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Report on the activities of the Secretariat

Summary

This report provides an update on the activities of the Secretariat for the period 1 September to 31 December 2018. It summarizes progress against the overarching goals and priorities identified in the Secretariat's 2018 work programme, as well as tracking key performance indicators identified in the work programme results framework. Annexed is a summary of overall progress against the Secretariat's 2018 work programme key performance indicators. The report also includes an update on missions undertaken by the Secretariat during the reporting period.

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I. Introduction

1. This report on the activities of the Secretariat provides an update on progress made by the Secretariat in implementing its work programme for 2018, approved by the Board at its eighteenth meeting (B.18). It outlines the Secretariat's progress towards the eight overarching goals as well as towards the key performance indicators (KPIs) set out in the 2018 work programme and its results framework, for the time frame 1 September to 31 December 2018.

2. The 2018 work programmes included eight overarching Secretariat goals, which expanded the Secretariat's 2017 focus on implementation, while bringing in a strengthened focus on quality, support to direct access entities (DAEs) and enhanced cross-Secretariat work. The overarching goals were to:

- (a) Finalize as many accreditation master agreements (AMAs), funded activity agreements (FAAs) and other required agreements as possible and maximize related disbursements, to jump-start implementation of approved projects and activities and to advance work on the ground;
- (b) Continue to develop and operationalize a proactive and strategic approach to programming, including work on results area guidance, requests for proposal (RFPs), strategic country work programmes, collaborating with other funds through the operational framework on complementarity and coherence and enhancing use of regional structured dialogues to develop a robust pipeline of high-quality, high-impact, country-driven projects, increased submissions from DAEs and private sector entities;
- (c) Further strengthen the accredited entity (AE) work programme process, including promoting alignment with country programmes to enhance predictability and enable the Secretariat to calibrate demand relative to available funds and its capacity to deliver;
- (d) Build and deploy a Secretariat staff of sufficient size, talent and global reach to enable it to meet both immediate needs and projected medium-term demands;
- (e) Support the Board in implementing decisions related to arrangements for the initiation of the replenishment process and selection of the Permanent Trustee;
- (f) Improve the quality of GCF support programmes and projects coming to the Board in terms of climate impact, support for enabling countries to meet their nationally determined contributions (NDCs)/strategic goals and reduced conditions;
- (g) Enhance support for the accreditation of more DAEs and for their development of high-quality projects that support both country and GCF transformational goals; and
- (h) Enhance the use of cross-Secretariat teams and results-based frameworks in the planning and execution of GCF programmes and, where relevant, in the performance evaluation of the GCF programmes and its staff.

3. The body of this report has been structured around six main themes: (1) strengthening country ownership and readiness; (2) growing a paradigm-shifting portfolio; (3) accelerating implementation and managing results; (4) supporting the Board and GCF accountability to the Conference of the Parties (COP); (5) improving accessibility, complementarity and coherence; and (6) consolidating the Secretariat's capabilities, so as to draw out the interlinkages between work on the overarching goals set out above as well as progress towards the KPIs detailed in the work programme results framework.

4. Annex I contains an overview of the outcomes of missions carried out by the Secretariat during the reporting period. Annex II presents an overview of Secretariat progress against the 2018 KPIs as outlined in the Secretariat's work programme.

1.1 Tracking key fund indicators

5. The table below summarizes key indicators tracking operational progress (the first section provides funding proposal indicators and the second section other core indicators).

Table 1: Summary indicators for reporting period (1 September 2018 – 31 December 2018)

Funding Proposals		B.20 ^a		B.21		Target Dec. 2018	
Total number of funding proposals approved	Public: 60	Total: 74	Public: 73 (+33)	Total: 93 (+40)	Public: +25-35	Total: + 40 -55	
	Private: 14		Private: 20 (+7)		Private: +15-20		
Amount of funding approved (cumulative USD total)	Public: 2.23 billion	Total: 3.57 billion	Public: 2.78 billion (+1.73 billion)	Total: 4.6 billion (+2.35 billion)	Public: +1-1.3 billion	Total: +2.2 – 2.8 billion	
	Private: 1.34 billion		Private: 1.82 billion (+0.62 billion)		Private: +1.2-1.5 billion		
Mobilizing Funds at Scale	No. FP	0	0	0	4-7		
	Total USD	0	0	0	450-500 million		
MSMEII approved	No. FP	0	0	0	4-5		
	Total USD	0	0	0	80-100 million		
REDD-plus approved	No. FP	0	0	0	4		
	Total USD	0	0	0	Included in public sector total		
Core indicators		B.20	B.21	End of Dec 2018	Target Dec. 2018		
AMAs signed		42	45	55	-		
FAAs signed ^b		33	41	55 ^c	-		
Projects under implementation and value ^d (USD)		26 (1,198 million)	31 ^e (1,429 million)	40 (1,786 million)	-		
Projects receiving disbursements and total disbursed ^f (USD)		20 (166.8 million)	26 ^g (389 million)	32 (449 million)	35 (80% projects approved before B.18) (750-837 million)		



Core indicators		B.20		B.21		End of Dec 2018 ¹		Target Dec 2018 ²	
Readiness Programme	Proposals received & amount requested (million USD)	NAP: 50 (135.47)	Total: 284 (221.20)	NAP: 58 (157.2)	Total: 297 (248.98)	NAP: 69 (176.10)	Total: 340 (281.23)	NAP: -	Total: -
		Non-NAP: 234 (85.73)		Non-NAP: 239 (91.78)		Non-NAP: 271 (105.13)		Non-NAP: -	
	Proposals approved & approved amount (million USD)	NAP: 12 (32.29)	Total: 185 (86.13)	NAP: 19 (49.54)	Total: 196 (109.41)	NAP: 23 (62.27)	Total: 232 (133.31)	NAP: +40 (+100) ^h	Total: + 100- 120 (+130- 140)
		Non-NAP: 173 (53.84)		Non-NAP: 177 (59.87)		Non-NAP: 209 (71.04)		Non-NAP: +60- 80 (+30- 40)	
	Total amount disbursed (million USD)	NAP: 1.27	Total: 19.70	NAP: 9.63	Total: 39.77	NAP: 10.79	Total: 44.03	NAP: 25-30 ⁱ	Total: 45-55 ^k
		Non-NAP: 18.43		Non-NAP: 30.14		Non-NAP: 33.24		Non-NAP: 20-25	
Project preparation facility	Requests received & amount requested (million USD)	48 (40.49)		56 ^l (56.3 ^m)		61 ⁿ (45.8)		-	
	No. requests approved & approved amount (million USD)	8 (6.46)		12 (8.8)		16 (10.83)		+ 30 – 40 + (14-15)	
	Total amount disbursed (million USD)	2.21		4.8		5.02		10-14	

¹ The amounts are cumulative.

² The targets are presented as originally included in the 2018 Work Programme.

Abbreviations: AE = accredited entity, AMA = accreditation master agreement, B.18 = eighteenth meeting of the Board, B.20 = twentieth meeting of the Board, B.21 = twenty-first meeting of the Board, FAA = funded activity agreement, FP = funding proposal, MSMEII = second phase of the micro-, small and medium-sized enterprise programme, NAP = national adaptation plan, REDD = reducing emissions from deforestation and forest degradation in developing countries

^a The reported figures from B.20 take into account the lapse of the approval for two projects (FP030 and FP006) since B.20.

^b One funding proposal (FP028) has two FAAs, so the number of signed FAAs is one number higher than the projects with signed FAAs. Another funding proposal (FP026) has two FAAs corresponding to two AEs attached to the project; only one of the two FAAs has been signed.

^c One funding proposal (FP078) has two FAAs.

^d This refers to projects that have reached FAA effectiveness. The value refers to the GCF funded amount.

^e This figure excludes FP026, which has two AEs, as part of this project has not yet started implementation pending AMA effectiveness (but the other part is under implementation and USD 0.8 million was disbursed). It should be noted that the value in brackets includes the portion of GCF funding (USD 18.5 million) for which the FAA has been signed. The number of FAAs signed (41) also includes the FAA mentioned in the previous sentence. This project will be fully considered as being under implementation once both parts of the project start implementation.

^f The amounts include accredited entity fees.

^g This figure excludes FP026, but the value includes USD 0.8 million for the part of FP026 which has commenced disbursement.

^h As per B.19/31/rev.01, revised targets were proposed for NAPs, of +30 proposals (+75 million)

ⁱ With the B.19/31/rev.01 proposed revised targets, totals would be of: + 90-110 proposals (+105-115 million)

^j As per B.19/31/rev.01, revised targets were proposed for NAPs disbursements, of 20-25 million

^k With the B.19/31/rev.01 proposed revised targets, totals would be of: 40-50 million

^l Of these, 37 are active proposals.

^m This includes the amounts from withdrawn and dormant proposals.

ⁿ Of these, 25 are active proposals.

1.2 Progress toward goals

1.2.1 Strengthening country ownership and readiness

6. The Secretariat has continued to lift both Readiness and Preparatory Support Programme (Readiness Programme) proposal approvals and disbursements at a steady pace to meet its 2018 targets, with 122 countries accessing USD 134 million in Readiness Programme resources by the end of the year. Progress was somewhat slower on the adaptation planning side, with approvals and disbursements falling short of revised targets for 2018, but with reduced volumes reflecting the Secretariat's encouragement of a staged approach to accessing the USD 3 million allocation to deliver sound planning and pipeline development. Efforts have also been initiated to build a knowledge base around emerging Readiness Programme outcomes in line with activities being completed on the ground, with cycles established to review interim progress reports or completed reports being delivered to the Secretariat.

7. The second half of 2018 has also seen an acceleration in country programming, with 18 countries delivering their completed country programmes and 15 others at the draft stage shared with the Secretariat. Results are expected to continue to accelerate through 2019, as Readiness Programme support for country programming reaches maturity and the Secretariat rolls out technical support for robust, climate analysis driven country programming processes.

8. The last quarter of 2018 has seen fewer country- and entity-specific engagements owing to a busy programme of dialogues and conferences. The first Global NDA Conference was held side-by-side with the inaugural Private Investment for Climate Conference in Incheon, Republic of Korea. The quarter also included the first structured dialogues with Eastern Europe and Central Asia and the least developed countries (LDCs), and second structured dialogue with the

Caribbean. In addition, the Secretariat worked to develop a programme of national designated authority (NDA) training, which will be rolled out in 2019.

9. Responding to the recommendations from the Independent Evaluation Unit (IEU) evaluation of the Readiness Programme as well as ongoing feedback from countries, the Secretariat has been working to develop a “Readiness 2.0” proposal to be presented to the Board for consideration at its twenty-second meeting (B.22). This will focus on better targeting of readiness resources to needs and results, and more efficient delivery and reduction of transaction costs.

1.2.2. Growing a paradigm-shifting portfolio

10. GCF has continued to build its portfolio in line with the targets set in the 2018 work programme, with over USD 1 billion in resources approved at the twenty-first meeting of the Board (B.21). Looking into 2019, the Secretariat has been working to operationalize the Board’s decision on financial planning for the period up until the GCF first replenishment, by introducing regular pipeline review at the senior management level. It is noted that the rate of new funding proposal submissions slowed over the last quarter of 2018, impacting the total number of concept notes (CNs) and funding proposals reviewed for the year.

11. Approvals for project preparation continued to increase over the reporting period, although the quality of underlying CNs remained a constraint on reaching 2018 KPIs. As at the end of 2018, limited progress had also been made in advancing proposals under dedicated RFPs, including micro, small and medium-sized enterprise (MSME) I, mobilizing funds at scale (MFS), REDD-plus and enhanced direct access (EDA), with access modalities remaining a critical constraining factor. Uptake under the simplified approval process (SAP) is starting to lift, with four proposals approved in total in 2018 and a growing pipeline, supported by Secretariat efforts to promote SAP through a series of dedicated webinars and country and DAE engagement.

12. Support for DAEs remained a strong focus with dedicated discussions and training held on the side-lines of GCF-held events, and Project Preparation Facility (PPF) support deployed to assist with proposal development. Events such as the adaptation rationale workshop have been instrumental in further broadening understanding of climate rationale and internalizing this within GCF activities. The first Private Investment for Climate Conference kick-started a conversation between the Secretariat, country representatives and a diverse range of private sector players on innovative ways of investing in climate action.

