

Ministry of Foreign Affairs – Department for Green Diplomacy and Climate (GDK)

Meeting in the Council for Development Policy on 12 October 2023

Agenda Item No. 6

- 1. Overall purpose:** For discussion and recommendation to the Minister
- 2. Title:** Strategy for Denmark's Engagement with
Global Green Growth Institute (GGGI) 2023-2025
- 3. Amount:** DKK 60 million
- 4. Presentation for Programme Committee:** 27 June 2023
- 5. Previous Danish support presented to UPR:** 29 October 2020: Support to GGGI 2020-mid 2023:
DKK 80 million

Danish Organization Strategy for Global Green Growth Institute (GGGI)

Introduction: GGGI is a treaty-based inter-governmental organization that aims to support a global transition toward a model of green growth that achieves poverty reduction, social inclusion, environmental sustainability, and economic growth. GGGI provides expertise in key green transition themes, and works embedded in national systems, as adviser on strengthening policies, enabling frameworks, capacity and mobilizing green investments. GGGI works in 38 countries, incl. in Africa and small island developing states.

Key results:

- Strengthened policies, frameworks, and financing for climate change adaptation especially in vulnerable countries and small island developing states.
- More NAPs and LT-LEDS strengthened for enhanced policy direction and financing, including focus on climate resilient agriculture and its nexus with wider dimensions of resilience
- An effective, focused, and sustainable GGGI delivering on needs for climate adaptation support in vulnerable countries
- Gender equality and social inclusion concerns integrated in GGGI's advisory and green financing mobilization work

Justification for support:

- GGGI addresses key Danish objectives on climate and adaptation including in Africa and small island developing states. With increased priority in the period of the current grant, all core funding will mainly go to programmes and key knowledge functions that enables GGGI to proactively pursue strategic initiatives, like climate adaptation.
- GGGI is a trusted advisor, embedded in national governments, and delivers critically needed expert support to facilitate green investments and green growth policies and, capacity development.
- The core funding will consolidate results of Denmark's long-standing support to GGGI, which includes development of GGGI's now effective and efficient organization – resulting in its institutional sustainability, also making it attractive to an expanded donor funding base.
- Core funding further supports the sustainability of the long-standing Danish investment by giving GGGI needed flexibility to complete its institutional consolidation and focus on strengthening the core knowledge areas and programmes that ensure it delivers relevant and sustainable results to Member and partner countries.
- Based on the strong organizational achievements and programme impacts of GGGI, Denmark will work on phasing-out core funding after 2025.
- The parallel Danish support to the Green Climate Fund (GCF) will continue to bolster GGGI's results and sustainability, as GGGI is established as a significant readiness partner to GCF.

Danish involvement in governance structure:

- Denmark will liaise with donor representatives active in GGGI Council and Assembly.

File No.	2023-1655				
Responsible Unit	GDK				
	<i>Million DKK</i>	2023	2024	2025	Total
Commitment		30	30		60
Projected ann. Disb.		20	20	20	60
Duration of strategy	Med. 2023-2025				
Previous grants	2020-mid 2023: DKK 80 million 2017-19: DKK 60 million 2014-16: DKK 90 million 2011-13: DKK 90 million				
Finance Act code.	06.34.01.40				
Head of Unit	Karin Poulsen				
Desk officer	Henning Nøhr				
Financial officer	Rasmus Tvorup Ewald				

SDGs relevant for Programme



Budget

	<i>Million DKK</i>	2023	2024	2025	Total
Core funding GGGI		20	20	20	60

How will we ensure results and monitor progress:

- Monitor Danish priorities based on GGGI's results framework and monitoring
- Engage constructively with GGGI at strategic level with focus on Danish priorities, supplemented by country-level interaction through Danish embassies as relevant
- Conduct annual bilateral consultations.

Risk and challenges:

- Insufficient replenishment of GGGI's core funding limits higher allocations for programmes in vulnerable countries in Africa and SIDS countries
- Insufficient focus in programmatic solutions where GGGI maintains an edge, arising from diverse demands from earmarked funders
- GGGI's interdependence on inputs/co-creation with other partners in delivering higher level results

Strategic objective(s)

Support the green and inclusive transformation, especially in Africa and small island developing states, with focus on climate adaptation and resilience, and that GGGI completes its development process towards institutional consolidation and strategic focus and sustainability

Priority Areas

1. GGGI strengthens its engagement in vulnerable countries especially in Africa and small island developing states
2. GGGI further develops and implements its priority on climate change adaptation
3. Institutional consolidation and sustainability of GGGI with clear strategic focus incl. at knowledge and delivery levels.

Core information

Established	2012
HQ	Seoul
President and Chair	Ban Ki-moon
Human Resources	Approx. 450 staff
Country presence	38 countries in Africa, Asia Latin America & Caribbean, Middle East, Pacific.



**MINISTRY OF FOREIGN AFFAIRS
OF DENMARK**
Danida

Strategy for Denmark's Engagement with Global Green Growth Institute (GGGI) 2023-2025

Final draft 21 September 2023



List of Content

1. Objective.....	1
2. GGGI's Mandate, Organization, and Funding.....	1
3. Key strategic challenges, lessons learnt, and opportunities.....	3
4. Priority areas and expected Results.....	5
1) GGGI strengthens its engagement in vulnerable countries especially in Africa and small island developing states.....	5
2) GGGI's further develops and implements its priority on climate change adaptation	6
3) Institutional consolidation and sustainability of GGGI	7
Cross-cutting priority: Gender equality and social inclusion	8
5. Danish approach to engaging with GGGI.....	8
6. Budget	9
7. Risks and assumptions.....	9
Annex 1: Danish priorities and monitoring.....	11
Annex 2: GGGI Global Operational Priorities and Programmatic Solutions	13
Annex 3: GGGI's proposed support for vulnerable countries.....	14
Annex 4: GGGI's Budget scenarios for 2023-2024	15

1. Objective

This Organization Strategy for the cooperation between Denmark and the Global Green Growth Institute (GGGI) is the basis for the Danish contributions to GGGI and platform for Denmark's dialogue and partnership with GGGI during the next support period 2023-25. It establishes the Danish priorities for GGGI's performance in the framework of GGGI's *Strategy 2030, A Low-Carbon, Resilient World of Strong, Inclusive, and Sustainable Growth*; GGGI's *Roadmap 2021-2025*; and GGGI's Work Programme and Budget 2023-24. The Organization Strategy outlines specific priorities and results that Denmark will pursue in its cooperation with GGGI.

