postponed until the arrival of the Assistant Director-General for PPC, Nikolaus Schultze, in September.

Director-General Bamsey added that the Secretariat would very much like to receive the Council's views on the role of the Advisory Committee.

Australia requested the Secretariat to keep the Council informed of any developments concerning the Advisory Committee.

Denmark expressed that it would like to see the Advisory Committee develop synergy with the Global Green Growth Forum (3GF) so that greater ownership of the 3GF can be taken by the GGGI in the future.

¹¹ C/3/DC/7

¹² C/3/DC/8

11. WRITTEN PROCEDURE

Chair Rasmussen explained that Rule 14 of the Rules of Procedure of the Council, allowing for the Council to take decisions by Written Procedure, also requires the Council to establish such a procedure in a separate decision. The Council had already taken one decision by Written Procedure, the Decision on the draft Partnership Agreement between the Global Green Growth Forum and the Global Green Growth Institute¹³, and in this decision had requested the Secretariat to develop a proposal for a formal process for decision by Written Procedure.

Hearing no objections, the Council adopted the proposed process for decision by Written Procedure, by consensus.¹⁴

12. PROCESS FOR RECRUITING THE NEXT DIRECTOR-GENERAL

Chair Rasmussen explained that as Director-General Bamsey had been appointed for a period of up to one year, the process of recruiting the next Director-General should begin.

Australia encouraged the FSC to engage the services of an international search firm in the recruitment process and to ensure that terms of reference allow for the Secretariat to get the most out of the firm. Australia further encouraged the FSC to consult with other Council members on major items, such as the terms of reference, to ensure transparency and that a collective decision is being made on the new Director-General.

Chair Rasmussen agreed with Australia's comments and stated that an update would be provided to the Council at the fourth session in December.

Hearing no objections, the Council approved the decision on the process for recruiting the next Director-General, by consensus.¹⁵

13. UPDATE ON PHYSICAL EXPANSION PLANS

Chair Rasmussen informed the Council that the in-house capacity of the Secretariat needs to be increased but that this requires an expansion of the physical office space of the Seoul Headquarters.

Director-General Bamsey added that the Secretariat would need to make a decision in the coming months as to how to expand its current office space to accommodate the increasing staff numbers. He continued that in determining how best to expand the Headquarters office space, the Secretariat would engage in a financial analysis of the available options, including an offer from Incheon City, while keeping in mind the welfare of staff. He added that a

¹³ C/WRP/DC/1

¹⁴ C/3/DC/9

¹⁵ C/3/DC/10

decision would need to be made relatively quickly, as the staff size is quickly expanding and the current building lease expires in 2014.

Australia and Denmark supported the proposed way forward by the Secretariat and agreed that staff welfare is paramount. Australia and Denmark also encouraged the Secretariat to do a thorough analysis of the offer from Incheon City, as there would be benefits in fostering synergies with the Global Climate Fund once it arrives in Songdo, Incheon.

Hearing no objections, the Council adopted the decision on the physical expansion plans, by consensus.¹⁶

14. PROVISIONAL AGENDA FOR THE NEXT SESSION OF THE COUNCIL

Chair Rasmussen stated that during the fourth session of the Council in December 2013, the Council would need to discuss the FY2014 budget and the composition of the Sub-Committees, as they were established for one-year terms and considering that the composition of the Council may change, as some Council members were appointed for one-year terms. He added that the Council should come back to the strategic discussion in December following the workshop in September.

Hearing no objections, the Council adopted the decision on the provisional agenda for the next session of the Council, by consensus.¹⁷

15. ANY OTHER BUSINESS

Director-General Bamsey thanked the Council for their affirmation of the various rules and regulations placed in front of them at this session. He stated that the Secretariat would do its utmost to meet the deadlines placed by the Council, but if this was not possible, he would inform the Council.

16. CLOSING OF THE MEETING

Having no further business, Chair Rasmussen closed the third session of the Council.

