

Maximizing organizational effectiveness and efficiency

GGGI's ongoing efforts to improve its financial stability and strengthen its business processes are designed to enhance its performance, effectiveness, governance, accountabilities and brand.

Balance between LDCs and MICs and program allocations

To enhance its presence in the LDCs that are GGGI's Members, GGGI has established 2020 targets to allocate 42% of core country program budget to member LDCs (see table). In 2018, core funding to LDCs was 32%, compared to 35% in 2017, showing a 3% reduction, 10% below target. Similarly, GGGI has established 2020 targets to allocate 87% of the core country budget to Member LDCs and MICs combined. In 2018, core funding to Member LDCs and MICs increased to 72%, from 71% in 2017, but is still 15% below target.

2018 Allocation for LDCs and MICs			
	2017	2018	2020 (Target)
% of core country program budget allocated to Member LDCs	35%	32%	42%
% of core country budget allocated to LDCs	54%	49%	50%
% of core country budget allocated to MICs	46%	50%	50%
% of core country budget allocated to Member LDCs and MICs combined	71%	72%	87%

Business process improvements

In 2018, GGGI took concerted efforts to improve its business processes through the iGROW business reform launched in late 2017. This was in response to the 2015 Joint Donor Review, but it is also fundamentally necessary to provide corporate support for improved delivery of programmatic and operational priorities and strengthen transparency and integrity. iGROW aims to position GGGI as: (i) a lead player promoting green growth; (ii) a well-funded organization with a growing pipeline of projects; (iii) an organization delivering exciting projects actively supported by stakeholders; (iv) an organization with strong partners and extended portfolios; (v) an organization which delivers products and services at optimum cost; (vi) a responsible and value-driven organization that is trusted; and (vi) a great place to work.

To achieve maximum results, the reform process has introduced new tools and deployed new approaches that leverage the organizational enablers of values and strategy, policies, systems and processes, and the people of GGGI. These have included the review and adoption of the Refreshed Strategic Plan 2015-2020 in 2017, together with a refreshed CRF, implementation of the Customer Relationship Management (CRM) system to support the process of resource mobilization and project management, review of the Project Cycle Management (PCM) process with the introduction of 5 distinct steps; PCM 1 to 5, implementation of GGGI Online which is an advanced project information management system, launch of culture circles, adoption of a risk management system and timesheet reporting and broadening of GGGI's accountability framework to cover safety of staff in the work place and creating a conducive work environment.



iGROW IN 2018

During 2018, GGGI undertook key iGROW reforms designed to increase flexibility and nimbleness in its programming and budget allocation approach.

To support resource mobilization, a new process was developed, along with supporting tools and templates. Training was rolled out to all Country Representatives and many of our country team staff. A Customer Relationship Management (CRM) system was implemented to support the process, and responsibility for resource mobilization has been transferred to GGGI's country offices, further positioning them as autonomous business units.

To support the continuous development and implementation of projects, GGGI has developed new processes and implemented the NGO Online cloud-based program and project management system, rebranding it as GGGI Online (GO). GO provides a single platform for GGGI to manage project information, from project development through project implementation to project closure, covering proposals, logframes, financial information and risk management. It provides a common platform for GGGI's results framework to be applied and for results to be collected and aggregated. It supports knowledge management by making all project information available to all staff in GGGI, promoting cross-country learning and replication. It enables flexibility and traceability in project delivery by providing clear change control in project management.

Enhancing efficiency

Implementation of the Work Program and Budget in 2018 reflected a commitment to efficiency of internal support functions, particularly performance of human resources management, legal, finance, and facilities services in line with the reform agenda. GGGI is further strengthening the foundation for a country-based operation business model able to respond to the needs of its partners, by empowering staff in the field and those closer to the clients, to make necessary decisions on GGGI operations. An example of this

reform is to move the responsibility and accountability for GGGI resource mobilization to its country offices.

To track performance of enhancing efficiency, GGGI has established 2020 targets for percentage of spending on management and administration and non-programmatic activities (see table). The results for 2018, calculated based on core budget allotments, was 15% in the former compared to 16% in 2017, while the latter remained the same at 30%. The improvements stem mainly from an overall 14% reduction of budget for finance and procurement, human resources, and IT services.