The Organization Strategy is anchored in Denmark's Strategy for Development Cooperation, "*The World We Share*" and *Denmark's Global Climate Action Strategy*. It is guided by the objective to support GGGI to reach its goals to promote a green and inclusive transformation, especially in Africa and small island developing states (SIDS), with focus on climate adaptation and resilience. It is further the objective that GGGI refines its development towards institutional consolidation and strategic focus in order to ensure sustainability of its results and organization. This will consolidate and enhance the sustainability of the results of the long-standing Danish support to GGGI since 2011. In recognition of GGGI's significant achievements in establishing an effectively managed organization, Denmark will through the coming support period 2023-2025 work for a phasing out of Danish core support to GGGI.

2. GGGI's Mandate, Organization, and Funding

Mission and mandate. GGGI is a treaty-based inter-governmental organization dedicated to support and promote strong, inclusive, and sustainable economic growth in developing countries and emerging economies. Its mission is to support a global transition toward a model of green growth that - differentiated at country level - contributes to poverty reduction, social inclusion, environmental sustainability, and economic growth.

GGGI has developed into a player of significant role and scale since its origin in 2012, with now +450 staff, presence in 38 countries, and an annual budget of USD 81 million (in 2023). GGGI provides expertise in a range of critically needed green transition areas. Its mix of solution areas is overall divided into mobilization of green investments/financing *and* policy advice and technical support for developing green growth plans, policies and regulations, local capacities and knowledge sharing.

Strategic framework. GGGI's work is guided by *Strategy 2030*¹, implemented in two 5-year phases, where *Roadmap 2021-2025*² is the action plan for the current first phase: The Roadmap sets out 5 *Global Operational Priorities* (GOPs) and 11 *Programmatic Solutions* that represent the definition of GGGI's priority areas of delivery (see Annex 2). The 5th GOP is "acceleration of poverty eradication and gender equality" in countries where GGGI works and poverty must be mainstreamed in all 11 programmatic solutions. The *Gender Equality and Social Inclusion Strategy 2021-2025* defines GGGI's way forward to deliver green solutions that simultaneously lift people out of poverty, and contribute towards gender equality and reduced inequalities.

¹ https://gggi.org/wp-content/uploads/2019/12/Strategy-2030-EXTERNAL-191212_FINAL.pdf

² https://gggi.org/wp-content/uploads/2021/05/GGGI-Strategy-2030-5-Year-Roadmap-2021-2025_25.9.2020_SU.pdf

Governance and management. GGGI is a country-member based organization, with now 45 members. The Assembly consists of all GGGI members and meets annually; it advises on GGGI's overall direction and progress, elects Council members, and appoints the institute's Director General. The Council is the governance organ, led by a Chair (former UN Secretary General Ban Ki-moon) and two vice chairs; it approves strategy, budget, and admission of new members. The Council is supported by a Management and Programme Sub-Committee (MPSC).³

Organizational structure and systems. GGGI's headquarter in Seoul provides the overall management and administration of the organization and sets GGGI's global policy. GGGI is a highly decentralized and field driven organization with Country Programmes in 32 countries and projects in 6 additional countries (see also GGGI's organizational chart⁴). Of GGGI's 450 staff, roughly three-fourths work at country/regional level (compared to approx. 230 in 2017 of which about half worked at country/regional level).

Funding, budgets, and operational planning. GGGI's funding situation has changed fundamentally in recent years, with a major earmarked funding increase (from USD 31 million to 65 million per year during 2017-2022), and a resulting shift from core- to earmarked as main funding source. GGGI expects its total budget to increase to USD 81 million in 2023, with the final figure determined by actual realized donor earmarked- and core funding. Because of GGGI's reliance largely on project earmarked funding, it operates with a budget framework limited to two years that, moreover, defines three alternative budget scenarios. Annex 4 shows the GGGI's budget scenarios for the current budget period of 2023-2024 (the 2025-2026 budget framework will be developed in second half of 2024).

The shift in funding mix challenges GGGI in important ways. While the core funding and overhead charges are sufficient to cover costs of the administrative functions, it is insufficient to also enable GGGI fund more proactive and strategic initiatives, like responding flexibly to demands at country level, initiate own-defined catalytic and strategic programme initiatives at country level, bolster GGGI's core-knowledge areas, and meet the 60% budget-target to vulnerable countries. In response, GGGI has initiated the Core (funding) Replenishment Drive that the Danish core funding will contribute to realize. GGGI plans for all additional core funding realized to be allocated towards programmatic areas, as opposed to administrative functions. Moreover, GGGI also defines the envisaged extra budget allocations for specific vulnerable countries from the achieved core funding mobilization (see Annex 2 and 3 for baselines and country specific additional funding). Currently the main core funding donor is Korea (USD 12 mil.) followed by Denmark and Norway, but plan with the Core Replenishment Drive is to expand the group of core funders.

³ Denmark most recently sat on the Council in 2020-2022 and was an observer in the MPSC in the same period

⁴ https://gggi.org/wp-content/uploads/2022/04/GGGI_2022_OrgChart_v1.pdf

GGGI's role in the wider international green transition architecture.