¹⁶ C/3/DC/11

¹⁷ C/3/DC/12

Fra: Maria Uiff-Møller
Sendt: 21. september 2013 14:06
Til: Udviklingsministersekretariatet (INTERNAL) DL; Udviklingsministeren; Direktionssekretariatet (INTERNAL) DL; Ledelsesfordeling; ALO; Seoul; Peter Lysholt Hansen; GRV, All (INTERNAL) DL; UFT; Anette Aarestrup; Jakarta; Martin Bille Hermann; Mikael Ekman; UGS; Tove Degnbol; Thierry Hoppe; Erik Laursen; Ib Petersen; Mia Steninge; Maja Mortensen; New York UN; Charlotte Slente; Morten Jespersen
Emne: Strategi-retreat for GGGI-bestyrelsen i Indonesien 15.-16. september 2013
Klassifikation: UKLASSIFICERET

Strategi-retreat for GGGI-bestyrelsen i Indonesien 15.-16. september 2013

Resumé:

Den 15.-16. september afholdtes en workshop for bestyrelsen i Global Green Growth Institute (GGGI). Mødet var den første lejlighed for bestyrelsen, siden GGGI i 2012 omdannedes fra koreansk NGO til international organisation, til at drøfte og give sekretariatet input vedr. GGGI's fremtidige strategiske retning. Den kommende strategi forventes at dække en 5-årig periode (2015-2020) og vil blive ledsaget af rullende treårige arbejdsplaner og budgetter.

Processen ventes at være som følger:

- December 2013: Bestyrelsen ventes opdateret vedr. status for arbejdet med den nye strategi.
- Marts 2014: Uformelle konsultationer og godkendelse af prioritets- og resultatmatrix i bestyrelsen.
- Juni 2014: Udkast til ny strategi forventes forelagt bestyrelsen.
- August 2014: Høring i assembly.
- På forslag fra Danmark opnåedes enighed om, at også partnerlandene og de relevante stakeholders i disse skulle høres om strategien.
- Oktober 2014: Vedtagelse af endelig strategi

Sekretariatet havde indledningsvist understreget, at der ikke skulle træffes konklusioner på mødet. Alligevel blev fem pointer fra drøftelserne afslutningsvist fremhævet af formand Lars Lykke Rasmussen:

- Den nye strategi burde være kort, fokuseret og realistisk.
- P.t. var det imidlertid afgørende ikke blot at fokusere på arbejdet med den fremtidige strategi. Der var et akut behov for at "get the house in order", få interne procedurer og arbejdsgange på plads og konsolidere aktiviteterne.
- Fokus på den private sektors rolle fsva. grøn vækst var et af de områder, hvor GGGI adskilte sig fra andre organisationer og kunne gøre en forskel. Men potentialet var uudnyttet, og der var behov for bedre at afdække, præcis *hvordan* den private sektor skulle inddrages. Formanden foreslog derfor, at hvert bestyrelsesmedlem til mødet i december skulle invitere en repræsentant fra den private sektor mhhp. at få en reel drøftelse med private virksomheder om interesser og incitamenter.
- Der var behov for bedre økonomisk styring og for finansiel stabilitet.
- Der var behov for bedre kommunikation om organisationens mål og resultater, både internt og eksternt.

Workshoppen blev efterfulgt af en felttur til Central Kalimantan, Borneo, hvor bestyrelsen fik førstehåndsindtryk af GGGI's arbejde i felten. Feltturen fik pæn omtale i indonesiske medier og havde således den sideeffekt at skabe opmærksomhed i Indonesien om GGGI's arbejde.

Fra dansk side deltog Peter Lysholt Hansen, amb. Seoul og Maria Ulff-Møller, Kontoret for Grøn Vækst.

Uddybende:

Formålet med workshoppen var at give GGGI-sekretariatet input til arbejdet med organisationens nye strategi. Store dele af drøftelserne fokuserede imidlertid på organisationens nuværende udfordringer. Der var generelt enighed om, at GGGI havde gennemgået en succesfuld omdannelse fra koreansk NGO til international organisation. Man havde etableret velfungerende organisationsprocedurer, sikret sig ODA status og vist klare resultater på jorden, herunder i Etiopien og Indonesien. Dette havde det fælles, danskledede donor review, som på mødet blev præsenteret af den danske Seoul-ambassadør Peter Hansen, ligeledes vist.

Organisationen stod imidlertid fortsat over for en række udfordringer, som også donor reviewet pegede på.

1. "Get the house in order": Der var generelt enighed om et akut behov for at få arbejdsgange og -procedurer på plads. Man havde behov for en organisationsarkitektur, som var 'fit for purpose' og passende til GGGI's størrelse og karakter. Der skulle fokuseres på landeprogrammerne og ikke igangsættes nye aktiviteter.