1.2.3. Accelerating implementation and managing results

13. The Secretariat has maintained a central focus on accelerating implementation, continuing to press forward the conclusion of AMAs and FAAs and move approved projects towards implementation. Seventy-two per cent of all AEs have signed AMAs and 55 FAAs are now signed for 53 approved funding proposals, representing 56.9 per cent (USD 2,352 million) of the GCF portfolio. There has also been a steady shift into portfolio implementation, and as at the end of 2018 40 projects with USD 1.8 billion of GCF resources were under implementation, accounting for 43 per cent of the 93 approved projects.

14. Systems and procedures have been put in place to monitor the GCF implementing portfolio, an activity expected to grow substantially throughout 2019. The GCF first Portfolio Performance Report was presented in 2018 looking at results delivered over 2017, with 41 Annual Performance Reports expected in 2019, increasing the knowledge base on outcomes of project implementation. The Secretariat is also working to respond to the IEU evaluation of the results management framework with a view to strengthening the results and performance management and measurement, reporting and verification systems of GCF in 2019.

1.2.4. Supporting the Board and GCF accountability to the Conference of the Parties

15. Ongoing support was provided to the Board and the Co-Chairs in preparation for B.21, and well as in the transition to the new Board term beginning in 2019. The Secretariat continued to generate a substantial number of policy and information Board documents, support document consultations, and also developed on-boarding and induction mechanisms for incoming new Board members. In addition, the Secretariat facilitated the Initial Organizational Meeting for the GCF first replenishment, just a month after the official triggering of the replenishment process.

16. A highlight during the reporting period was the participation of GCF at the twenty-fourth session of the Conference of the Parties (COP 24) to the United Nations Framework Convention on Climate Change (UNFCCC), which provided a key opportunity for GCF to raise its global profile and engage numerous stakeholders in view of the recently initiated replenishment process. A wide and diverse Secretariat mission meant that the GCF team was able to engage countries, entities and partners to advance business operations, harness support and gather information for developing the outreach agenda for 2019, and engage with COP negotiations providing guidance to the Financial Mechanism of the Convention.

1.2.5. Improving accessibility, complementarity and coherence

17. The Secretariat continued ongoing efforts to improve accessibility, through rolling out training, webinars, technical support, translating key documents, updating funding proposal and CN templates, and advancing work to launch online funding proposal and CN submission portals.

18. Under the leadership of the Office of the Executive Director and Division of External Affairs, a number of key outreach engagements took place between September and December 2018, notably participation at the Global Climate Action Summit in San Francisco, United States of America, Climate Week/United Nations General Assembly in New York as well as COP 24 in Katowice, Poland. Particularly following the triggering of replenishment, communications efforts have increased with a series of publications developed to reflect achievements to date, reporting under the initial resource mobilization (IRM) period, and reporting the outcomes of B.21. The GCF website and related news releases were continuously updated to communicate GCF activities and progress.

19. Work also continued through the reporting period to promote complementarity and coherence with other climate funds, through advancing work on coordinated country engagement, knowledge management and fund-to-fund cooperation. Participation at COP 24 saw a continuation of dialogues with climate finance delivery channels, highlighting the need for i) key learning mechanisms to be developed for adequately understanding impactful projects and programmes that would add value from further scaling up and for ii) continuously encouraging national coordination among focal points on the programming side.

1.2.6. Consolidating the Secretariat's capabilities

20. Over the later part of 2018 and under the leadership of the Executive Director ad interim (a.i.), tracking of the Secretariat's work programmes KPIs was further regularized, and a 2019 work programme and budget developed for Board approval. Implementing these tracking measures has had a significant impact in orienting Secretariat operations towards work programme deliverables.

21. Progress has continued in building Secretariat staffing towards the 250 head count approved at B.18, with a 219 staff count reached as at December 2019 (a noticeable increase from 140 staff as at B.18 in October 2017). The Division of External Affairs has in particular grown since its inception earlier in the year, along with a number of staff members also being redeployed internally to support the replenishment process.

22. In addition to recruitment, ongoing efforts were made to support staff development, with dedicated training for mid-level managers carried out in late 2018, plans for a senior

management training being rolled out for implementation in early 2019, and a series of internal learning and development sessions being offered to staff.

23. On the systems side, significant improvements have been made towards automation of the GCF administrative processes, streamlining functions across human resources (HR), procurement and information and communications technology (ICT) and improving user experience.

II. Activities of the Secretariat during the reporting period

2.1 Strengthening country ownership and readiness

2.1.1. Lifting the quality of GCF support programmes

24. Beyond the targets and milestone markers of the established readiness activities, the Secretariat looked to further expand and improve its support programmes. The Secretariat has been actively working to incorporate recommendations from the initial review of the programmes by the Dalberg Global Development Advisors, with key outcomes achieved including: identifying a theory of change; improved organization, structures and processes for efficiency; increased capacity with recruitment of off-site specialized advisors on adaptation and project preparation; and the publication of an updated Readiness Guidebook. The updated Guidebook has been positively received, providing clearer and more accessible guidance about the programme and the Secretariat is in the process of making the Guidebook available in multiple languages.

25. Recognizing that the strategically important tasks of the NDA/focal point office require a team of individuals who have substantial knowledge about GCF, its processes and modalities, GCF has also developed a pilot training programme – geared specifically to NDAs and focal points – to facilitate further learning within their institution, while at the same time providing a platform to share experiences and knowledge with peers from across the world. The first training took place on 14–18 January 2019 in Addis Ababa, Ethiopia, with four more scheduled regionally for Asia-Pacific, francophone Africa, Eastern Europe and Central Asia and Latin America and the Caribbean through March.

26. One important area of progress has been the further alignment of adaptation planning support to the cycle of GCF programming, including building from country programmes and deepening the evidence base and planning for climate rationale in project pipelines. In addition, the Secretariat has strengthened guidance for non-national adaptation plan (NAP) readiness processes, sharpened review criteria for NAP proposals, clarified the definition and eligibility of delivery partners, provided proactive support for the NDA/focal point for NAP partners and targeted supported to DAEs and NDAs/focal points. On the last item, the outcome has been the increased submission of CNs to develop proposals for NAPs and development of PPF applications.

27. Additional detailed information can be found in document GCF/B.22/08, titled “Readiness and Preparatory Support Programme: Strategy for 2019-2021 and Work Programme 2019”.

2.1.2. Improving monitoring of outcomes and results of the Readiness and Preparatory Support Programme

28. As at 31 December 2018, the Secretariat had approved a total of 232 projects under the Readiness Programme covering 121 countries with a total funding of USD 133.3 million. Disbursement has increased consistently, which amounted to USD 44.0 million as at the end of 2018. The number of reports received has surged fivefold between 2017 and 2018 with a total

124 interim progress reports and 14 completion reports received as at 31 December 2018. Also, no-cost extensions for 41 grants had been processed and approved as at 31 December 2018.

29. While the Readiness Programme has shown signs of significant progress over the past year, it has also encountered implementation delays and challenges. The key issues identified by the Secretariat and reported by countries and delivery partners are: (i) insufficient communication and coordination mechanisms between NDAs and delivery partners; (ii) limited information provided in the country programmes with several country programmes requiring further work to prioritize climate actions in accordance with the country's NDCs or other relevant national climate change policies; (iii) need for further clarity in GCF Standard Operating Procedures though it should be added that the Secretariat is developing a procedural document to address implementation issues; (iv) lack of on-the-ground capacity to address implementation challenges; (v) lack of more permanent regional or national presence which might have ensured regular follow-up with countries on readiness programming; and (vi) the lack of appropriate and adequate governance mechanisms and decision-making processes within ministries and departments, in particular at the country level, charged with the implementation of climate change projects.

30. The Secretariat is also putting in place processes to review readiness interim progress reports and completed reports, to see if the planned outcomes, outputs and, more particularly, the deliverables and milestones against the proposed activities have been achieved and communicate to countries to address these barriers. Information on these findings will be produced for the second portfolio performance report in 2019.

2.1.3. Improving delivery and predictability of readiness funding for countries

31. As reported in the key indicators above, the Secretariat has seen steady demand for readiness resources and responded with an increased rate of proposal approvals and disbursements. Detailed information on progress and lessons learned is contained in document GCF/B.22/08, as referred to above.

2.1.4. Targeting country engagement for strengthened results

32. Constrained travel resources have resulted in a reduced number of GCF missions to countries. The last quarter was intensely populated with a total of five regional/multi-country dialogues which included the inaugural Global NDA Conference hosted in Songdo with 132 participants, adjacent to the first Private Investment for Climate Conference, which constituted the first ever Global Climate Week during 8–12 October 2018. With representation from 82 countries, the week involved a diverse programme covering capacity-building, training on GCF procedures, pipeline development, complementarity and coherence, enabling South–South cooperation, and supporting NDAs' engagement with the private sector. Tangible outcomes included substantive and productive bilateral meetings leading to more developed country programmes.

33. In addition, the Secretariat held a technically oriented event titled “Adaptation rationale workshop”, in November 2018 in Cebu, Philippines, with 85 participants comprised of NDAs, DAEs, civil society organizations and delivery partners. With a goal to cover conceptual frameworks and methodologies, enable peer learning and provide coaching clinics in the context of an adaptation rationale, the two core outcomes were 1) strengthened DAE project ideas and CNS; and 2) solidified focus of NAP implementation to produce climate rationale and private sector engagement in GCF project pipelines. The workshop also focused on ensuring that the implementation of upstream readiness support, including for adaptation planning processes effectively contribute to this effort.

34. These two pioneering events occurred in tandem with structured dialogues with Eastern Europe and Central Asia (September 2018), with the Caribbean (November 2018) and with the LDCs (November 2018). Earlier in the year, GCF had also organized structured

dialogues with Latin America (March 2018), Asia (April 2018), the Pacific (August 2018) and Africa (April 2018), and had embarked on strategic engagement with countries through cross-divisional country missions. Outcomes of these missions and engagement are further elaborated on in annex I.

35. In parallel, the Secretariat has also observed outcomes of the first four months of outplacement of a Country Dialogue Specialist in Grenada, which provided a positive outlook regarding the benefits that such an outplacement intends to bring to countries in Latin America and the Caribbean (LAC). Among such benefits, the outplacement increases proximity with and facilitates relationship and interactions between the GCF and NDAs/FPs and relevant LAC stakeholders, leading to: (i) an expected increase in these countries' preparedness to continuously present more, and of better quality, Readiness Proposals, project pipelines and overall Country Programmes; (ii) increased satisfaction of NDAs/FPs and relevant stakeholders' due to strengthened GCF capacity in the region; and (iii) GCF staff satisfaction, due to increased capacity to engage on work with LAC stakeholders brought by similarity of time zones.

2.1.5. Delivering high-quality, strategic country programmes

36. Despite constrained travel resources resulting in a reduced number of GCF missions to countries, discussions around the development of country programmes progressed forward as the significance of the process of country programming and the development of the country programme documents were emphasized on most occasions, including the structured dialogues and the Global NDA Conference. The resulting 18 strategic country programmes delivered by countries reflect this increased recognition and are expected to strengthen planning for the project pipeline, along with new country programmes expected during the year in 2019, as well as to inform the replenishment process.

37. In addition, the Secretariat has made progress in contracting external technical services to support countries that wish to enhance their programming processes, with a roll-out of the services anticipated for 2019.

2.1.6. Building coherence between country and accredited entity work programming

38. The Secretariat is in the process of revising the existing entity work programme template. The revised version of the template is anticipated to strengthen upstream engagement with entities by promoting greater alignment between entities' anticipated project pipelines and countries' climate change priorities. The revised template is designed so that entity work programming is a process rather than a reporting exercise. The process vis-à-vis the revised template is intended to assist entities in formulating ideas upstream which are better aligned with country needs and meet GCF objectives. This is expected to minimize time, cost and iterations downstream at the time of proposal development. The revised template is also anticipated to reduce the ad hoc nature in which potential ideas could otherwise be developed, and moreover to ensure that project ideas are coherent with the climate change priorities of countries.