GGGI is a well-established actor in the international network of organizations engaged at global and country level in promoting green transitions. While there may be overall thematic overlap in GGGI's mandate and that of other partners intervening in the vast space of inclusive green transition, GGGI differentiates itself by a focus on providing policy advice and translating strategies into investment plans and financial commitments. Further, GGGI combines its topical green transition expertise with working embedded in government institutions in its member countries, playing a role as a neutral, trusted advisor. GGGI is now also establishing formal Strategic Partnerships with key international organizations to better be able to holistically address the nexus of climate adaptation with key related dimensions of resilience, including food security, water, and others.

Combination of features differentiating GGGI

- Works along the full “green value chain” from policy diagnosis and development to planning, implementation and financing
- Plays a role as a neutral, trusted advisor with permanent/long-term country presence and working embedded within partner government systems
- Appreciated and growing Readiness Partner to the Green Climate Fund

GGGI is now also establishing formal Strategic Partnerships with key international organizations to better be able to holistically address the nexus of climate adaptation with key related dimensions of resilience, including food security, water, and others.

GGGI has particularly established itself as a major readiness partner to the Green Climate Fund (GCF), by supporting member and partner countries prepare their updated Nationally Determined Commitments (NDCs) for COP26 and developing bankable projects for GCF financing, facilitated also by the proximity of GGGI headquarter in Seoul and GCF in Songdo, and GGGI staff working in GCF offices. Earmarked contributions from GCF represent a growing share of GGGI's budget. For 2023-24, the expectation is that GCF will be a significant donor for project earmarked funding at USD 19.7 mil, covering readiness activities and work related to National Adaptation Plans (NAPs) in +20 countries. Alongside the Danish support to GGGI, Denmark has been a consistent partner to GCF with a contribution of DKK 800 million for the period 2020-2023, and is actively engaged in negotiations on the second GCF replenishment for the period 2024-2027, where an ambitious contribution of DKK 1.6 billion is proposed.

3. Key strategic challenges, lessons learnt, and opportunities

The fundamental challenge in focus of Denmark's Organization Strategy for GGGI is the climate crisis and the critical need for an enhanced response, especially within climate adaptation and resilience in vulnerable countries in Africa and SIDS.

Denmark has supported and worked with GGGI since 2011, often with direct roles in its development,⁵ including as Council member (2012-17 and 2021-2022) and observer in the Council and MPSC. Throughout, Denmark's dialogue and engagement with GGGI have focused on organizational consolidation, focusing programmes, strengthening support to least developed countries, not least in Africa, strengthening administrative systems, decentralization, and developing results management systems.

⁵ The Danish support to GGGI was DKK 80 million in 2020-mid 2023, 60 million in 2017-19; DKK 90 million in 2014-16; and DKK 90 million 2011-13.

As documented by a recent thorough Mid-term Review of Danish support to GGGI (2022), GGGI has developed into a significant and credible international player in the green and inclusive transformation arena, based on its scale-up in programmes and country partnerships. The Mid-Term Review also documented GGGI's achievement in developing effective, accountable, and transparent administrative and financial management systems, and the transformation made in organizational structure and funding to ensure basic institutional sustainability. For instance, by developing digital tools and administrative procedures, it has since 2017 cut non-programmatic costs by one-half to reach 15% in 2021. GGGI has also shifted towards a Results-Based Management system and new processes for organization-wide Project Cycle Management. The Mid-Term Review also assessed in detail GGGI's staff conditions, confirming for instance acceptable travel rules.

The main challenge highlighted by the Mid-term Review is the risk for GGGI to be able to maintain its focus and deliver sustained results, arising from GGGI's considerable growth combined with its shift towards mainly earmarking funding, a substantial recruitment drive, and the high number of new country operations.

GGGI's scale and role present an opportunity for a wide-reaching impact of the Danish support on the green transformation across GGGI's country programmes. However, a clear focus by GGGI's on the priority issues, like Africa and SIDS, is challenged by the strong role of earmarked funding in driving GGGI's operational directions. Here Danish core funding provides an opportunity by enabling GGGI increase envelopes of unrestricted funding for vulnerable countries, which can be invested in developing strategically relevant climate adaptation projects to catalyze additional funds from other donors and strengthen GGGI's climate adaptation work overall.

The core funding also enables GGGI to further strengthen its core knowledge management functions to consolidate its expert position and edge, and ensure consistent and quality-assured advice across countries. This will enable GGGI to ensure the quality and thus impact and sustainability of its support to partners. It will also help secure GGGI's own institutional sustainability, as the focus and quality of its work continue to make it attractive to funding from donors. Denmark's long-standing support to GGGI has already helped significantly in establishing GGGI as an effective and efficient organization, which further improves its institutional sustainability, including by contributing to making GGGI attractive to an expanded set of donor funding.

Danish core funding to GGGI can also reinforce a holistic approach within Denmark's wider development cooperation. As such, GGGI engages in Danish partner countries where synergies continue to exist with Danish supported projects/programmes and partners, and Danish Embassies confirm that GGGI is a visible and important player. While in this phase there will be no earmarked Danish funding, Denmark and GGGI can still work actively to create synergies in countries where both have engagements in related thematic fields, and allow lessons to feed into Danish climate diplomacy efforts, including on GCF's readiness activities. A lesson on earmarked support from previous phase is this is useful for promoting particular Danish agendas, but requires a long-term and detailed engagement, which is beyond the scope of this support phase.

GGGI has developed its system of results reporting and monitoring significantly, including as follow up to the dialogue with the donors. The corporate results framework⁶ is comprehensive. The Danish MTR 2022 noted the system mainly uses quantitative indicators, while adding qualitative measures and focus on lessons would strengthen possibilities to assess and manage GGGI's results fully. GGGI also reports mainly anticipated future results over its strategic outcomes (reflecting GGGI's engagement especially at the green value-chain's start), and it is highly aggregate and general with linkages between levels not fully evident.

4. Priority areas and expected Results

The following priority areas will guide Denmark's partnership and dialogue with GGGI, building on the linkages between Denmark's and GGGI's strategic priorities and achievements and lessons from Denmark's on-going collaboration with GGGI. In addition to the three priority areas, gender equality and inclusion will be cross-cutting priority concerns for Denmark's collaboration with GGGI in alignment with GGGI's Gender Equality and Social Inclusion Strategy.