2. Organisationskultur: Der var enighed om behovet for at udvikle én organisationskultur – også blandt medarbejderne i felten. DG'en understregede, at ledelsen var opmærksom på og enig i det akutte behov. Normalt tog det minimum 5 år at opbygge en robust organisationskultur – i GGGI's tilfælde havde man ikke 5 år, og ledelsen ville derfor hurtigt igangsætte initiativer for at fremme en sådan. Der var en længere drøftelse af, hvad en "entreprenørial" vs. en "traditionel" organisationskultur egentlig betød – uden at man nåede til enighed. Generelt var der dog enighed om, at GGGI skulle være en innovativ og fleksibel organisation uden tunge arbejdsgange. Flere, under DK, understregede imidlertid, at der ikke var modsætning mellem dette på den ene side og accountability og professionalisme på den anden.

Økonomistyring og finansieringsmodel: Der var blandt deltagerne udbredt bekymring over det store gap mellem planlagt budget (baseret på givne tilsagn) og kontantbeholdning, hvilket skyldtes forsinkede eller manglende udbetalinger. DG'en understregede, at mere forudsigelighed var afgørende og oplyste, at sekretariatet næste år ville anmode donorerne om at give en indikation på, hvornår udbetalingen ville falde. Der var generel enighed om behovet for at udvikle en levedygtig finansieringsmodel. Assessed contributions blev foreslået. Enkelte gav udtryk for, at GGGI måtte gøre sig uafhængig af bistandsmidler, fx ved at sælge serviceydelser til den private sektor, mens andre (herunder DK) mente, at dette nok ikke var realistisk og muligvis heller ikke hensigtsmæssigt.

Resultater: Enighed om, at GGGI måtte vise resultater på jorden for at overleve som organisation. GGGI skulle spille rollen som uafhængig, troværdig rådgiver ved at tage udgangspunkt i hhv. regeringers og den private sektors interesser og facilitere samarbejde. GGGI skulle være katalytisk, idet ejerskabet måtte ligge på landeniveau. Det blev foreslået at indføre midtvejs

evalueringer, udvikle en database for at gøre mål og resultater tilgængelige for alle samt indføre en årlig ekstern evaluering.

Bedre kommunikation: Der var en mangel på viden om organisationens succeshistorier, både eksternt og internt i organisationen. Man manglede synlighed og havde behov for flere kommunikationsressourcer og en klar kommunikationsstrategi.

Integration af de 3 søjler: Enighed vedr. behovet for bedre synergi mellem de 3 søjler – forskning og offentligt-privat samarbejde burde integreres i programmerne. Forslag om at omdøbe til "workstreams" for ikke at give indtryk af, at der er tale om gensidigt uafhængige søjler.

Offentligt-privat samarbejde: Generelt enighed om, at samarbejdet med den private sektor var en added value og skulle prioriteres, men behov for bedre forståelse af hvad inddragelse af den private sektor betød i praksis og hvordan potentialet skulle udnyttes. På lang sigt var et succeskriterium at have faciliteret samarbejde mellem regeringer og private virksomheder, hvorfor man måtte prioritere behovsvurdering. Forslag fra Lars Lykke Rasmussen om, at hvert rådsmedlem til mødet i december skulle invitere en højniveau-repræsentant fra den private sektor mhp. en reel drøftelse mellem bestyrelsen og private virksomheder om interesser og incitamenter.

Forskning: Enighed om, at GGGI havde potentiale til at være en ledende "tænke- og handlingstank". Forskningsprogrammet havde imidlertid endnu ikke leveret et stykke trendsættende forskning. Forslag om at udvikle en tæt relation til et par udvalgte universiteter/forskningsinstitutioner.

Udvikling/CO2-reducering: Fsva. spørgsmålet om, hvorvidt GGGI burde fokusere snævert på reducere af CO2 eller have et bredere mandat vedr. bæredygtig udvikling var der delte meninger. Der tegnede sig dog en fælles forståelse af, at CO2-reducering var *indgangen* for GGGI, idet et succeskriterium for GGGI på lang sigt var at vise evidens for, at grøn vækst bidrog til fattigdomsbekæmpelse og jobskabelse. Flere mente derfor også, at der var behov for en bred palet af kompetencer/erfaring blandt GGGI-ansatte, herunder fsva. udvikling. Det blev understreget, at GGGI på lang sigt burde have faciliteret syd-syd samarbejde og erfaringsudveksling vedr. grøn vækst. Et succeskriterium på lang sigt var endvidere at have påvirket den offentlige debat således at "vækst" altid omfattede den grønne dimension.

Peter Lysholt Hansen, amb. Seoul og Maria Ulff-Møller, Kontoret for Grøn Vækst