2.1.7. Providing pre- and post-accreditation support for direct access entities

39. The Secretariat is continuing to support subnational, national and regional public and private sector entities seeking, or in the process of seeking, accreditation in order to ensure a balance of diversity, in accordance with decision B.09/07, paragraphs (d) and (g), and decision B.10/06, paragraph (h). This includes in-kind support, providing institutional gap assessments and action plans, the online accreditation self-assessment tool³ and engaging a roster of institutions that will provide technical and capacity-building support to both applicant and

³ The tool, developed with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH and the World Resources Institute, is available at <<https://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool>>.

accredited DAEs in environmental, social and gender aspects. The following activities were undertaken:

- (a) As at 31 December 2018, institutional gap assessments and action plan support had been provided to 31 DAEs nominated by 28 countries from different geographical/regional areas seeking accreditation and action plans based on the gap assessments to address any identified gaps;
 - (b) As at 31 December 2018, 1,074 users, including NDAs/focal points considering nominating entities and entities themselves, had completed the questionnaire; and
 - (c) The Secretariat is engaging a roster of institutions that will provide technical and capacity-building support to both applicant and accredited DAEs in environmental, social and gender aspects. As at 31 December 2018, environmental and social safeguards support had been completed for one entity currently in stage II and is under implementation for two entities.
40. Beyond addressing accreditation conditions and achieving upgrades in terms of fiduciary standards and environmental and social safeguards, these support activities also aim to further develop the capacities of DAEs. Further details are contained in document GCF/B.22/02, titled “Consideration of accreditation proposals”.

2.2 Growing a paradigm shifting portfolio

2.2.1 Assuring climate impact and building a strong pipeline of funding proposals for Board consideration

41. During the reporting period, 7 new funding proposals were submitted and reviewed as well as, in part, the other 75 funding proposals in the existing pipeline, and 18 funding proposals submitted to the Board for consideration at B.21. Work is also under way for establishing communities of practice and sector strategies, which would provide guidance on the types of interventions GCF should make that would deliver the biggest impact. Additional measures to streamline CN/funding proposal review include a regular senior management team review cycle and early screening of funding proposals.

42. Furthermore, the Secretariat has initiated the review of the funding proposal template and the preparation of a funding proposal appraisal toolkit as well as funding proposal guidelines, which are intended to be finalized in early 2019. Consultations with AEs are currently under way.

2.2.2 Implementing an approach to financial planning of the pipeline

43. Under decision B.21/14 the Board adopted an approach to financial planning of the GCF pipeline for 2019. In the light of the Board’s guidance, the Secretariat has taken steps to implement the financial planning approach by introducing a regular pipeline review at the senior management level that focuses on screening the alignment of funding proposals with the GCF investment criteria, portfolio resource allocation objectives and available financial resources. Portfolio-level performance and financial planning parameters are also being tracked in relation to each batch of funding proposals being submitted to the Board for consideration.

44. Recognizing that GCF will start 2019 with a USD 5 billion plus pipeline, the Secretariat will continue to balance commitments and focus on working with countries and AEs to bring forward high-quality funding proposals that align with the Board’s financial planning guidance, with a particular focus on funding proposals under RFPs and SAP.

2.2.3 Strengthening concept note review as an input to programming

45. During the reporting period, 35 new CNs have been submitted and reviewed along with the other 196 CNs in the existing pipeline. Out of 7 newly submitted funding proposals during reporting period, 5 were from CNs and for B.21, out of 21 funding proposals submitted to the Board, 15 were developed from CNs.

46. In addition, as part of the strategic engagement missions undertaken in 2018, countries and AEs have been presenting many project ideas that form part of their programming exercise, which provides the Secretariat with the opportunity to comment and give them guidance on what kind of proposals are being sought for consideration and which ones are likely to meet the GCF investment criteria.

47. A few changes have been made to the CN template (to align with the SAP CN template) and an updated version is available on the GCF website.

2.2.4. Building pipeline quality through the Project Preparation Facility

48. The Secretariat is currently processing a pipeline of 35 active PPF applications with associated project concepts and no-objection letters from the respective NDAs.⁴ As at 31 December 2018, 23 PPF applications had been approved or endorsed (16 approved and 7 endorsed for approval pending final conditions) to develop project/programme concepts into full funding proposals. Of the 35 active PPF applications, 26 (representing 74 per cent of the total) have been submitted by 12 different DAEs to date. The current USD value of approved PPF applications is 77 per cent for DAEs and 23 per cent for international AEs. Twenty-six PPF applications are either withdrawn or dormant based on no response from the AE for more than six months, of which 21 were from international AEs and only 5 were from DAEs. A key barrier to increasing the pace of review and number of PPF applications approved is the varied quality of project concepts and their eligibility vis-à-vis GCF investment criteria. Of the 12 active PPF applications that are not yet approved, 8 have been delayed pending clearance of the eligibility of the underlying project concepts vis-à-vis GCF investment criteria. To help AEs overcome this barrier, and thereby increase the number of PPF applications that can be approved, the Secretariat is providing limited upstream technical assistance to DAEs, upon their request, to strengthen their concept notes and associated PPF applications. Nine DAEs have received this technical assistance to date and an increasing number are being planned in 2019. Based on positive feedback and increasing demand, the Secretariat is in the process of strengthening the capacity of this technical assistance function with three more consultants under recruitment to cover more GCF result areas, with a particular focus on the private sector.

49. In addition to the technical assistance, the Secretariat will further strengthen the proactive and comprehensive focus of PPF, including (i) sector-specific project preparation training for AEs and country actors on key elements of strong project design, including climate rationale, private sector engagement and minimum conditions of concessionality; (ii) continue strengthening and streamlining the provision of technical assistance to DAEs in preparing high-impact CNs and PPF applications; (iii) creation of a knowledge platform for project preparation; and (iv) modalities to further simplify access to PPF resources, including rapid grants for modest-scale requests and procurement assistance of project preparation expertise.

2.2.5. Supporting direct access entities in delivering funding proposals, particularly on enhanced direct access

50. Support to DAEs has resulted in an additional two DAE proposals being approved at B.21: 097 titled “Productive Investment Initiative for Adaptation to Climate Change (CAMBio II)” by the Central American Bank for Economic Integration, as contained in document

⁴ An additional 26 PPF applications were previously submitted, which have either been officially withdrawn by AEs or NDAs or otherwise become dormant with no correspondence from AEs or NDAs for over six months.

GCF/B.21/10/Add.24; and 098 titled “DBSA Climate Finance Facility” submitted by the Development Bank of Southern Africa (as contained in document GCF/B.21/10/Add.25).

51. Efforts have been made to encourage DAEs to submit proposals under the EDA pilot scheme with dedicated sessions organized during regional structured dialogues to explain the modalities of EDA to interested DAEs. To date, a total of nine CN and two funding proposals have been submitted under the EDA scheme and the Secretariat has also been working internally to set up a dedicated cross-divisional EDA task force to further streamline activities related thereto and to provide better support to AEs in developing EDA proposals.

52. At the second GCF structured dialogue with the Caribbean, held in November 2018, the Secretariat held one-on-one sessions with six accredited DAEs and DAEs interested in seeking accreditation in order to progress their entity work programmes and readiness proposals, as well as accreditation applications. The Secretariat is also working with entities recently accredited to pilot a six-month on-boarding plan. Through this approach, the Secretariat aims to provide guidance to accelerate the ability of newly accredited DAEs to complete their AMA negotiations, develop their entity work programme, and prepare and submit funding proposals. As a part of the plan, the Secretariat is also engaging with DAEs on the readiness support that may be needed, addressing accreditation conditions, and preparing and submitting PPF applications.

53. The Secretariat has continued to provide support for accreditation and direct access entities via the Readiness Programme and is continually assessing/updating the demand for readiness support as identified by NDAs/focal points in their draft country programme briefs, and AEs in their entity work programme briefs.

54. Building on the GCF empowering direct access workshop held in May 2018 and following a set of adaptation planning knowledge-sharing activities with GCF partners, the adaptation rationale workshop (referred to in section 2.1.4 above) also included the participation of 13 accredited DAEs,⁵ supporting participants in the development of project pipelines that effectively articulate key elements of climate rationale to further attract adaptation finance.

2.2.6. Enhancing strategic engagement with international accredited entities

55. The Secretariat met with representatives of international AEs at the structured dialogue with the Caribbean in November 2018. Meetings were held to discuss potential pipeline development, country needs and overall engagement for the coming months. Some newly accredited international AEs were keen to learn more about GCF and how they can work with it to bring forward ideas which meet GCF objectives. The Secretariat also participated virtually in an Asian Development Bank organized project development training to support countries and entities of the Asia region on designing climate projects. In the Africa region, meetings were held with the African Development Bank, the United Nations Environment Programme (UNEP) and Africa Financial Corporation (AFC) on the sidelines of the structured dialogue with Africa to further enhance GCF engagement with those entities.

56. In addition, the Secretariat has also engaged with international AEs (World Bank, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, Kreditanstalt für Wiederaufbau, Inter-American Development Bank, International Finance Corporation) through dedicated missions to advance project implementation and finalize required project documentation. Details of these exchanges are provided in annex I.

⁵ Central American Bank for Economic Integration, Corporación Andina de Fomento, Caixa Econômica Federal, CDG Capital S.A., Department of Environment of Antigua and Barbuda, Fondo para la Acción Ambiental y la Niñez, LandBank of the Philippines, Micronesia Conservation Trust, Ministry of Finance and Economic Management of the Cook Islands, National Rural Support Programme, Protected Areas Conservation Trust, Secretariat of the Pacific Regional Environment Programme and the South African National Biodiversity Institute.

2.2.7. Promoting uptake of the simplified approval process

57. Efforts were made to further streamline the SAP process and provide reviews within two to three weeks from the initial submission of CNs. As at the reporting date, 33 per cent of SAP CNs received were reviewed and responded to the AEs and/or NDAs within two weeks by the Secretariat, and the overall response time was estimated to be 10 days faster on average compared with the standard proposals under the proposal approval process.

58. At the project origination side, the Secretariat engaged and discussed with DAEs, with a focus on supporting LDCs and small island developing States (SIDS), for their SAP proposal development. Technical support was deployed to three DAEs, which resulted in the submission of two SAP proposals. Several DAEs and NDAs expressed interest in receiving technical support from the Secretariat to develop their SAP proposals.

59. A range of capacity-building, communications and outreach activities were undertaken through nine webinars throughout 2018 in collaboration with the United Nations Institute for Training and Research. The final webinar was hosted in late November to update key stakeholders on the developments of SAP a year on from the launch at the twenty-third COP session (COP 23) and gave the opportunity for a question and answer session with the attendees. This webinar was attended by 115 participants, most of them from developing country institutions, AEs, NDAs and prospective AEs. Feedback from the webinar was positive, with attendees asking for further technical training and e-learning events on SAP.

60. At the structured dialogues for LDCs and Eastern Europe, SAP was featured as specific technical sessions and clinic. Through these sessions, the SAP pipeline has substantially increased, with a number of CNs, particularly from DAEs, submitted after the dialogues and the webinars.

61. The Secretariat continued outreach to stakeholders during COP 24, where it organized a high-level panel discussion on the relevance of SAP for SIDS, LDCs and developing countries. A SAP 101 session was also organized at COP 24 to inform the public on what SAP is and its features. In addition, COP 24 also marked the execution of the FAA for the first approved SAP project, Environmental Investment Fund (EIF) Namibia, approved at the nineteenth meeting of the Board (B.19).

62. In December 2018, the Secretariat released guidelines for AEs and NDAs on how to develop SAP funding proposals. These guidelines will serve as a useful tool for AEs and NDAs in the development of SAP proposals and will serve as the basis for future training programmes. The guidelines have been translated into Spanish and French and will be published by early 2019.

63. The Secretariat has also continued its work on the development of the SAP online submission system, to be launched in early 2019. The system will allow AEs and NDAs to submit SAP CNs and funding proposals online and will improve the speed, accountability and efficiency of the submission and review process. It will also pilot a new intake modality for GCF proposals that can potentially be extended to the project submitted under the regular proposal approval process.

64. Since the launch of SAP at COP 23, four projects have been approved by the Board: one at B.19 from EIF Namibia and three at B.21 from the World Food Programme in Kyrgyzstan, UNEP in Bahrain and the first SAP private sector project from XacBank in Mongolia. As at the reporting date, the SAP pipeline consisted of a total of 42 CNs and funding proposals, with GCF financing totalling around USD 386.6 million and USD 715.4 million of total finance, when taking co-financing into account. Of the 42 proposals in the SAP pipeline, 34 are public sector, consisting of 28 CNs and 6 funding proposals, 5 CNs are from the private sector and 3 CNs involved public private partnership. The SAP pipeline is rapidly growing, and SAP submissions are expected to continue to significantly increase throughout 2019.