2018 Management & Administration and Non-Programmatic Budget Allocations			
	2017	2018	2020 (Target)
% of spending on management and administration	16%	15%	17%
% of spending on non-programmatic activities	30%	30%	30%

Impact & Evaluation

In 2018, GGGI continued to develop its evaluation capabilities through the work of its Impact & Evaluation Unit (IEU). In line with GGGI's Annual Evaluation Workplan 2018, IEU focused on: (a) delivering country and thematic evaluations; (b) harnessing green growth evidence to enhance program impact; (c) strengthening results-based planning and M&E capability within GGGI.

In the first half of 2018, IEU published final evaluation reports for GGGI's Thailand and Mexico country programs. The recommendations of these evaluations, together with GGGI's management responses, were presented to MPSC in April. In the second half of 2018, IEU also commenced evaluations on the Peru country program, as well as the thematic topic of Green City Strategies. These are scheduled to be finalized and released in early 2019.

In addition, IEU also commenced work to develop an institutional approach to harnessing evidence relating to interventions used in its country programs. Development of an approach was completed in early 2019, and an online platform has been launched to begin making this evidence accessible to staff for use in GGGI's programming activities, particularly project design and results reporting.

Finally, IEU also undertook a range of activities to strengthen results-based management capability in GGGI. This included supporting the delivery of two sets of week-long training courses in results-based management. IEU also built capacity using on-the-job methods, by providing technical support to staff working on proposal preparation, particularly around developing theories of change and logframes.

Transparency and accountability

GGGI 2018 financial statements were released on time (4th Week of March 2019) with an unqualified opinion on the significant findings noted by the external auditors. This is an important proxy demonstrating the strength and transparency of GGGI's financial, accounting and procurement policies and systems and the effectiveness of the control environment to manage risks.

This Annual Report includes Project Results Reports (PRRs) for all 70 projects implemented in 2018 under the biennium WPB 2017-2018. The PRRs can be accessed on GGGI's website as a supplement to the 2018 Annual Report. GGGI will continue to strengthen its Results Based Management (RBM) system to better manage and control the delivery of its programs and projects as well as the reporting and accountability for the organization's results and impacts in support of the transformation of member and partner countries towards a green growth development pathway.

Strengthening our funding base

Since 2013, GGGI has relied primarily on core contributions to fund its operating income. However, since 2015, core contributions have decreased, while earmarked contributions have increased. In response to this trend, GGGI has taken decisive and prudent steps to change its business model to be able to attract sufficient earmarked funding. The iGROW business process reforms are also aimed at transforming GGGI's operating business and funding models with the objective of reducing GGGI's reliance on core contributions and increase, correspondingly, the share of earmarked funding in its funding model. The iGROW reforms also aim to move GGGI from a contracting management agency toward a greater in-house capacity to implement projects, maximizing the technical services provided by its staff in partner countries.

Risk management

GGGI proactively manages its risks related to the organization and reputation, operational program and portfolio, finance, legal, information technology and data, human resources, and work environment. In 2017, GGGI adopted a Risk Management Framework (RMF), which consolidated GGGI's risk awareness and risk management culture, established a risk registry and mitigation measures, and provided a monitoring framework for risk management. The Director-General oversees implementation of the RMF and reports biannually on risk management to the GGGI MPSC and publicly to the Council in the Annual Report. This involves Council's review and provision of advice on the appropriateness of the risk assessment, effectiveness, and adequacy of risk mitigation and management. The RMF is monitored by the GGGI Management Team by using the Risk Management Matrix. This provides a tool for internal

Ensuring integrity

GGGI's integrity as a respected and trusted organization at the core is dependent on the ethical behavior and conduct of its employees in embracing the organizations values and following its established rules, regulations, policies and procedures.

To strengthen strategic oversight, management and leadership on accountability, GGGI adopted its Accountability Framework in 2018. The Framework consolidates its governance policies, including transparency, program quality, safeguards and integrity. Some of the policies and rules to create a safe and trusted environment within GGGI include GGGI's Code of Conduct supplemented by GGGI's Staff Rules and Regulations. GGGI has also adopted Sustainability and Safeguards Rules and the Private Sector Engagement Rules, as well as a Disclosure Policy that ensures the publishing of information on its decisions and activities on a timely basis to foster transparency and accountability, which includes publishing its projects data in the IATI Registry since 2018.

