



Ban Ki-moon President of the Assembly and Chair of the Council

# MESSAGE FROM THE PRESIDENT OF THE ASSEMBLY AND CHAIR OF THE COUNCIL

Dear Friends and Members of the Global Green Growth Institute (GGGI),

Two thousand nineteen was a critical year for the international community to take action on climate change, to demonstrate it is possible to decarbonize the economy, and to ensure that we can maintain a high standard of living in an inclusive economy that leaves no one behind. Climate impacts—such as hurricanes, floods and wildfires—are becoming an increasingly urgent reality. As many events have shown, climate change affects people everywhere, and it is the greatest challenge facing humankind. Without global action, millions of people will live in poverty and unhealthy environments, triggering increased risks of conflict and instability.

According to the Intergovernmental Panel on Climate Change, “climate-related risks to health, livelihoods, food security, water

supply, human security, and economic growth are projected to increase with the global warming of 1.5°C and increase further with 2°C.” In order to achieve the commitments of the 2015 Paris Agreement to keep the global temperature rise well below 2°C above pre-industrial levels, we must act now. Governments and businesses have an important role to play in mobilizing political will and financial resources, both of which are so urgently required for countries’ mitigation and adaptation actions. No country, either developed or developing, is immune to the effects of climate change, as we saw with the forest fires in Australia, the United States and elsewhere.

In 2019, public awareness of climate change has finally turned a corner. The young Swedish climate activist Greta



Thunberg, who became known globally for her environmental campaign, has attracted millions of youths and adults to take part in global climate strikes around the world. Thunberg has managed to mobilize her own generation to stand up and demand “climate action now” and shame adults, parents and world leaders into the same.

Last year, Europe stepped up as the largest bloc of countries committed to the net-zero target. The European Union showed commitment to achieving an ambitious climate policy and released its EU Green Deal with the aim of reaching carbon neutrality by 2050. EU countries, including France and the United Kingdom, have set the target of climate neutrality in law. Many countries, including Members of GGGI, are stepping up efforts to achieve net-zero emissions by 2050, and one of GGGI’s priorities is focusing on supporting its Members to meet their ambitious Nationally Determined Contributions (NDC) commitments.

In 2019, the Government of the Republic of Korea passed emergency measures to tackle air pollution after record pollution levels hit the country. In March, I accepted President Moon Jae-in’s request to head the National Council on Climate and Air Quality (NCCA) to combat fine dust air pollution, which has become a major health concern in Korea. The Korean government advocated for the United Nations to designate an “International Day of Clean Air for Blue Skies” as a day to raise awareness about air pollution around the world, as well as to strengthen international cooperation and efforts to reduce pollution. GGGI helped launch the Campaign for Blue Skies & NetZero 2050 in the Republic of Korea with a number of partners to raise public awareness of air pollution and climate change in the country and to build public support for the Korean government to announce a net-zero emissions target by 2050.

The Institute welcomed seven (7) new Members in 2019, namely Sri Lanka, Uzbekistan, Burkina Faso, Uganda, Angola and Ecuador, as well as the first regional organization to join GGGI – the Organisation of Eastern Caribbean States (OECS). We expect to reach a membership of forty (40) or more in 2020, with many on the path of accession including Colombia, Côte d’Ivoire and the European Union. Furthermore, GGGI now enjoys privileges and immunities as an international organization in twelve (12) countries, and the Institute is negotiating such a host country agreement with another sixteen (16) countries.

It was with great pleasure that I accepted to serve a second term as President of the Assembly and Chair of the Council during this critical time when we need to take urgent measures to tackle the climate emergency and meet our target of carbon neutrality by 2050.

Let me assure you that GGGI is committed to working with our Members to support the acceleration of their green growth transition and implement their NDCs. The Institute will continue to be a pioneer in promoting green growth and its benefits to the world, and it will be at the forefront of addressing the climate emergency for our future generations. In doing so, I look forward to a continued partnership to achieve the Sustainable Development Goals (SDGs).



Dr. Frank Rijsberman GGGI Director-General

# MESSAGE FROM THE DIRECTOR-GENERAL

GGGI, like all its Members, has been significantly affected by the COVID-19 pandemic with all its country offices working remotely since March 2020 and consultation with government partners slowing down in many cases. The organization was well prepared for the pandemic, both through efforts taken to put in place online systems that support decentralized, remote working, business processes that make the organization more agile and flexible, and through successful resource mobilization that have increased GGGI's projected 2020 revenues 83% over 2017 (Pre-COVID-19).