2.2.8. Advancing REDD-plus results-based payments

65. In response to decision B.18/07 allocating up to USD 500 million to the RFPs for the pilot programme for REDD-plus results-based payments, the Secretariat has been working with countries across regions to bring forward high-quality proposals through the pilot programme.

66. As at the date of this document, four REDD-plus results-based payments CNs had been received and two complete funding proposals had been submitted to the Secretariat for consideration at B.22. Notably, the REDD-plus results-based payments pilot has motivated private sector interest in REDD-plus investments as well. It is expected that several countries, in particular from Latin America, will be ready to submit a full funding proposal with their achieved results to GCF for results-based payments later in the year.

67. The Secretariat has recently launched a dedicated web page on REDD-plus containing all the relevant documentation and templates.⁶ The web page provides frequent orientation to countries on the requirements for applying to the pilot programme. The Secretariat has been discussing closely with several countries, mainly from Latin America and a few from Asia and recently a few from Africa that expressed their interest. Dedicated country missions to South-East Asia at the end of 2018 resulted in the mapping of interests and progress from several countries regarding the submission of future REDD-plus results-based payments projects.

68. The GCF Secretariat is planning to develop a series of webinars to provide further information on GCF funding modalities for REDD-plus and to clarify any questions related to the REDD-plus pilot programme.

69. Thirty-four countries to date have submitted forest reference emission levels (FRELs)/forest reference levels (FRLs) to the UNFCCC secretariat. This illustrates an important indication of potential future submissions and requests for support regarding REDD-plus results-based payments to GCF. The countries and the indicated targets in their FRELs/FRLs target 1.4 billion hectares of forests, corresponding to 36 per cent of the global forest area.

70. An online questionnaire is being prepared to be sent to these countries and other countries with the potential to engage in REDD-plus to assess their progress in REDD-plus and to estimate the support needed. This information will help to identify the progress towards being eligible for results-based payments and help to estimate the achieved results that countries can present to GCF for results-based payments in the future.

2.2.9. Maximize private sector engagement, including through dedicated micro, small and medium-sized enterprises and mobilizing funds at scale pilots

71. The last quarter of 2018 has seen GCF hold the first Private Investment for Climate Conference, bringing together climate experts and private sector representatives alongside NDAs/focal points on opportunities for private investments in activities contributing to low-carbon climate resilience. Taking place immediately after the release of the Intergovernmental Panel on Climate Change special report, *Global Warming of 1.5°C*, it facilitated a sharing of the latest climate knowledge with private sector representatives with a focus on the scale of transformation needed in the next 15 years to limit global temperature increase. Dedicated workshops and sessions were organized on the topics of: the private sector bridging climate finance gaps; mainstreaming climate information capacity in the private sector; widening private sector interventions in adaptation; and the role of GCF in promoting innovative practices.

72. More limited progress has been noticed on the targeted private sector RFPs. Since the launch of the MSME pilot RFP in July 2016, the Board has approved two funding proposals under RFP totalling USD 40 million, for namely USD 20 million for the “Business Loan Programme for GHG Emissions Reduction” proposal (FP028) submitted by the Mongolia-based XacBank LLC to which GCF has disbursed its total commitment of USD 20 million and another USD 20 million for “Low Emission Climate Resilient Agriculture Risk Sharing Facility for

⁶ Available at <<https://www.greenclimate.fund/redd>>.

MSMEs” (FP048) submitted by the Inter-American Development Bank to be implemented in Guatemala and Mexico (the FAA was signed in December 2018). The success of the MSME pilot has been constrained by an initially limited pool of AEs oriented towards working with small and medium-sized enterprises, with XacBank being the lead proponent. Since then, a number of AEs have been accredited with a small and medium-sized enterprise focus, generating improved prospects for uptake. One additional MSME proposal is expected in 2019. As the pipeline develops, a proposal to launch a second tranche of the MSME RFP may be presented to the Board later in 2019 or early 2020.

73. The mobilizing funds at scale RFP was launched in May 2017 and attracted 350 submissions from more than 70 countries with estimated GCF-requested financing of over USD 18 billion. The Secretariat has continued to engage with proponents of 30 shortlisted projects, of which 12 were submitted through AEs and 18 by non-AEs, towards developing full funding proposals for consideration by the Board. It is anticipated that one to three funding proposals will be presented for approval at the twenty-third meeting of the Board (B.23) with an aggregate request for GCF funding estimated between USD 50–200 million. A major constraint in advancing more projects has been securing accreditation for the project proponents or finding existing AEs to sponsor them.

2.2.10. Consolidating the GCF policy framework and addressing policy gaps through an integrated approach

74. In response to a Board mandate from B.19 to develop an integrated approach to policy development for its consideration, the Secretariat has been developing policies and tools to resolve the interrelated issues related to the approval of funding proposals, including: incremental cost and full cost methodologies, options for further guidance on concessionality, policy on co-financing, investment criteria indicators and programmatic approach to funding proposals. The full list of policy papers under the integrated approach and their proposed timeline are provided in detail in a document titled “An integrated approach for addressing policy gaps to ensure climate impact: an overview of policies related to the consideration of funding proposals”. This document was published previously for consideration at the twentieth meeting of the Board (B.20) and B.21. It has since then gone through modifications along with the rest of policy papers for consideration at B.20 and B.21 to reflect comments received from the Board.

75. Following decision B19/10, paragraph (c), a draft approach paper for the development of the environmental and social safeguards of GCF has been developed and is undergoing consultations with the Board, countries, AEs and observer organizations. The draft approach paper will be finalized ready for presentation in the succeeding Board meeting.

76. Following the adoption of the Environmental and Social Policy as well as the Indigenous Peoples Policy of the GCF, further work has been done towards finalizing the draft implementing guidelines of the policies. Draft Indigenous Peoples Policy implementing guidelines has been developed and will be submitted for consultation with stakeholders. A dedicated Indigenous Peoples Specialist, acting as the GCF focal point for indigenous peoples, is also scheduled to join the Secretariat.

2.2.11. Actions taken to include gender considerations in GCF activities

77. Following the adoption of the GCF Gender Policy and Action Plan in 2015, the Secretariat has been working to advance gender mainstreaming across its activities. At the portfolio level, the Secretariat is proactively reviewing CNs and funding proposals from a gender perspective and ensures that gender and social assessments are undertaken by AEs as part of project appraisal. To date, 92 per cent of all approved funding proposals contain a gender assessment, and 85 per cent of all approved funding proposals contain project-level gender action plans. The project-level gender action plans have helped to: i) identify specific gender-related interventions that need to be included in project activities; and ii) determine how the

project/programme can respond to the needs and priorities of women and men in view of the specific climate change issue to be addressed.

78. Gender-related activities are being integrated into the Readiness Programme. This is done with resources dedicated to NDAs to implement various activities, including developing participatory and inclusive strategies, enhancing multi-stakeholder processes, especially at the grass-roots level by ensuring the involvement in consultations of women-led organizations and representatives from indigenous peoples organizations, conducting gender-sensitive stakeholder consultations and analysis, and thereby developing gender-responsive country programmes.

79. In addition, a knowledge-sharing session was delivered by the gender team on mainstreaming gender in GCF projects for GCF staff at the end of 2018.

2.3 Accelerating implementation and managing results

2.3.1. Increasing the number of approved projects with accreditation master agreements and funded activity agreements

80. As at 31 December 2018, the Secretariat had signed 55 AMAs with AEs, which represent 72 per cent of all entities accredited by the Board. Negotiations with another 20 entities accredited by the Board are ongoing and are at different stages of progress. The Secretariat has signed 55 FAAs for 53 funding proposals approved by the Board, which represents 56.9 per cent (worth USD 2.352 billion) of all approved funding proposals.

81. Of the 53 approved funding proposals that have executed FAAs, 10 public sector projects⁷ and 3 private sector projects⁸ have signed FAAs between September and December 2018. A further 11 projects are currently at the FAA negotiation stage. The large number of FAAs executed in the period between September and December 2018 attests to the Secretariat's commitment towards ensuring that more projects move through the FAAs negotiation milestone, towards implementation.

82. Further details on the status of AMAs and FAAs can be found in the related limited distribution document (see document GCF/B.22/Inf.01/Add.01).

2.3.2. Accelerating project implementation and disbursements

83. The number of projects that have started implementation has steadily increased over the past three years. While one project had started implementation by the end of 2016, the number of projects under implementation increased to 19 by the end of 2017. As at the end of 2018, it had reached to 40,⁹ accounting for 43 per cent of the 93 approved projects. The 40 projects under implementation are worth USD 1.8 billion in GCF funding, accounting for 39 per cent of total GCF funding, and spread over 41 developing countries.¹⁰

84. Disbursements totalling USD 427 million, excluding AE fees of USD 21.8 million, have been made for 32 projects out of the 40 projects under implementation. Of that amount, USD 283 million (66 per cent) has been disbursed for 6 private sector projects, and USD 144 million (34 per cent) for 26 public sector projects.

⁷ The 10 public sector projects whose FAAs have been executed during the reporting period are FP009, FP041, FP058, FP060, FP063, FP064, FP073, FP075, FP077 and SAP001.

⁸ The three private sector projects whose FAAs have been executed during the reporting period are FP048, FP078 and FP081. FP078 has two FAAs executed by financial instrument.

⁹ Excluded is FP026 by the Conservation International (CI) and European Investment Bank (EIB). The CI part of the project is under implementation and has already received the first disbursement of USD 0.8 million, while the EIB part is pending the effectiveness of the AMA. Once the implementation of the EIB part commences, this project will be added to the list of projects under implementation.

¹⁰ The total GCF funding is USD 4.6 billion; the total number of targeting countries in the GCF portfolio is 96.

85. The Secretariat has initiated an internal portfolio management system to monitor deadlines approaching of each post-approval milestone, legal arrangements, and implementation progress and challenges. In 2019, this system is expected to evolve into a holistic portfolio performance management system over the project life cycle from approval to completion, incorporating further details with regard to financial flow, mitigation and adaptation impacts, and projects changes.

2.3.3. Reviewing results and enhancing results management

86. In terms of monitoring GCF activities and results, the first annual reporting cycle occurred in 2018. For the first year of implementation, the Secretariat received 18 annual performance reports corresponding to GCF projects under implementation, including financial information reports and other information requirements required for GCF-funded activities. The initial review of results from this cycle were presented to the Board at B.21 in the annual portfolio performance report (2017), which concluded this first annual reporting cycle.

87. The report provided a review of the main results achieved as at end of 2017 in terms of abatement of carbon emissions and beneficiaries reached. It should be noted that progress towards the expected targets reported in the annual performance reports is only at the initial stage and it is expected to increase with projects advancing into later stages of implementation and new projects starting implementation in 2018. In terms of main challenges and issues identified, only one project reported high-impact challenges during its initial stage of implementation and no project under implementation reported major issues resulting in delays of the overall project implementation as at end of 2017.

88. For the second annual review cycle, it is expected to receive 41 annual performance reports corresponding to 41¹¹ reporting projects in the first quarter of 2019. In preparation for this second review cycle, the reporting templates had been updated in consultation within the Secretariat and the AEs based on the initial experience and lessons learned from the previous reports. This continuing effort will persist throughout 2019. Additionally, this year the Secretariat started developing an online submission system of the annual performance reports for the AEs, which will contribute to mainstreaming reporting and facilitate the review of results.

89. The Secretariat, along with the Independent Evaluation Unit (IEU), held a feature event on the IEU evaluation of the initial results management framework at COP 24. There, the Secretariat presented its work done on the further development of indicators in the performance measurement frameworks (PMFs) and informed the audience and external stakeholders on how it would address recommendations suggested by IEU to improve the results management framework. The Secretariat also prepared a management response to the IEU evaluation of the results management framework for consideration by the Board at B.22.

2.3.4. Operationalizing the risk management framework

90. The Secretariat is continuing its efforts to operationalize the risk management framework. The risk dashboard for the third quarter of 2018 was published on 22 November 2018 and showed that the portfolio concentration levels for funding proposals as well as GCF liquidity remain within the Board-approved risk tolerance levels. To further build up the risk management framework, the Secretariat has developed a compliance risk policy and is currently developing a legal risk policy. The compliance policy is expected to be presented to the Board for its consideration at B.22 while the legal risk policy has been scheduled for B.23.

