



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

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