1) GGGI strengthens its engagement in vulnerable countries especially in Africa and small island developing states

Denmark's development Strategy, *The World We Share*, in its objectives has special attention to Africa and the small island developing states, including the focus on strengthening climate change adaptation, nature, the environment in the poorest and most vulnerable countries. It also follows the Paris Agreement's goals focusing on supporting climate adaptation in the world's least developed countries and SIDS. The Danish focus on Africa was already central in the previous support to GGGI, with earmarked support for renewable energy in Burkina Faso, Ethiopia, and Uganda.

The Danish priority on Africa aligns with GGGI's strategic emphasis on Africa, which is well-established through its Africa Regional Strategy 2021-2025 - the action plan that cascades down GGGI's Strategy 2030 to the Africa regional level and aligns with NDC and SDG commitments of GGGI member/partner countries in Africa. Denmark supports the direction underlining GGGI's on-going mid-term review of its Africa Regional Strategy, with a stronger focus on climate adaptation and its nexus with post-Covid recovery, food security, conflict, and gender and youth. Denmark will focus on the *updated* Africa Regional Strategy as basis for operationalizing the shared priorities by GGGI and Denmark regarding the support to Africa.

Denmark supports GGGI in its focus on themes linked to climate adaptation in Africa. As such, GGGI presently has country programmes in 8 African countries, with a combined total budget of USD 30,6 mil. in WPB 2023-24 (26% of country allocations, base scenario), mainly linked to GGGI's programmatic solutions on sustainable forests, climate resilient agriculture and waste management, and with climate adaptation and food security as crosscutting themes. Denmark will focus on the clearer expression

The three priority areas for Denmark's core contribution to GGGI during the period 2023-2025 are:

1. GGGI strengthens its engagement in vulnerable countries especially in Africa and small island developing states
2. GGGI's further develops and implements its priority on climate change adaptation
3. Institutional consolidation and sustainability of GGGI with clear strategic focus incl. at knowledge and delivery level

⁶ <https://gggi.org/wp-content/uploads/2020/11/A20207-C20207-Corporate-Results-Framework-2021-2025.pdf>

expected in the *Updated Africa Regional Strategy* of such thematic priority areas, ambitions and budget and results targets related to climate adaptation.

GGGI's wider strategic focus on vulnerable countries is operationalized in the WPB 2023-24, incl. country-level budgets and their Country Planning Frameworks. Denmark agrees with GGGI's target to allocate at least 60% of its programme budget to the 18 vulnerable member countries (defined as LDCs, SIDS, and LLDCs) - including 7 African countries as well as small island developing states. This target was not reached in 2022 due to the reduced core funding and a tight budget.

Denmark expects a significant increase in the individual budgets for vulnerable countries, as facilitated by the Danish core funding, and that GGGI continues to leverage core funding and build on its success in accessing earmarked funding to mobilize additional resources to increase its budgets for vulnerable countries, aiming for the 60% target.

2) GGGI's further develops and implements its priority on climate change adaptation

The Danish Policy for Development Cooperation aims to support climate change adaptation, nature, environment and resilience in the poorest and most vulnerable countries, including increasing mobilization of finance within these areas. It also sets the ambition to prioritize climate and the green agenda in Organizational Strategies. Moreover, the Danish Climate Action Strategy: "*A Green and Sustainable World*" aims to "strengthen focus on adaptation and sustainable development". This includes to drive resilience and adaptation initiatives, and a more climate-oriented development cooperation, focused on climate change and sustainable development in the poorest and most fragile developing countries. Climate change adaptation and resilience will therefore be an overall priority area of the Danish support to GGGI.

The climate adaptation priority aligns with GGGI's strategy, which currently integrates climate change adaptation in its global Strategic Outcome (6) and Programmatic Solutions, especially on climate resilient agriculture, sustainable forests, water and coastal resilience.

GGGI's work on climate adaptation concentrates on upstream processes, especially support for planning/analysis linked to National Adaptation Plans (NAPs) and Long-term Low Emissions and Development Strategies (LT-LEDS), and for mobilization of concrete investments in e.g. climate-smart agriculture, sustainable forests and nature-based solutions. Climate-smart agriculture is the top-funded Programmatic Solution in GGGI's WPB 2023-24 and is expected to continue to grow and develop in importance.

Denmark will support GGGI implement the priority on climate adaptation by giving special attention to climate-resilient agriculture and linkages to water and nature based solutions in the dialogue and follow-up of the support with GGGI. Denmark will also through core funding support GGGI proactively pursue and catalyze programme and strategic knowledge development initiatives on climate adaptation.

GGGI is during 2023 developing a strategy note on climate adaptation to promote focus and consistent approaches throughout the organization's programmes and country programmes. Denmark will give special attention to the development and implementation of this strategy note as basis for the dialogue with GGGI approaches to take forward the climate adaptation actions.

Finally, in support of the above, Denmark expects GGGI to further develop and elaborate its institutional priorities, approaches and set-up to achieve its priorities on climate change adaptation, with relevant goals

and targets. Denmark expects GGGI's results framework to also reflect institutional/programmatic results/targets relevant to climate adaptation at lower levels than Strategic Outcome.

3) Institutional consolidation and sustainability of GGGI with clear strategic focus incl. at knowledge and delivery level

GGGI has significantly developed both the scale and reach of its operations, enabled by its effective mobilization of earmarked projects in partner/member countries. This puts GGGI on track to achieve its *Strategy 2030* ambitions and establishes GGGI as a player with a scale and relevance through which the Danish support can achieve impact.