91. Work on the risk rating and scoring models such as the project success rating and credit risk rating is also ongoing, and the Secretariat expects to present the models to the Board at B.23. The Office of Risk Management and Compliance is also contributing to the development

¹¹ Includes FP026 for which there is one FAA effective (CI) and started implementation.

and implementation of an investment criteria scoring tool to help to ensure that the GCF investment meets its investment criteria. These essential tools in the risk management framework will be incorporated into the funding proposal review process and will help to support the management of commitment authority. Separately, contributions are also being made to initiatives such as improving the way GCF provides guarantees, managing the exposure of contributions to currency volatility and exploring options to make GCF funding available in local currencies.

2.4 Supporting the Board and GCF accountability to the Conference of the Parties

2.4.1. Providing effective support to the Board, including on policy development

92. During the reporting period, the Secretariat, led by the Office of Governance Affairs (OGA), provided support to the Co-Chairs in the preparation and running of B.21 as well as for the preparation of B.22. The Secretariat continued its effort to provide high-quality support for meetings of the Board, including through regular coordination calls with the Co-Chairs, agenda preparation and issuance, ensuring the timeliness of Board document preparation and publication, facilitating the issuance of decisions, and post-meeting reporting. Work also included facilitating consultations with the Board on key documents and other tasks. Further information on these efforts is provided in document GCF/B.22/09 titled “Report on the activities of the Co-Chairs”.

93. Following the issuance of Drf.01 of the B.21 provisional agenda, the Secretariat produced more than 45 documents for the consideration of the Board at B.21 along with 18 funding proposals and three SAP proposals.

94. The Secretariat also facilitated the issuance of decisions proposed for approval by the Board between B.21 and B.22. During the reporting period, 12 decisions were proposed. The Secretariat assisted the Co-Chairs with the transmittal of decisions proposed between meetings and relevant follow-up tasks during and after the no-objection periods. More information is provided in document GCF/B.22/Inf.08, titled “Board decisions proposed between the twenty-first and twenty-second meetings of the Board”.

95. In accordance with decision B.20/04, the Secretariat sought the Co-Chairs’ authorization of the maximum budget for the review of the effectiveness, including the continued necessity, of the committees, panels and group established by the Board. The Secretariat also procured the services of a consulting firm. OGA assisted the firm in conducting the various aspects of the review, including coordinating with the Board, the Secretariat and independent units.

2.4.2. Supporting the Board in implementing decisions related to arrangements for the initiation of the replenishment process and selection of a Permanent Trustee

96. At its twenty-first meeting, the Board decided to launch the process for the GCF first formal replenishment. Pursuant to decision B.21/18, the Secretariat began making arrangements to facilitate the replenishment process. An initial organizational meeting (IOM) was held on 22–23 November 2018 in Bonn, Germany, to set the foundations for the GCF replenishment. It was attended by potential contributors from 25 developed and developing countries along with observers. Co-Chairs, four representatives of developing countries and one representative of a developed country represented the Board and GCF at the IOM. Based on the discussion at the IOM, the Secretariat is supporting the Co-Chairs in their consultation with Board members to appoint a global facilitator. The report of the IOM will be submitted to the Board at B.22.

97. As requested by the Board under decision B.21/18, the Secretariat is also preparing a number of documents to inform the Board and the replenishment process, including a report on

the GCF initial Strategic Plan, a strategic programming document for replenishment and an analysis of potential updates required to the policies for contributions. Draft versions of these documents were shared with the Board members in December for consultation.

98. The Secretariat supported the Ad-hoc Trustee Selection Committee in agreeing and submitting the recommendation that the International Bank for Reconstruction and Development (IBRD) was the final nominee to the Board for its approval, and for the Secretariat to negotiate a contract in accordance with the approved terms of reference and the direct contracting method of procurement as set out under the procurement guidelines. The Board in decision B.21/07 requested the Secretariat to enter into direct contracting with IBRD and to negotiate and finalize the terms and conditions, and the Secretariat has been progressing work on the trustee agreement. The Secretariat has also engaged with portfolio managers at the Investment Management Department of IBRD to discuss the improvements on cash portfolio investment and limitations of the permanent trustee service. It is expected that the contract will be signed prior to the maturity date of the previous agreement, 22 April 2019.

2.4.3. Supporting accountability to the Conference of the Parties and engagement with its subsidiary and thematic bodies

99. The Secretariat submitted the addendum to the 7th report of GCF to COP, further to the submission of the 7th annual report of GCF to COP. The addendum provides an update for COP on the progress achieved by GCF following B.21, held on 17–20 October in Manama, Bahrain, including on key issues where COP expected to see progress prior to COP 24, such as replenishment and project approval.

100. Cross-secretariat engagement at COP consisted of three tracks and boosted GCF engagement with stakeholders in the context of replenishment, along with allowing for a series of exchanges with contributor country representatives, charting a map of engagement for 2019. Further information is provided in annex I.

101. Additionally, the Secretariat supported the Co-Chairs in fulfilling mandates related to hosting the annual dialogue with climate finance delivery channels and the annual meeting with UNFCCC constituted bodies during COP 24. Updates on the outcomes of the meetings will be provided to the Board at B.23 in the context of the annual update on complementarity and coherence and the 8th report of GCF to COP, respectively.

2.5 Lifting accessibility, complementarity and coherence

2.5.1. Raising the GCF profile through coordinated outreach

102. During the reporting period the Secretariat continued its outreach efforts under the leadership of the Executive Director a.i., the senior management team and the Division of External Affairs. GCF has engaged equally in activities targeting country/entity engagement and its relationship with other climate finance delivery channels as well as by participating in global events, which have provided a platform for GCF to communicate on its mandate and mission.

103. GCF outreach has strengthened the relationship with key organizations at the national and international level through organizing high-level meetings, including with the United Nations Department of Economic and Social Affairs and the host Government of the Republic of Korea. Also, the Secretariat conducted coordinated outreach to key stakeholders during COP 24, with a successful launch of the GCF replenishment at a high-level side event, where the GCF delegation engaged with international and national representatives to outline GCF achievements and activities.

104. Further information on the outcomes of Secretariat missions is presented in annex I.

2.5.2. Strengthening GCF communications

105. GCF communications were structured around promoting knowledge on how to access GCF resources, reporting on GCF activities, and raising awareness of the progress and impact of GCF projects under implementation and readiness activities. Following the decision of the Board to launch the first replenishment, communications were also developed to reflect achievements to date, reporting under the IRM period and reporting the outcomes of B.21.

106. The GCF website continues to be the major outlet for communication materials and was employed to support and provide coverage of regular GCF outreach activities such as the structured dialogues, the Global NDA Conference and the 2018 Private Investment for Climate Conference. The website also hosted the use of a new platform for extended features about GCF activities, integrating video, photographs, infographics and text. The team has likewise been enhancing the GCF social media presence by increasing its content on Twitter, Instagram, LinkedIn and Facebook, resulting in increased audiences for GCF. During COP 24 the communications team continued to raise the GCF profile through a branded pavilion, materials, a new publication “Turning Ambition into Action” and a newly launched video. Significant media outreach was also undertaken during COP 24, where over 30 media briefings and interviews took place, leading to over 1,000 articles mentioning GCF during those two weeks. Other new communications initiatives undertaken included a SAP information campaign, and new infographics and factsheets.

2.5.3. Increasing engagement with key stakeholders through online platforms

107. The Board, in decision B.17/18, requested the Secretariat to develop an online CN and funding proposal submission portal. The online submission portal, connected to the AE and NDA portals, will be the one location where all proposal-related information and documents can be accessed. The online submission portal will provide improved experience, communication and connection between the NDAs/focal points, AEs and GCF. Currently, the portal is focused on SAP and the Secretariat aims to launch the system before B.22. Prior to the launch, the Secretariat will have a testing period with key stakeholders. The online submission portal has been introduced to the NDAs/focal points and AEs via webinars in 2018. Three webinars have been delivered taking time zone differences into account.

108. The Secretariat aims to pilot the online submission portal for the regular CNs and funding proposals after the funding proposal template is further revised based on the policy discussions and decisions adopted at B.22.

109. In an effort to improve pipeline management and related knowledge management, the Secretariat will start providing enhanced monthly pipeline and portfolio report analytics to internal and external stakeholders by the first quarter of 2019.

2.5.4. Fostering complementarity and coherence with other climate finance delivery channels

110. The Secretariat continued to implement the Board mandate on promoting complementarity and coherence and several activities were conducted during this reporting period, including holding the 2nd annual dialogue between climate finance delivery channels hosted by the Executive Director a.i. at COP 24. Outcomes with regard to this work will be reported in detailed as part of the annual update on the implementation of the operational framework on complementarity and coherence at B.23.

111. Following the Coordinated Engagement Initiative launched at the Global Environment Facility (GEF) Assembly in Da Nang, Viet Nam (26 June 2018), aiming to build greater national strategic coherence, GCF has pursued bilateral engagements with those countries expressing interest in order to articulating country-specific steps in which GEF and GCF can collaborate to facilitate overall engagement. Such options have been discussed with interested countries at COP 24 and on the sidelines of the 55th session of the GEF Council. A few different approaches

related to programming of enabling activities and programming of projects are currently under consideration and will be reported in detail at B.23.

112. Following up decision B.20/05, paragraph (f), on advising NDAs on how programming opportunities identified by Climate Investment Funds (CIF) beneficiary countries may be brought to GCF programming, current collaboration is diverse, including learning from lessons on their programmatic approaches and a joint learning initiative, the Secretariat has been working with the CIF Administrative Unit to discuss with common AEs and countries possible synergies. The matter of unfunded investment plans has been discussed, and there have been efforts to address this issue through existing programming avenues at GCF. The Secretariat engaged in a meeting of the CIF pilot beneficiary countries in Rwanda (18–19 September 2018), where interested countries were given the opportunity to discuss their status on CIF programming. Additionally, the secretariat has set up discussions with multilateral development banks involved in CIF to discuss the status of any relevant programming and has offered to explore the use of PPF resources if necessary. Additionally, the Secretariat is currently working with the CIF Administrative Unit to engage in the CIF Capstone event in January 2019 in Morocco. Progress in the implementation of decision B.20/05, paragraph (f), will be reported at B.23.

113. In addition to work related to decision B.20/05, the Secretariat has also been in collaboration with the CIF Administrative Unit with regard to knowledge management. The two institutions have jointly commissioned a study to better understand how to maximize synergy and complementarity among multilateral climate funds. Additionally, the Secretariat has been actively engaged in CIF learning initiatives around transformation and programmatic approaches, which will also be reported at B.23.

114. The secretariat staff of both GCF and the Adaptation Fund Board have been working cooperatively to advance complementarity and coherence in terms of direct access. This is a feature shared by the two funds and there are also many DAEs accredited to both funds. Staff have attended each other's intensive direct access workshops throughout 2018 to align messaging and provide consistent information to entities. Furthermore, the secretariats have engaged in an effort to pilot discrete cooperation with two shared entities (Secretariat of the Pacific Regional Environment Programme (SPREP) and Ministry of Environment, Rwanda). These efforts will focus on potential avenues to sequence finance for a common project (SPREP) and how the Adaptation Fund and GCF can collaborate to enhance direct access through readiness support (Ministry of Environment, Rwanda). The results of these pilot efforts will inform how best the Adaptation Fund and GCF can cooperate directly with entities and countries to enhance direct access while lowering transaction costs when interacting with the two funds.

115. Additionally, in line with decision B.20/05, paragraph (f), the Secretariat has supported the Co-Chairs in engaging with the Chair and Vice-Chair of the Adaptation Fund Board to better understand options for collaboration with the Adaptation Fund. Discussions between the two funds on the topic of the potential linkages have been taking place at two levels: through dialogue between the Adaptation Fund Board Chair and Vice-Chair with the Co-Chairs of the GCF Board, both exclusively and in the context of the annual dialogue among a larger group of climate funds, and through ongoing discussions between the secretariats of the Adaptation Fund and GCF on concrete activities in the area of complementarity and coherence. Progress on this matter has been reported in the document on activities of the Co-Chairs during the reporting period and will also be reported at B.23.