In the uncertain world shaped by COVID-19, GGGI is in a strong position to accelerate the green transition for its 36 Members and implement its Strategy 2030 that targets to double GGGI funding to \$110M/annum, and mobilize \$16Bn for its Members and that would result in 1.6 gigaton of CO<sub>2</sub> emissions reductions, 2 million green jobs, sustainable services to 300 million people in green cities, protection of half a million hectares of natural capital, and increased climate resilience for 8 million people.

In 2019, the organization made significant progress on multiple fronts, to name a few: GGGI continued to mobilize green and climate finance commitments for green investment projects for its

Members reaching a cumulative \$1,6Bn; the GGGI Strategy 2030 was approved by the Council, and at the Global Green Growth Week 2019 in Seoul, GGGI's Green Growth Index was launched.

As documented in the GGGI 2019 Results Report, the new continuous project development approach under envelope funding piloted in the Work Program and Budget (WPB) 2019-20 has led to a rapid increase in the total number of projects in GGGI from 70 in 2018 to 131 in 2019. This is a direct result of the Project Idea Note (PIN) process that generates a pipeline of new, smaller projects in the country programs that use smallish amounts of core funding, often to explore new areas. The PIN process ensures that such new project development includes staff from both the country teams and the Investment and Policy Solutions Division (IPSD), and that there is a transparent review process before new projects start – and that such projects are well documented and accessible across GGGI. This report was the first time that the project management tool launched in 2019, GGGI Online, was used as the primary data source for the results report, avoiding a separate data collection exercise. In future years, we will focus on country program reports as the primary building block of the results report, replacing the project focus.



The 2019 Results Report and this Annual Report document many valuable green growth results achieved by GGGI's Members, supported by GGGI, to mention just a few examples:

- Indonesia's Province of East Kalimantan Jurisdictional Emission Reduction Program will provide incentive for protecting one of the world's largest and most biodiverse tropical rainforests and will potentially mobilize USD 110 million Result-Based Payment through the Forest Carbon Partnership Facility-Carbon Fund (FCPF-CF).
- In Cambodia, the Green Growth Plan for Phnom Penh was formally launched and 17 of its green projects are already being implemented. GGGI completed a pre-feasibility study for a Refuse-Derived-Fuel (RDF) project to address the waste management crisis the capital city is experiencing.
- In Rwanda, the government approved and launched a Green Building Minimum Compliance System.

In late 2019, the Mongolian government was one of the first to approve its revised, more ambitious NDC to the Paris Agreement, due in 2020. Supporting our Members in the preparation of more ambitious NDCs is an institutional priority for GGGI in 2020, expecting to support 20+ GGGI Members, both with our own (core) resources as well as through Climate Action Enhancement Program funded by the NDC Partnership.

In 2019, GGGI signed a record number of new earmarked project commitments, including with new donors. The first two contracts were signed with ministries in Sweden, both a Sida-supported project focused on Monitoring, Reporting and Verification (MRV) systems in Burkina Faso, and a Swedish Energy Agency supported project focused on carbon trading

under Article 6 of the Paris Agreement. The first two major contracts with the EU are being finalized for projects in Uganda and Cambodia. The relationship with the Korea International Cooperation Agency (KOICA) has also been re-developed. Currently, GGGI has ongoing KOICA-funded projects in the Pacific and Lao PDR, with a project for the Philippines in contract resolution stage and projects for KOICA funding to start in 2021 provisionally approved for Ethiopia, Uganda and Uzbekistan. The Green Climate Fund (GCF) Readiness Portfolio of projects has expanded to include 33 projects in 26 countries. GCF's work has led to \$685M worth of GCF proposals submitted on behalf of GGGI's Members and includes another 75 GCF project Concept Notes under development.

Of course, the COVID-19 pandemic is introducing a new risk for climate action in particular and for green growth in general. GGGI will also continue to work remotely as long as necessary and will continue to support its Members. In the short term, this may involve support for Members to work remotely more effectively, while we have also started to draft proposals to green the COVID-19 Recovery Packages. While we are at a very uncertain moment in history, facing immediate public health crises as well as an unprecedented economic crisis, we remain convinced that the only viable path forward is that of green growth. We believe GGGI is well prepared to weather the COVID-19 storm and continue to provide valuable support for the green transition of our Members.

A handwritten signature in black ink, appearing to read 'A. H. Sylva'.