The dominant role of earmarked project funding, however, requires extra effort by GGGI to maintain its strategic focus on the knowledge areas where it has comparative advantage to best support the green inclusive transformation, whether at national or global level. GGGI already aligns all projects with its 11 Programmatic Solutions and ensures earmarked projects originate with GGGI's Country Programme Frameworks. GGGI also concentrates on broad areas like climate resilient agriculture, waste management, and sustainable forests⁷ (which dominate the top in GGGI's project portfolio). However, Denmark finds the Programmatic Solutions remain broad, and the risk remains that GGGI dilutes its thematic focus and edge with earmarked driven project-development within these broad areas, also risking the sustainability of results. Denmark expects GGGI to further specify its thematic focus areas through the programmatic solutions as basis for focused knowledge development and project selection and enhanced sustainability.

GGGI has effectively decentralized and is well underway with its institutional development. A major achievement is implementation of "*One GGGI*" that shifts functions and professional staff to the country level and slims and reorganizes central support and programme/policy functions. GGGI has developed into an effectively managed and governed organization, greatly contributing to its basic institutional sustainability and attraction to donor funding. The need remains to shape the central level knowledge functions to focus on the core themes where GGGI can best play its thought leadership⁸ role and support country teams to maintain GGGI's professional edge. There is also need to ensure that the many new staff, dispersed across countries and earmarked projects, work based on the shared GGGI knowledge and approaches. To ensure sustained results of GGGI's activities, Denmark expects GGGI to further clarify its core skills areas, clarify staff composition targets, induction processes, and focus and organization of central level knowledge functions.

GGGI's expansion of its country operations enables it to respond to member demands and achieve scale, but risks spreading funding and staff too thinly for impact, as highlighted in the Danish 2022 Mid-Term Review. It also risks challenging GGGI's sustainability. The WPB 2023-24 envisages further expansion to 50 countries. Denmark acknowledges the expectations on GGGI to respond to new member demands and efforts taken by GGGI to delink membership from establishment of country programme. Denmark expects GGGI to carefully manage this risk and limit and consolidate further country expansion and assessing prospects for impact of existing ones, as well as to work towards larger programmes.

⁷ Work Programme and Budget 2023-2024

⁸ Thought leadership is the expression of ideas that demonstrate expertise in a particular field, area, or topic. A thought leader is someone who offers unique guidance, inspires innovation and influences others.

Cross-cutting priority: Gender equality and social inclusion

Poverty reduction and the human rights-based approach are main objectives of Danish development cooperation. Moreover, Denmark's Development Cooperation Policy, *The World We Share*, commits to make a particular effort to advance gender equality, promote and protect the rights of girls and women and maintain focus on marginalized groups.

GGGI's similarly commits to promoting poverty eradication and gender equality, as underlined by its Strategy 2030's 'Global Operational Priority 5, "Accelerating progress of GGGI country programs in poverty eradication and gender equality through organizational operations". GGGI's results framework's includes indicators tracking poverty reduction, social safeguards and gender equality. The result framework's Intermediate Outcome 4, "Green growth solutions support Member and Partner countries in reducing poverty and achieving gender equality", will be the basis for monitoring progress on gender concerns.

Denmark supports the requirement that all GGGI country programmes/projects must assess how to incorporate poverty eradication and gender equality in design, targets, monitoring and reporting of results. Denmark will follow the *Updated Africa strategy's* strengthened focus on poverty, social inclusion, and gender, reflecting the critical role of such concerns in climate adaptation and its linkage to climate resilient agriculture, food security, and post-covid recovery.

The Danish 2022 Mid-Term Review found GGGI had made commendable progress on gender, social inclusion, and rolling out the Gender Equality and Social Inclusion Strategy and Action Plan, but noted GGGI should consider qualitative results and change within the Gender Equality and Social Inclusion (GESI) area could be monitored and reported. Denmark expects GGGI to continue to ensure focus and integration of poverty, gender, and youth in its interventions and to further strengthen lessons learned, knowledge development, and results monitoring of such concerns.

5. Danish approach to engaging with GGGI

Denmark's approach to the collaboration with GGGI during the period will be guided overall by the strategic priorities stated in section 4 and the rationale unfolded in section 3.

Denmark will support GGGI deliver its mission - "to promote strong, inclusive and sustainable economic growth in developing countries and emerging economies" - by providing core funding for implementation of GGGI's Strategy 2030. The direct basis for Denmark's dialogue on priorities and monitoring of progress and results related to the support will be GGGI's Work Programme and Budget (currently for 2023-24). The core funding to GGGI will also be seen in context with the parallel substantial Danish support to GCF.

At bilateral level, Denmark will continue to maintain a regular dialogue as a central part of the Danish engagement with GGGI, even if Denmark's engagement will be lighter than the previous period (no longer a member of the GGGI Council; Denmark will not participate in the MPSC). At central level, Denmark will have annual bilateral consultations with GGGI HQ where the focus will be on achievements, progress, issues, risks and lessons in relation to the Danish priorities that underpin the support. The first bilateral consultation will be held in 2024 and is expected to include presentation by GGGI and discussion on the various relevant planning documents developed by GGGI in 2023 (e.g. Updated Roadmap, Updated Africa Strategy, note on climate adaptation and updated method of results

measurement). At country level, GGGI will increase outreach to Danish embassies in order to explore potential for collaboration around shared priority areas. GGGI will in particular ensure outreach to Danish embassies in GGGI’s vulnerable member countries (Annex 3).

Denmark follows the approach of *Doing Development Differently* in relation to multilateral and bilateral cooperation, with focus on working across “siloes”, achieving collective outcomes, improve monitoring of results and learning and adaptation of the support, which will also apply to the partnership with GGGI. The dialogue and assessment of progress, results, lessons and adjustments will overall focus on the three priorities stated in section 4. In support of this, the dialogue will pay special attention to the result indicators defined in Annex 1, supplemented by the identified pointers for special attention under each priority area.

In recognition of GGGI’s significant achievement in establishing an effectively managed organization and high-scale programmes, Denmark will through the present support period 2023-2025 work for a phasing out of Danish core support to GGGI. This process will be informed by a review in 2024.

6. Budget

The Danish contribution will be provided as core funding of DKK 60 million for three years.