2.5.5. Supporting the engagement of observer organizations with GCF

116. The Secretariat opened the eighteenth round of applications for the accreditation of observer organizations. Based on the review of the applications received, recommendations will be presented by the Secretariat to the Board for accrediting additional observer organizations through a decision taken between meetings. The Secretariat also managed correspondence with

observers and will coordinate the observer registration process to enable their participation in B.22.

2.5.6. Facilitating and monitoring the implementation of the Information Disclosure Policy

117. The Secretariat reviewed forms submitted by AEs covering their disclosure of environmental and social safeguards reports for funding proposals for the Board's consideration in accordance with the Information Disclosure Policy requirements and facilitated the timely disclosure of such forms to the Board members and active observers and to the public through the GCF website. Five reports were submitted to Board members and active observers during the reporting period. OGA coordinated the Secretariat's responses to information requests under the Information Disclosure Policy.

118. Through decision B.BM-2018/07, the Board approved the modalities for the qualitative and quantitative review of the live webcasting service of formal Board meetings as mandated in decision B.12/35, paragraph (f), and decided that it would consider the review of the service at B.21; this has been deferred to 2019. The Secretariat has made progress in collecting quantitative data (costs and usage statistics) and qualitative data (through a survey, which includes views of those who have accessed the service).

119. Matters related to information disclosure also arose in the negotiations of AMAs and have been dealt jointly across the Secretariat.

2.6 Consolidating the Secretariat's capabilities

2.6.1. Implementing the Board-approved Secretariat structure, work programme and budget

120. Throughout 2018, the Secretariat has worked towards implementing a results management framework which tracks Secretariat performance against established goals and KPIs of the 2018 work programme. This has included the establishment of a data focal point coordination group to capture relevant data points, as well as the development of a results framework dashboard showing progress against 2018 KPIs. Regular senior management sessions have been organized internally to take stock of Secretariat progress and budget, identify areas of work which are proving more challenging and identify cross-Secretariat solutions. Key findings are highlighted in the reports on the activities of the Secretariat and presented at every Board meeting. Annex II presents an end of year progress report against the 2018 KPI targets and document GCF/B.22/Inf.09 includes a report on the 2018 execution of the budget.

2.6.2. Building a Secretariat of sufficient size, talent and global reach to meet operational demands

121. Following the Board decision at B.18 to increase the number of Secretariat staff to 250, the Secretariat's efforts throughout 2018 have resulted in an increase of the staff count to 219 full-time staff as at December 2018 (from 140 staff at B.18, October 2017), with 31 additional positions in progress. Accordingly, it is likely that the approved 250 posts will be filled during the first half of 2019.

122. The Secretariat maintains its engagement on achieving geographical diversity in its workforce, while also ensuring that women and men are equally represented at all levels. The gender balance is maintained at 52:48 (115 male and 104 female) with 63 nationalities, wherein the highest representations are the Republic of Korea (20 international professional staff (IS) and 25 administrative support staff (AS)), the United States of America (18 IS and 5 AS), and the Philippines (8 IS and 6 AS).

123. In 2018, the Secretariat significantly enhanced its staff learning and development programme with a Secretariat-wide plan that covered organizational capacity-building, specialist skills and individual professional development initiatives. Major events were the management and development training for middle-level managers and COSO Internal Controls. A diverse programme of internal learning and development sessions have served to better familiarize staff with GCF processes and policies. Staff learning and development will continue in 2019, with an expanded programme.

124. As a result of considerable investment (financial and effort) HR launched three major new HR information technology systems – the Online Recruitment Career Centre, HR Administration Hub and an automated performance management and development system that engages staff and managers in a process of continuous feedback and assessment.

2.6.3. Concluding arrangements for privileges and immunities

125. The Secretariat is actively pursuing negotiations with both developed and developing countries and, as at 31 December 2018, the Secretariat had sent draft agreements on the privileges and immunities of GCF to a cumulative total of 130 countries. To date, 20 bilateral privileges and immunities agreements have been signed, with Antigua and Barbuda, Armenia, Belize, Cook Islands, Georgia, Grenada, Guyana, Honduras, Kiribati, Micronesia (Federated States of), Montenegro, Namibia, Papua New Guinea, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Uruguay, Vanuatu and Zambia.

126. While progress has been made, the Secretariat notes that further and sustained efforts are required to ensure that GCF is covered by privileges and immunities as envisaged by the Governing Instrument for GCF. Negotiations on bilateral agreements with Parties to UNFCCC will continue, and the Secretariat may also consider offering Parties to UNFCCC the alternative option of entering into a multilateral agreement, on a regional basis where appropriate, that will in substance follow the template agreement on the privileges and immunities of GCF which contains the clauses approved by the Board.

2.6.4. Advancing the roll-out of information technology systems to support business processes

127. The calendar year 2018 ended with the successful completion of the remaining planned-for systems introductions and technology platform upgrades for the organization. Overall this year had been characterized by an unprecedented number and complexity of automation initiatives. Based on that major achievement it can now be envisaged that by the end of 2019 all main aspects of GCF activities will have found strong enabling and facilitation via information and knowledge worker tools and systems.

128. The Integrated Portfolio Management System received frequent and iterative releases during 2018. To enhance the submission workflow for CNs and funding proposals, organizational units from across GCF worked together to design and develop the online submission system for the SAP variation of CNs and funding proposals. The latter web system is currently already at the test stage and is expected to be launched for an initial group of external participants by B.22. Following positive feedback from first usage ahead of B.21, GCF Cloud-based collaborative document review systems found extended usage for the purpose of B.22 Board document crafting and regarding consultations in the context of the replenishment process.

129. In the last quarter of 2018 alone, several internal administrative systems entered their full regular usage state. The GCF first release of an e-sourcing system saw its launch in December. Prior to that a comprehensive system for online travel request and expense management went live in October, with a subset of its functionality now, from B.22 onwards, also serving the Board members and teams concerned. Owing to the functional complexity of HR needs, and for the mitigation of implementation success risk and the workload strain on

involved contributors in HR and ICT, the approach for introducing HR automation had been to tackle one module at a time and spread the undertaking over a time range of somewhat more than 12 months. Till now core HR data, recruitment, onboarding, leave management as well as staff performance management/development (already applied or 2018 appraisals) reached full uptake and subsequent refinement. Preparation work for offboarding and employee benefits management is scheduled for 2019.

130. GCF continued striking a very careful balance when building out its tech-facilitated information protection. The goal was and is to preserve the required agility, transparency and efficiency of work, while having enough deterrent, preventative and detective controls in place that do not unduly drive up operating costs. Respective ongoing project work keeps adding enhanced monitoring and authentication mechanisms, together with fitting guidance and training. Several important milestones are scheduled for the first quarter of 2019. In the domain of business continuity, the GCF ICT team had been, owing to geopolitical developments, forced to initiate a new project that will establish a range of fall-back service scenarios in the face of diverse sanction regimes which exclude entire populations from non-discriminatory access to online collaboration means. Finally, the Secretariat progressed well in enhancing GCF house-policies, procedures and practices regarding information management and ICT governance and completed phase 1 and 2 of the organizational data privacy and protection project.

2.6.5. Elaborating the GCF financial policies and standard operating procedures

131. To provide guidance on the different accounting procedures, standard operating procedures were developed for 11 processes. Accounting staff were trained in the procedures, which are accessible to all staff for reference. Staff roles and responsibilities in the department were also reorganized to align with the approved procedures. Development of standard operating procedures for three more processes is at the 2nd level review stage and will be presented for Office of Internal Auditor (OIA) and senior management team review in the first half of the year.

2.6.6. Improving the efficiency of procurement practices

132. GCF has continued using the current version of procurement guidelines (GCF/B.08/31) as the revised version of the procurement guidelines has not been considered by the Board yet. They are expected to be presented to the Board for review and approval at B.23, with an appendix on sustainable procurement as requested by some Board members.

133. Various systems have been put in place to streamline processes, including an e-sourcing system Ariba, which went live in December 2018, through which all procurement requests are made. Travel processes have also been improved with a new online travel management system Concur in place since October 2018 following the adoption of a new travel administrative instruction. The system is successfully meeting the expectations on reducing the processing time of travel requests through approval and leaving clear traces in every step of the procedure. A new travel agency also took over making travel arrangements for GCF in October 2018 with outcomes including English-speaking consultants available twenty-four hours a day, seven days a week with a shorter response time and more proactive service for accommodating better online airfares.

134. Required forms such as standard RFP and template for quotation have also been updated and are ready to use. These documents are subject to updating by strengthening sustainable procurement provisions, for evaluation once the sustainable procurement document is approved. The Secretariat has observed a lack of strict implementation and following of procurement planning across the organization which at times has caused delays in the actual procurement.

2.6.7. Implementing the 2018 audit plan

135. OIA finalized two audits (Private Sector Facility Division and Correspondence Management) and worked towards finalizing three audits (Finance, ICT and Procurement Units). It conducted one more audit (Relationship Management) from the 2018 audit plan during the reporting period. Furthermore, OIA conducted 8 ad-hoc reviews, 3 of which have been finalized. OIA is also currently finalizing its audit manual.

Annex I: September – December 2018 missions: outcomes and lessons learned

1. Throughout the last quarter of 2018, the Secretariat has continued to engage in outreach activities and missions which have directly contributed to the goals outlined in its 2018 work programme. These missions and activities have been key to:
 - (a) Raising the profile of GCF in the global context, in preparation for and supporting the replenishment process;
 - (b) Providing on-the-ground advice and assistance to national designated authorities (NDAs), focal points and entities;
 - (c) Expediting business processes such as the review, approval and monitoring of readiness, project preparation and funding proposals;
 - (d) Building wide-reaching partnerships and facilitating knowledge exchange; and
 - (e) Strengthening complementarity with other climate finance delivery channels.
2. The Secretariat's missions have entailed a variety of outward-focused activities, such as:
 - (a) Structured dialogues and missions to countries to advance the implementation of readiness activities, support country programming and strengthen engagement with GCF across national stakeholders;
 - (b) Entity engagement missions focused on finalizing project documentation for implementation, accelerating funding proposal development and enhancing direct access;
 - (c) Outreach and networking contributing to global, thematic or regional forums relevant to the GCF results areas and building partnerships relevant to GCF operations;
 - (d) Interaction with the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) and its subsidiary bodies; and
 - (e) Interaction with the other climate finance delivery channels.
3. The nature of these activities, their objectives and outcomes are further outlined below.

Country engagement and structured dialogues

4. Teams across the Secretariat have been active in directly supporting national activities related to country programming, project prioritization and development, identification of potential direct access entities (DAEs) and private sector mobilization, with an increasing focus on mainstreaming climate rationale and principles across all stages of country planning processes. These have included: i) organizing the first structured dialogue with Eastern Europe, the first structured dialogue with the least developed countries (LDCs) and the second structured dialogue with the Caribbean; ii) organizing a first adaptation rationale workshop; iii) attending national stakeholder consultation workshops on advancing engagement with GCF and country programme and pipeline development (Vanuatu, Jordan); iv) engaging with partner networks working with countries; and v) engaging with national ministers and officials on the sidelines of global conferences and events (twenty-fourth COP session (COP 24), Climate Week, Global Climate Action Summit (GCAS)).
5. Given the relatively new presence in the region, the first structured dialogue with Eastern Europe provided an excellent opportunity to raise the GCF profile and set the foundation for future engagement. Participation at both the ministerial and the technical level has enabled GCF to build its convening power while also progressing readiness, accreditation and funding proposals with GCF. Some reflections from the Dialogue are outlined below:

- (a) Since many countries are at the early stage of development of their country programmes, one of the main objectives of the dialogue was to provide guidance on how to ensure alignment of national development priorities with GCF objectives. GCF held dedicated sessions on this, including: i) a session on strategic programming for effective pipelines, which outlined the links between various planning processes (country programmes, entity work programmes, nationally determined contributions (NDCs), national adaptation plans (NAPs)) ii) a marketplace session which prompted countries to identify potential priority areas of engagement with GCF based on national adaptation and mitigation targets and development goals leading to 30 new project ideas requesting USD 2.69 billion planned in the coming one to three years' time; and iii) a session on country programming guidelines. As a result of the strong emphasis and message given about the importance of a country programme to steer engagement with GCF and accredited entities (AEs)/partners, several countries, such as Albania, Armenia, Kazakhstan, the Republic of Moldova and Serbia, have expressed clearer timelines to finalize (or revise, in the case of Kazakhstan) their country programmes over the course of 2019;
- (b) As the first dialogue bringing together a diverse range of stakeholders, including nominated entities, it provided an opportunity for countries to raise questions about procedures, timelines and annual allocations for readiness activities. Countries also expressed interest in having direct access to readiness resources, specifically for NAPs.
- (c) Similarly, the region does not yet have any DAEs at the moment so the exchange was also beneficial in clarifying procedures to NDAs/focal points, such as timelines for each step, available readiness support opportunities and detailed review processes. Nominated and other potential DAEs were invited to take part to learn more about the accreditation process, as well as to better understand the expectations of a DAE. The sessions emphasized the importance of a strategic selection process of DAEs that respond to country project priorities rather than an ad hoc nomination. As a result of these discussions, the EECA regional team has had follow-up discussions with potential candidates from Azerbaijan, Kazakhstan, Kyrgyzstan, the Republic of Moldova and Uzbekistan that have been suggested by the respective NDAs; and
- (d) The dialogue also enabled discussions on regional initiatives of relevance to GCF, such as the Belt and Road Initiative and collaboration with the Central Asia Regional Economic Cooperation Institute.
6. The LDC structured dialogue held in November 2018 was the first of its kind and it enabled the Secretariat to gain further insight into LDC-specific challenges in accessing GCF resources and wider climate programming. Some reflections from the Dialogue are outlined below:
- (a) The dialogue included technical sessions covering strategic programming, project life cycle including private sector engagement, accreditation, the Readiness and Preparatory Support Programme (Readiness Programme) and adaptation planning. The marketplace provided an exciting opportunity for countries to present their investment aspirations to potential partners, including GCF. A total of 32 new project ideas with a total value of USD 2.8 billion were presented;
- (b) It was highlighted that there is a need to enhance engagement with the private sector in the LDCs and that GCF can play a vital role in unlocking the barriers to scaling up private sector investment;
- (c) Even though the LDCs have successfully accessed GCF funding through various instruments, there is room to improve GCF efficiency and speed by streamlining internal processes. There is also scope for clearer timelines and guidelines from the Secretariat targeted for LDCs, including on defining paradigm shift and differentiating development interventions from climate change adaptation options; and

- (d) Country discussions also reiterated the need to recognize infrastructure constraints (i.e. information and communications technology) in uploading information and consider alternate platforms for submission of documentation to GCF.

7. Through the second structured dialogue with the Caribbean, GCF has been able to advance priorities from the first structured dialogue, advance new ideas as well as sign one funded activity agreement with the Caribbean Community Climate Change Centre, a readiness grant agreement with Jamaica for REDD-plus and an accreditation master agreement (AMA) with the Caribbean Development Bank.

- (a) The structured dialogue with the Caribbean introduced a marketplace of project ideas, which allowed countries to present draft concepts for feedback from AEs, GCF specialists, civil society organizations, private sector representatives and other participants. Twenty-one project concepts were presented, with a preliminarily value of USD 770 million;
- (b) Ideas were also exchanged on means to use readiness to improve climate change risk management and resilience in the Caribbean, working to build pipelines based on a study of adaptation priorities for the Eastern Caribbean along with proposals for GCF to participate in an advisory group for the private sector on GCF pipeline elaboration in the region;
- (c) With the dialogue taking place shortly after the GCF replenishment process was kick-started, it also allowed for gathering political support in the region with champions such as GCF. The Prime Minister of Grenada, Keith Mitchell, called on the region to be the “vanguard of this important institution” and referred to “champion replenishment”; and
- (d) Finally, countries took the opportunity to react to the Intergovernmental Panel on Climate Change special report, *Global Warming of 1.5°C*, by Caribbean leaders, who highlighted the need for urgent global climate action.

8. An international technical workshop was delivered by the Secretariat on “Adaptation Rationale for Project Pipelines and other Climate Investment” on 14–16 November 2018 in Cebu, Philippines. This three-day workshop was co-hosted by the Climate Change Commission of the Philippines. The workshop succeeded in (i) supporting AEs in the development of project pipelines that effectively articulate key elements of climate rationale; and (ii) ensuring that the implementation of upstream support for adaptation planning processes effectively contribute to the development of strong project ideas. Specific outputs from the workshop include the following: over 35 project ideas from direct access AEs and NDAs; the workplan of 12 approved adaptation planning proposals was sharpened to produce the evidence base for climate rationale and project pipeline development; private sector engagement and investment strategies shared; and a GCF methodology was tested and refined to help AEs and NDAs to conceptualize adaptation projects based on strong climate rationale. Key outcomes of the Event are outlined below:

- (a) The event included technical sessions along with hands-on clinics about developing the scientific basis for articulating climate rationale for adaptation projects, achieving private sector engagement and using adaptation planning inputs to develop projects with strong climate rationale. An eight-step methodology to articulate climate rationale and conceptualize project ideas was introduced and improved during this workshop. Participants also had opportunities for bilateral coaching sessions and ‘deep-dive’ sessions hosted by partner institutions to discuss potential project ideas and share in-country progress and challenges in implementing adaptation planning processes and developing project pipelines; and
- (b) Follow-up actions will include the development of concept notes and funding proposals based on the 35 project ideas from this workshop; monitoring of effective implementation of the approved adaptation proposals; and further refinement of the process map methodology. Furthermore, this workshop is serving as a prototype for the

design of a series of other GCF-supported technical clinics with an increasingly sectoral focus, to support AEs and country actors in preparing project pipelines with strong articulation of climate rationale, private sector engagement, minimum standards of concessionality and other key elements of successful projects for GCF.

9. Support for NDAs as they engage public and private stakeholders in their readiness and project development activities has allowed the Secretariat to get a direct understanding of national contexts and challenges. The Secretariat engaged in two in-country missions:
 - (a) In Vanuatu, GCF participated in a country programme validation event which oversaw the island's consolidation of its pipeline priorities around 14 key criteria with a focus on food, water and health. The event was also used for GCF to provide advice on matters such as a holistic and strategic approach to low-emission climate-resilient development, the accreditation of potential DAEs, consultation with readiness delivery partners, discussion with senior officials from the government and non-governmental organizations on GCF policies, along with the engagement of the private sector using readiness. The mission outcomes led to completion of the final draft country programme and associated pipeline of projects and a draft readiness proposal focusing on private sector engagement; and
 - (b) In Jordan, Secretariat staff engaged in high-level conversations with the Ministry of Transport, the Ministry of Environment, the Greater Amman Municipality and AEs on advancing the country's transport agenda as a key national priority and options for project development of bus rapid transit systems, looking at financing and technological options as well as the potential to use readiness resources. The mission also attracted requests from the government for GCF to support the country programming process and national evaluation of other climate priorities.
10. Participation in the United Nations Development Programme/UNFCCC regional dialogue on NDCs for Asia and the Arab States has allowed GCF to position itself in the context of NDC implementation, clarify its role in relation to other partners as well as learn from the experiences of countries in the region.
11. Finally, by actively participating in global forums and events GCF has been able to continue high-level engagement with a number of ministerial country representatives, touching base on preparations for replenishment, gathering views on GCF access modalities and funding windows and continuously provide clarifications on GCF processes and policies.
12. A series of key outcomes and lessons learned have emerged, as follows:
 - (a) Strong country engagement with GCF requires ongoing contact and exchanges with GCF representatives, especially in situations where there is a change of government or NDA/focal point. Direct communication has proved to be key to unblocking communication between NDAs, delivery partners and the Secretariat on proposal development and review, clarifying outstanding matters with a diverse range of stakeholders;
 - (b) Structured dialogues and face to face interactions remain critical points of engagement with countries and a platform for countries to reiterate national priorities and strive for country ownership and inclusive stakeholder engagement, being critical elements to consider throughout the country programming process. Identification of climate priorities and pipelines must follow a country-driven process, and therefore, entity work programmes must strive to align with countries' priorities;
 - (c) Learning more about the unique characteristics, landscapes and status of the various regions should help GCF to tailor approaches commensurate with the challenges and opportunities of different groups of countries, in particular the way support is provided to small island developing States, LDCs and African States; and

- (d) There is further scope for GCF to play an increasing role in supporting countries in putting climate information and principles at the core of national decision-making, widening the reach of the Readiness Programme and bringing a range of stakeholders into the process.

Entity engagement

13. The Secretariat has been engaging with direct and international AEs which are actively developing a pipeline for GCF as well as entities in the process of accreditation. The scope and nature of these engagements are closely linked to the nature of the existing relationship between GCF and AEs. Related missions have entailed:

- (a) Provision of support for DAEs through the advancement of specific project proposals or Project Preparation Facility (PPF) requests (Infrastructure Development Company Limited, Landbank of the Philippines, FDB, Fundacion Avina, Micronesia Conservation Trust) including by building an understanding of the GCF business model and processes and the fundamental centrality of climate impact;
- (b) Advancing funding activity agreements with AEs with approved funding proposals (Kreditanstalt für Wiederaufbau (KfW), World Bank, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), European Investment Bank);
- (c) Engaging on project development with AEs; and
- (d) Engaging with applicant entities to support the advancement of their proposals.

14. One of the barriers to increased numbers of PPF applications approved is the varied pace and quality of project concept notes, especially from DAEs. To help DAEs to overcome this barrier, the Secretariat is providing limited upstream technical assistance to DAEs upon their request for strengthening their concept notes and associated PPF applications. Support to DAEs included dialogue with the targeted executing entity. This has meant revising the concept notes to further emphasize the centrality of climate rationale, strengthen the technical design of the project, including theory of change, alignment with GCF investment criteria, sustainability and replicability of the proposed project/programme.

15. The last quarter of 2018 has also seen a strong focus on advancing project implementation involving numerous exchanges with entities on the development of funded activity agreements, with Secretariat staff engaging with KfW, GIZ and the World Bank. This has led to either finalization of a funded activity agreement template or agreement to pursue an extension of the deadline for effectiveness.

16. The Secretariat has also engaged entities throughout the proposal development process. Discussions with the Inter-American Development Bank have focused on proposed priority project areas with a keen interest to bring in local financing in their projects while exchanges with the International Finance Corporation focused on the structure and components of their proposed programme and market appetite of potential intermediaries, clarifying the structure presented in the funding proposal, including cash flows and roles of players in each vehicle. Similarly, dialogue with Spanish Development Finance Institution (COFIDES) focused on steps towards finalization of the AMA and funding proposals being developed in parallel for when the AMA is signed.

17. Finally, missions to AEs in the process of accreditation have taken place following requests from the Accreditation Panel to complete their assessments and advance their applications.

18. A series of key outcomes and lessons learned have emerged, as follows:

- (a) Support for DAEs will continue to require ongoing exchanges and contact with GCF representatives that support them with project development, particularly with putting

climate rationale at the core of project activities and structuring project components;
and

- (b) Accelerating implementation demands a similar constant exchange with entities with approved funding proposals as substantial attention and efforts are needed to finalize project documentation. This is an area of work expected to grow as the portfolio matures and moves towards implementation.

Global forums and sectoral, regional and/or thematic outreach and partnerships

19. The Secretariat represented GCF in a number of global events and sectoral forums. The Executive Director ad interim (a.i.) led GCF engagement at a couple of key global events at the end of 2018, notably the Global Climate Action Summit, the New York Climate Week and the China Council for International Cooperation on Environment and Development (CCICED). Secretariat staff also attended meetings such as the Tokyo International Conference on African Development (TICAD) Ministerial Preparation Meeting, an Organisation for Economic Co-operation and Development (OECD) Technical Workshop on Tracking Private Climate Finance, the 3rd International Energy Agency Global Energy Efficiency Conference and the 12th Climate Technology Centre and Network (CTCN) Advisory Board meeting.