GGGI's Anti-Corruption Policy affirms zero tolerance policy against fraud, corruption, coercion and collusion perpetrated by staff members of third parties that directly or indirectly

To respond to this challenge, GGGI is focused, through collaboration among GGGI's headquarters and country offices, to identify potential earmarked funding sources to meet GGGI's programmatic priorities going forward. The primary goal of this effort is to increase resources to respond to the needs of our Member countries and to add value by catalyzing additional resources for green growth support to our partner countries. Furthermore, GGGI has also changed its budget framework shifting away from a biennium programming budget to a new country-based envelope budget framework. Envelope budgeting employed in the WBP 2019-2020 is designed to allow greater flexibility and devolved responsibility for country offices to mobilize their earmarked funds and plan and prioritize the use of resources at their disposal to match their respective country governments needs and national priorities.

consultation and assessment of risks with indications of the rating and ranking system. It includes risk mitigation measures, which, in turn, are implemented through daily operations of GGGI by assigned accountable staff.

In a situation where risks that would impact GGGI significantly escalate to a high likelihood of occurrence, the Management Team would support the Director-General to identify options for reducing the probability of risk from occurring and the impact on the organization. In November 2018, the GGGI Management Team reviewed both the RMF and the Matrix, seven months after they were reported to the Council. It noted that risks to the organization in terms of financial and human resources, business processes, portfolio and assets were assessed to be at satisfactory levels and unchanged and that adequate measures were being implemented to sufficiently manage and reduce GGGI's risks.

do business with or have interests in GGGI. GGGI has a Whistleblower Policy that supports the Anti-Corruption Policy by aiming to create an environment where staff members and external persons feel safe to report any suspected integrity violations and misconduct without fear of retaliation.

GGGI also has a Compliance Review Mechanism mechanism through which external parties adversely affected by GGGI's failure to comply with its own regulations, rules, policies and procedures can bring such instances of allegations to the attention of GGGI. In support of this, GGGI has established an online reporting mechanism that is available on GGGI's external website.

Since its establishment in 2013, the Office of Internal Audit and Integrity (OIAI) provides assurance services to assess whether GGGI's programs and plans are implemented effectively, strategic management information is reliable and generally accurate and continuous efforts are made to improve the quality of GGGI's operations and services. In accordance with the International Standards for the Professional Practice of Internal Auditing, OIAI has continued to provide GGGI with an independent and objective internal oversight on GGGI's operations as well as an annual risk assessment in 2018.

Human Resources

While staff numbers have steadily growth in accordance to GGGI programmatic expansion, the number of staff remained relatively consistent between 2017 and 2018. GGGI's staff turnover decreased to 10% in September and increased to 17% between October and December 2018 due to the closure of China and London offices, the downsizing of the Operations Enabling Division and the non-renewal of GCF readiness projects. However, staff increases in global regions relative to versus Headquarters aligned to the "decentralization" approach and commitment to locate people on the ground where the work is being delivered.

As a follow up to GGGI's Culture Change circles feedback in 2017, the organization engaged in a number of initiatives to promote its core values and policies with the view to support inclusivity, increase staff engagement, and make GGGI a great place to work. These initiatives included inter alia the introduction of modern flexi-work arrangement arrangements, a mentoring program, higher responsibility allowance as an incentive for performance,

and childcare allowance to support working parents. Internal mobility programs in the form of international staff rotation and job swapping were also launched as an inclusive approach to engage all types of positions in substantial and geographical mobility. GGGI also promoted a harassment-free work environment introducing a Respectful Workplace Program with conflict resolution- trained staff workplace advisors of staff and access to an external professional Ombudsperson.

To measure sentiment of organizational life, GGGI again conducted a staff survey in 2018. Compared to 2017, the overall staff engagement score increased by 10% (reaching 60%) with 74% of the respondents stating they were proud to work for GGGI. The results revealed the sentiment that GGGI effectively directs its resources towards its strategic goals was reinforced, staff are given opportunities to develop and grow, and collaboration had improved. To further enhance GGGI's management principles and practices for staff, the results will guide HR policies and procedure to improve working conditions and sense of engagement.

GGGI Staff	2016		2016 Total	2017		2017 Total	2018		2018 Total
									
HQ	51	53	104	63	64	127	54	50	104
Asia and Pacific	19	15	34	46	38	84	53	40	93
Africa, Middle East, and Europe	5	14	19	11	24	35	16	33	49
Latin American and Caribbean	1	3	4	5	11	16	7	13	20
Grand total	76	85	161	124	137	262	130	136	266