DKK mil.	2023	2024	2025	Total
Core funding	20	20	20	60

7. Risks and assumptions

The backbone for managing the risks will be GGGI’s risk management system, which consists of a Risk Management Framework with seven risk headings⁹ and risk registry, mitigation measures and monitoring framework for risks management. The Risk Management Framework will be a main basis for assessing the risks related to the support from a Danish perspective.

Overall, the below identifies the main immediate risks from the perspective of the Danish support. From the Danish side the risk mitigation approach will follow the overall Danish approach for engaging with GGGI (section 5), with annual bilateral consultations as main tool for dialogue on updating and dialogue on tackling risks and focus on the priority areas and attention points:

- Low replenishment of GGGI’s core funding limits GGGI’s possibility to allocate funding for programmes in vulnerable countries in Africa and SIDS.
- Insufficient focusing of engagement in GGGI’s prioritized thematic areas, as result of continued predominance and diversification of earmarked donor funding, limits GGGI’s comparative advantage and thought-leadership position.
- The high number of new staff is recruited at a pace where induction into GGGI’s knowledge areas and work approaches is challenged and could dilute the common GGGI brand and quality standards.
- GGGI’s interdependence on inputs/co-creation with other partners in delivering higher-level results.

⁹ Organizational Structure and Governance; Operational Program and Portfolio Management, Legal, Financial Management & Operations, Human Resources, IT, Data, and Asset Management; and Working Environment

- Fraud, Corruption, and Unethical Behavior can occur in connection with projects and programmes.
- Any perception in the Danish public context of low efficiency or excessive conditions of work in GGGI dominate the public attention and acceptance of the support.

Annex 1: Danish priorities and monitoring

Denmark's Priority Area 1: GGGI strengthens its engagement in vulnerable countries especially in Africa and small island developing states		
<i>Attention points:</i> <ul style="list-style-type: none"> • Average % increase in annual budget to individual countries in Africa and SIDS (unrestricted and earmarked) • Updated Africa Regional Strategy – incl. ambitions and targets on scale, budget, thematic focus 		
Relevant strategic outcomes, and related outputs and indicators drawn from GGGI's Corporate Results Framework		
GGGI Strategic Outcome (5)	GGGI Outputs	Indicator
Sustainable financial growth supports quality delivery of GGGI commitments to Member and Partner countries		O5.3 Percentage of annual budget allocated to vulnerable countries (LDCs, LLDCs, SIDS. Target: 60% in 2025

Denmark's Priority Area 2: GGGI further develops and implements its priority on climate change adaptation		
<i>Attention points:</i> <ul style="list-style-type: none"> • Strengthened overall lead, consolidation, and coordination within GGGI on knowledge/model development and support to NAPs and LT-LEDS; • Enhanced advisory on NAPs/LT-LEDS in at least 6 countries; • GGGI Strategy note on Climate adaptation support • Strengthened reflection of climate adaptation goals in results framework at relevant levels 		
Relevant strategic outcomes, and related outputs and indicators drawn from GGGI's Corporate Results Framework		
GGGI Strategic Outcome (6)	GGGI Outputs	Indicators
Enhance adaptation to climate change		SO6 - SO6.1 Number of people supported to cope with climate change (millions)

Denmark's Priority Area 3: Institutional consolidation and sustainability of GGGI with clear strategic focus incl. at knowledge and delivery level		
<i>Attention points:</i> <ul style="list-style-type: none"> • Further specification of core thematic focus areas for thought leadership position • Elaboration of staff composition targets and institutional knowledge management functions and processes to maintain GGGI's comparative advantage and thought leadership positions • Average portfolio size at country level and level of expansion in country presence and • Method for results measurement/management – focus on qualitative assessments/results 		

Relevant strategic outcomes, and related outputs and indicators drawn from GGGI's Corporate Results Framework		
GGGI Intermediate Outcome (IO5)	GGGI Outputs (5)	
Sustainable financial growth supports quality delivery of GGGI commitments to member and partner countries	Secure sustainable and diversified funding with strong donor support and drive and integrate economic efficiency effectiveness and equity in the management and investments of GGGIs resources	O5.2 Percentage of the annual budget spent on in-country programmes (target 60%)

Denmark's Cross cutting Priority: Gender equality and social inclusion ensured		
<i>Attention points:</i>		
<ul style="list-style-type: none"> • Integration of gender and social inclusion in Update to Africa Regional Strategy as well as Update to Roadmap • Status on rolling out Gender Equality and Social Inclusion Strategy • Definition and monitoring of qualitative results concerning gender and social inclusion/equality 		
Relevant strategic outcomes, and related outputs and indicators drawn from GGGI's Corporate Results Framework		
GGGI Strategic Outcome (6) –	GGGI Outputs (5)	
SO6: Enhance adaptation to climate change (as Priority Area 1)	Green Growth solutions support member and partner countries in reducing poverty and achieving gender equality (as Priority Area 1)	IO4.2 Number of women supported through GGGI's projects with targeted gender interventions, gender disaggregated

Annex 2: GGGI Global Operational Priorities and Programmatic Solutions

GLOBAL OPERATIONAL PRIORITIES	PROGRAMMATIC SOLUTIONS	
GOP 1 Catalysing and accelerating access to climate finance/ green investments for Members' public and private sectors	PS 1 Green Investments (green bankable projects, investment proposals, NFVs, green and climate instruments, carbon-focused engagements)	PS11 Carbon Pricing (Carbon policy design, carbon trading through institutional strengthening, transaction structuring and knowledge sharing)
GOP 2 Supporting our Members in strengthening policy, planning and regulatory frameworks and institutional capacity to achieve green growth outcomes	PS 2 Climate Action (inclusive green growth plans, LT-LEDS, NDC support, MRV system design, climate diplomacy)	
GOP 3 Achieving a sustainable and circular bioeconomy while securing healthy natural systems	PS 3 Climate Resilient Agriculture (solar irrigation, RE application in agri-value chain, resilient cropping practices, resource conservation)	
	PS 4 Sustainable Forests (REDD+, landscapes financing mechanisms, innovation of natural capital markets)	
	PS 5 Coastal Resilience (mangroves as ecosystem for livelihoods, aquaculture, marine issues fisheries, flood protection and pollution)	
GOP 4 Making cities and communities sustainable liveable and resilient, supported through green jobs, services and green infrastructure capital markets innovations	PS 6 Waste Management (circular economies, urban and agricultural waste, wastewater, FSM, waste to resource)	
	PS 7 Sustainable Mobility (e-mobility, non-motorized transport)	
	PS 8 Green Buildings (green urban infrastructure norms/standards/policies, energy efficiency in residential & commercial buildings)	
	PS 9 Solar PV (energy transition access and productive use solar water pumping, solar PV auctions, rooftop, utility scale plants, storage)	
GOP 5 Accelerating progress in our country programs in poverty eradication and gender equality	PS 10 Green Industries (green industrial parks, green supply chains, EE in SMEs, labelling and standards)	
	Crosscutting in all programmatic solutions	

Annex 3: GGGI's proposed support for vulnerable countries

GGGI's Proposed 2023-2024 allocation of the additional core funding under the Base + Core replenishment scenario (USD M)

Country/Unit	Additional Core allocated (USD M)
Kyrgyz Republic	0.60
Cambodia	0.50
Lao PDR	0.50
Mongolia	0.50
Nepal	0.50
Pakistan	0.60
Turkmenistan	0.60
Uzbekistan	0.50
Caribbean	0.50
Costa Rica	0.60
Ecuador	0.60
Guyana	0.50
Paraguay	0.60
Angola	0.60
Burkina Faso	0.50
Ethiopia	0.50
Rwanda	0.50
Senegal	0.50
Togo	0.50
Uganda	0.50
Fiji	0.30
Kiribati	0.30
PNG	0.30
Tonga	0.30
Vanuatu	0.30
IPSD Global Programs, Practices and CoPs	3.50
CAID GESI	1.50
Central Fund to be allocated to vulnerable countries	4.50
Central Fund to be allocated to new countries	3.30
Grand Total	25.00

Annex 4: GGGI's Budget scenarios for 2023-2024

Work Programme and Budget 2023-24:

Country/Unit	(A) Base Scenario (mill USD)				(B) Base Scenario plus Core Replenishment (mill USD)				(C) Plus Scenario (mill USD)			
	Core	Expected Program Earmarked	Expected Project Earmarked	Total	Core	Expected Program Earmarked	Expected Project Earmarked	Total	Core	Expected Program Earmarked	Expected Project Earmarked	Total
Indonesia	0.20	-	7.71	7.92	0.20	-	7.71	7.92	0.20	-	10.11	10.31
India	0.20	0.81	1.03	2.05	0.20	0.81	1.03	2.05	0.20	0.81	1.15	2.16
Kyrgyz	0.10	-	0.99	1.09	0.70	-	0.99	1.69	0.10	-	1.10	1.20
Cambodia	0.20	0.13	3.15	3.49	0.70	0.13	3.15	3.99	0.20	0.13	4.32	4.65
Lao PDR	0.20	-	4.14	4.34	0.70	-	4.14	4.84	0.20	-	5.40	5.60
Sri Lanka	0.20	-	1.53	1.73	0.20	-	1.53	1.73	0.20	0.11	1.70	2.01
Mongolia	0.20	-	1.93	2.13	0.70	-	1.93	2.63	0.20	-	3.70	3.90
Nepal	0.20	-	3.54	3.74	0.70	-	3.54	4.24	0.20	-	5.07	5.27
Philippines	0.20	-	3.55	3.75	0.20	-	3.55	3.75	0.20	-	4.78	4.98
Pakistan	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Turkmenistan	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Thailand	0.20	-	1.20	1.40	0.20	-	1.20	1.40	0.20	-	1.33	1.53
Uzbekistan	0.20	-	2.72	2.92	0.70	-	2.72	3.42	0.20	-	3.02	3.22
Viet Nam	0.20	0.09	4.82	5.11	0.20	0.09	4.82	5.11	0.20	0.09	7.44	7.73
ROA	1.20	-	0.78	1.98	1.20	-	0.78	1.98	1.20	-	0.87	2.07
i. Asia Total	3.51	1.04	37.10	41.64	7.81	1.04	37.10	45.94	3.51	1.15	49.99	54.64
Caribbean	0.09	0.51	1.40	2.00	0.59	0.51	1.40	2.50	0.09	0.51	1.57	2.17
Colombia	0.20	0.04	2.55	2.78	0.20	0.04	2.55	2.78	0.20	0.06	2.83	3.09
Costa Rica (in LAC)	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Ecuador (in LAC)	-	-	-	-	0.60	-	-	0.60	-	-	-	-
Guyana	0.20	-	0.82	1.02	0.70	-	0.82	1.52	0.20	-	0.91	1.11
Mexico	0.20	0.06	1.87	2.13	0.20	0.06	1.87	2.13	0.20	0.06	2.08	2.34
Peru	0.20	0.06	1.11	1.37	0.20	0.06	1.11	1.37	0.20	0.06	2.39	2.66
Paraguay (in LAC)	-	-	-	-	0.60	-	-	0.60	-	-	-	-
LAC incl. CRI, ECU, PRY	1.41	0.19	2.35	3.95	1.41	0.19	2.35	3.95	1.41	0.29	2.99	4.69
ii. LAC & Caribbean Total	2.30	0.87	10.09	13.26	5.10	0.87	10.09	16.06	2.30	0.98	12.76	16.05
Angola	0.10	-	-	0.10	0.70	-	-	0.70	0.10	-	0.99	1.09
Burkina Faso	0.20	-	3.35	3.54	0.70	-	3.35	4.05	0.20	-	3.72	3.92
Côte d'Ivoire	0.21	0.15	2.66	3.02	0.21	0.15	2.66	3.02	0.21	0.15	3.50	3.87
Ethiopia	0.20	-	6.34	6.54	0.70	-	6.34	7.04	0.20	-	7.76	7.96
Morocco	0.10	1.56	0.24	1.90	0.10	1.56	0.24	1.90	0.10	1.56	1.31	2.97
Rwanda	0.20	0.08	2.68	2.96	0.70	0.08	2.68	3.46	0.20	0.08	5.33	5.61
Senegal	0.20	-	3.06	3.26	0.70	-	3.06	3.76	0.20	-	3.41	3.61
Togo	0.20	-	0.95	1.15	0.70	-	0.95	1.65	0.20	-	2.06	2.25
Uganda	0.22	-	4.72	4.94	0.72	-	4.72	5.44	0.22	-	5.24	5.47
ROC	1.02	0.40	1.81	3.23	1.02	0.40	1.81	3.23	1.02	0.40	4.10	5.52
iii. Africa Total	2.66	2.19	25.80	30.64	6.26	2.19	25.80	34.24	2.66	2.19	37.43	42.27
Fiji	0.11	0.27	2.68	3.06	0.41	0.27	2.68	3.36	0.11	0.69	4.54	5.34
Kiribati	0.10	0.08	2.11	2.29	0.40	0.08	2.11	2.59	0.10	0.18	2.54	2.82
PNG	0.10	-	4.55	4.65	0.40	-	4.55	4.95	0.10	-	5.26	5.36
Tonga	0.10	0.30	0.13	0.53	0.40	0.30	0.13	0.83	0.10	0.30	0.15	0.55
Vanuatu	0.05	0.08	2.68	2.81	0.35	0.08	2.68	3.11	0.05	0.08	3.58	3.71
Regional Office Pacific	0.15	1.56	3.42	5.13	0.15	1.56	3.42	5.13	0.15	2.62	9.43	12.20
iv. Pacific Total	0.61	2.30	15.57	18.48	2.11	2.30	15.57	19.98	0.61	3.88	25.50	29.98
Jordan	0.20	-	2.45	2.65	0.20	-	2.45	2.65	0.20	-	4.72	4.92
Qatar	-	-	5.00	5.00	-	-	5.00	5.00	-	-	5.00	5.00
UAE	-	-	3.00	3.00	-	-	3.00	3.00	-	-	3.00	3.00
v. Middle East Total	0.20	-	10.45	10.65	0.20	-	10.45	10.65	0.20	-	12.72	12.92
Hungary	0.14	-	0.45	0.59	0.14	-	0.45	0.59	0.14	-	0.50	0.64
vi. Europe Total	0.14	-	0.45	0.59	0.14	-	0.45	0.59	0.14	-	0.50	0.64
Country Total (i to vi)	9.42	6.39	99.46	115.27	21.62	6.39	99.46	127.47	9.42	8.20	138.90	156.52
OGGI	1.58	-	-	1.58	1.58	-	-	1.58	1.58	-	-	1.58
IPSD Total	-	-	-	-	-	-	-	-	-	-	-	-
Procurement	0.50	-	-	0.50	0.50	-	-	0.50	0.50	-	-	0.50
IEU	1.18	-	-	1.18	1.18	-	-	1.18	1.18	-	-	1.18
Central PIN/IPSD COP	2.00	-	-	2.00	2.00	-	-	2.00	2.00	-	-	2.00
Central Fund (Vulnerable Countries)	-	-	-	-	4.50	-	-	4.50	-	-	-	-
Central Fund (New Countries)	-	-	-	-	3.30	-	-	3.30	-	-	-	-
Program Front Offices	8.07	6.44	9.54	24.04	20.87	6.44	9.54	36.84	8.07	8.21	11.50	27.77
Programmatic Total	17.48	12.83	109.00	139.31	42.48	12.83	109.00	164.31	17.48	16.41	150.40	184.29
OEED	0.90	-	-	0.90	0.90	-	-	0.90	0.90	-	-	0.90
Admin Services	0.49	-	-	0.49	0.49	-	-	0.49	0.49	-	-	0.49
Corp Shared Service	4.80	-	-	4.80	4.80	-	-	4.80	4.80	-	-	4.80
Finance Services	1.72	-	-	1.72	1.72	-	-	1.72	1.72	-	-	1.72
HR Services	1.36	-	-	1.36	1.36	-	-	1.36	1.36	-	-	1.36
Legal Affairs	0.72	-	-	0.72	0.72	-	-	0.72	0.72	-	-	0.72
Technology Services	1.20	-	-	1.20	1.20	-	-	1.20	1.20	-	-	1.20
OEED Total	11.19	-	-	11.19	11.19	-	-	11.19	11.19	-	-	11.19
ODDG	0.96	-	-	0.96	0.96	-	-	0.96	0.96	-	-	0.96
Governance	1.27	-	-	1.27	1.27	-	-	1.27	1.27	-	-	1.27
SPC	3.91	-	-	3.91	3.91	-	-	3.91	3.91	-	-	3.91
Internal Audit	0.97	-	-	0.97	0.97	-	-	0.97	0.97	-	-	0.97
ODG Total	7.11	-	-	7.11	7.11	-	-	7.11	7.11	-	-	7.11
Non-programmatic Total	18.30	-	-	18.30	18.30	-	-	18.30	18.30	-	-	18.30
Depreciation	0.50	-	-	0.50	0.50	-	-	0.50	0.50	-	-	0.50
Learning & Development	0.20	-	-	0.20	0.20	-	-	0.20	0.20	-	-	0.20
General Contingency	0.20	-	-	0.20	0.20	-	-	0.20	0.20	-	-	0.20
Business Development	0.10	-	-	0.10	0.10	-	-	0.10	0.10	-	-	0.10
Grand Total	36.79	12.83	109.00	158.62	61.79	12.83	109.00	183.62	36.79	16.41	150.40	203.59