20. Executive representation at key global events has proved highly instrumental in the context of preparing for replenishment, allowing GCF to consolidate its network, mobilize support from potential champions and draw up a replenishment road map for 2019. The main engagements and their outcomes are listed below:

- (a) Participation at the Global Climate Action Summit helped to raise the GCF profile with subnational actors, including regions, provinces, cities, private sector and civil society groups, as well as key officials from the United Nations and its member States. In anticipation of replenishment, it allowed the Secretariat to gather constructive and informative views from a range of stakeholders on GCF global positioning, which highlighted an external perception that there is a need to solve governance and decision-making procedures as well as substantially build the GCF profile through outreach and communication. Requests and recommendations also came for GCF to consider establishing a New York/Washington D.C. presence. In addition, it also allowed GCF to engage with a range of investor groups on events and discussions focused on mobilizing finance for climate and 'shifting the trillions';
- (b) Participation in New York Climate Week involved participation in several side events linking the Paris Agreement with the Sustainable Development Goals, including the One Planet Summit in follow-up to the initial participation of GCF at the first One Planet Summit, held in Paris, and co-hosting with the United Nations Environment Programme (UNEP) a session on Financing Sustainable Landscapes: Global Challenges and Opportunities in the United Nations. Bilateral conversations with AEs, country representatives, think tanks and global climate networks focused on providing an update on GCF activities to date, gathering support for the anticipated replenishment process and mapping the global context towards climate finance. Key outcomes included GCF becoming a member of the Inter-agency Task Force on Financing for Development as well as receiving follow-up visits at GCF Headquarters from the Head of the United Nations Department of Economic and Social Affairs;
- (c) Attendance at New York Climate Week also allowed for a first-time engagement with the United States Congress. The Executive Director a.i. briefed Senators from the Senate Climate Change Task Force jointly with the Chief Executive Officer of Acumen on the GCF mandate and progress as well as its relationship with AEs. A second meeting focused on briefing staff of members of the United States Senate Committee on Foreign Relations;
and

- (d) Participation in CCICED focused on continuing the GCF ongoing strategic engagement with China as well as strengthening relationships between GCF and ministries hosting the NDAs, with the Ministry of Ecology and Environment being the new NDA.
21. Secretariat participation at sectoral or thematic forums has allowed GCF to present its work in specific sectors, exchange knowledge with technical practitioners and strengthen its networks, including with contributor countries:
- (a) At the 3rd International Energy Agency Global Energy Efficiency Conference, Secretariat staff presented on projects and financial models for energy efficiency which may be considered too risky for other partners but relevant for GCF, tackling a critical topic in the context of a clean energy transition. It also allowed for engagement with partners supporting countries on energy efficiency projects which required support in linking with AEs;
- (b) Through the 12th CTCN Advisory Board meeting the Secretariat expanded on: i) advancing the request for proposals on climate technology incubators and accelerators; ii) options for formalizing the GCF-CTCN partnership, including through an ‘exchange of letters’; and iii) avenues for incorporating technology-related outputs into readiness proposals and means of communicating this to NDAs/focal points;
- (c) Participation in the OECD Technical Workshop on Tracking Climate Finance deepened the links between the joint work of OECD and multilateral development banks on tracking, defining and reporting climate finance and the GCF proposed co-financing policy;
- (d) The TICAD Ministerial Preparation Meeting offered an opportunity to engage with a key contributor, looking at: i) Japan’s plans for the Group of 20; ii) the role of GCF in TICAD 2019 and showcasing support for Africa; and iii) GCF preparations for replenishment in anticipation of the official trigger, gathering inputs on Japan’s expectations of GCF as it embarks on this process; and
- (e) In October, GCF joined the NAP Regional Expo for Latin America, led by UNEP, with participants including representatives from NDAs and AEs. Parallel dialogue sessions about adaptation were organized, including subregional initiatives such as the Dry Corridor in Central America and specific topics such as cities, gender and agriculture. The GCF contribution included participation in a panel to analyse barriers for adaptation finance from different sectorial perspectives, highlighting innovative practices that can be integrated into adaptation planning. In addition, the NAP team conducted a remote presentation describing challenges and opportunities to access GCF adaptation, technical and financial support, including an explanation of modalities for access and the review criteria for NAP proposals.

UNFCCC and subsidiary bodies

22. Engagement with UNFCCC throughout the reporting period has focused on GCF participation at COP 24, which was carried under three main tracks of engagement:
- (a) Under the first track the Secretariat followed the various negotiations streams with potential implications for GCF, including guidance to GCF, linkages between the Technology Mechanism and the Financial Mechanism, and adaptation communications. The Secretariat sought to be available to answer questions from Parties as they developed the guidance for the operating entities and as they discussed the role of the operating entities of the Financial Mechanism in the implementation of the Paris Agreement;
- (b) Under the second track, the Secretariat met with regional groups, countries, AEs and observers to advance GCF operations. The Secretariat held one briefing to regional groups, 34 high-level bilateral meetings [with?] ministers and other high-level delegates

and 103 bilateral meetings with countries, AEs and other organizations. Twelve legal agreements (accreditation master agreements, funded activity agreements, simplified approval process, contribution agreements and privileges and immunities agreements); and

- (c) The focus of the third track was communications, outreach and external engagement with high-level delegates, partners, observers and media. The Secretariat hosted 30 events at the GCF pavilion [at COP 24?] and 2 side events in the UNFCCC calendar, one of which was high-level and the other more technical. Secretariat staff spoke at 11 events of other organizations/countries.

Other climate finance delivery channels

23. Key engagements advancing the discussion on complementarity and coherence have entailed attendance at the 32nd meeting of the Adaptation Fund Board, the 55th session of the Global Environment Facility (GEF) Council as well as dedicated joint events during COP 24:

- (a) At the 32nd meeting of the Adaptation Fund Board, the Board considered strategic engagement with GCF in closed session with a focus on matters related to the review of the accreditation framework. The Adaptation Fund Board decided to approve a fast-track accreditation process for GCF for potential national, regional and multilateral implementing entities that had been accredited by GCF within a period of four years prior to the submission of the accreditation application to GCF;
- (b) Country engagements on the side-lines of the 55th session of the GEF Council allowed for an identification of concrete steps that can be taken at the national level for greater coordination, in follow-up to the joint work kick-started at the GEF Assembly in June 2018; and
- (c) Joining a meeting of the Climate Investment Funds (CIF) pilot beneficiary countries in Rwanda (18–19 September 2018) has allowed for a stock-take of interested countries on their status on CIF programming.

24. Ongoing exchanges with other climate funds show substantial interest from countries to strengthen complementarity and coherence, with a need to further advance the operationalization of the complementarity and coherence framework at both the GCF and the national level:

- (a) There is further scope to simplify GCF processes, procedures and templates, with countries having expressed interest. For GCF, there is potential to further increase the focus on complementarity and coherence in upcoming programming and strategic planning directions following replenishment, with a focus on programming resources at scale, replicating successful initiatives and facilitating ongoing knowledge exchange; and
- (b) Further work is also needed to build synergies at the national level and encourage collaboration between various focal points with a view to streamlining and connecting parallel programming processes.

Annex II: 2018 KPI Tracker – End-of-year status update

Status	Outcome KPI 1.1	Key measures of the Strategic Plan Prioritized and implemented	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	Notes
				31 December 2018		
Completed	(a)	Number of Direct Access Entities	27 (50% of all entities)	41 (54.6% of all entities)	At least 50% of all entities (10 additional)	
Completed	(b)	Total volume of GCF funding proposals approved (as of B.17)	USD 2.25 b (cumulative)	USD 4.61 b	USD 4.45 - 5.05 b (cumulative) (+ 2.2 - 2.8 b)	
Completed		i. Public Sector	USD 1.05 b (cumulative)	USD 2.78 b	USD 2.05 - 2.35 b (cumulative) (+ 1-1.3 b)	
Not achieved		ii. Private Sector	USD 1.2 b (cumulative)	USD 1.82 m	USD 2.4 - 2.7 b (cumulative) (+ 1.2 - 1.5 b)	Due to low approval of MFS and MSME, this target is not achieved for 2018
Completed	(c)	Volume of Project Preparation funding	USD 2.7 m (approved/endorsed)	USD 15.4 m (approved & endorsed)	USD 15 m (+ 14/15 m)	
Not achieved	(d)	Volume of adaptation planning funding	USD 23 m (approved/endorsed)	USD 62.27 m (approved)	USD 123 m (+ 100 m) *B.19 Revised target: USD 98m (+ 75 m)	The increased technical rigor and quality of NAP proposals that was institutionalized through transparent GCF review criteria for NAP proposals in late 2017 resulted in a decreased pace

						of NAP submissions.
Completed	(e)	Volume of readiness support (excluding adaptation planning) funding	USD 39.5 m	USD 71.04 m (approved)	USD 70m (+ 30 m)	
Not achieved	(f)	Private sector MSME pilot programme funding (B.17) and MSME II	MSMEI: USD 32.2 m	0	MSMEII: USD 80-100 m	Due to delay in structuration of MSME projects, this target was not achieved.
Not achieved		Private sector MFS	-	0	USD 450 m	MFS projects are being processed for B.22
Completed	(g)	Adaptation portfolio balance in line with the decisions on resource allocation (B.17)	80% of the committed GCF funding for adaptation targets LDCs, SIDS, and African States	73%	Floor of 50% for LDCs, SIDS and African States	
Status	Outcome KPI 1.2	Work Programme and Budget of the Secretariat approved	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed		Work Programme and Budget	Approved at B.16	100%	Considered and endorsed by the Board; under implementation	

Status	Output KPI 1.1	Review of concept notes	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Partially achieved	(a)	Number of CNs reviewed	109	208	220-250 (incl. up to 150 related to the GCF pilot programme RFPs) - while promoting use of new CN template	
Status	Output KPI 1.2	Enhanced capacity of a targeted group of DAEs and support their development of high-quality DAE proposals and aligned work programmes	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed	(a)	DAEs assisted generally through Readiness Programme	DAEs assisted generally through Readiness Programme	33	At least 15 DAEs designated for enhanced strategic engagement	
Partially achieved	(b)	Number of DAE projects for Board's consideration	14, incl. 2 Enhanced Direct Access proposals (including those presented at B.18)	12	8 high-quality DAE projects (incl. 6 Enhanced Direct Access proposals)	
Completed	(c)	DAE work programmes in initial iteration	DAE work programmes in initial iteration	24	22 DAE work programmes contain related projects and are forward-looking	

Status	Output KPI 1.3	IAE engagement initiatives	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed	(a)	General support to all AEs	General support to all AEs	17	Enhanced engagement with at least 10 IAEs	
Completed	(b)	Low baseline for country programmes	Low baseline for country programmes	100%	Higher alignment to national priorities	
Status	Output KPI 1.4	Country engagement initiative	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Not achieved	(a)		Country programme and additional support given to countries that request assistance	16	Enhanced and coordinated engagement with at least 20 countries in 2018	Due to budget constraint, only 16 countries have received in-person support. However, several countries received advise, support and guidance from the secretariat remotely on their country programmes.

Completed	(b)		Low number of high-quality country programmes	18	10 country programmes which are climate-focused and have gone through national consultation processes	
Status	Output KPI 1.5	Web portal initiative	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Completed			Initial demo to be shared with the Board at B.18	100%	Operation of web portals for all GCF countries and AEs in 2018 enabling access to up-to-date information	
Status	Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begun 1st disbursement; Increased total aggregate disbursements on approved projects	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Completed	(a)		Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17	40	35 out of 45 proposals approved through B.16	

Not achieved	(b)		Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16	427	GCF accumulated aggregate disbursement of USD 750-837 m on proposals approved through B.16	Due to the delay in finalization of FAAs and AMAs with some AEs and challenges faced during implementation (low disbursement request) the disbursement target for 2018 was not achieved. Specifically, the long time taken for AMA effectiveness with AEs having multiple projects led to the shortfall.
Status	Output KPI 1.7	Review of proposal submissions; Increased number of volume FPs	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Not achieved	(a)	Number of FPs sent to and reviewed by the Secretariat	74 (cumulative 2017)	121	185 (cumulative 2018)	The Secretariat has received a low number of FPs in the last quarter of 2018 because of the resource constraint under the IRM. However, GCF will start 2019 with a USD 5 billion plus pipeline, including CNs and FPs

Completed	(b)	Number of proposals for Board approval	26 (cumulative 2017)	42	40-55	
Completed	(c)	Volume	USD 1.3 b	USD 2.124	USD 2.2-2.8 b	
Status	Output KPI 1.8	Enhanced efficiency in the time for processing PPF requests; Increased number of requests processed and disbursements begun	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Partially achieved	(a)	Processing time of PPF requests	6 months from PPF submission to disbursement	Partly 2 months for PPF application after concept note clearance	3 months from PPF submission to disbursement	
Not achieved	(b)	Number of PPF requests	3 requests approved/endorsed	23	30-40 approved/endorsed	The PPF request is conditional to concept notes submission and clearance. Due to low quality of proposals received, only 26 concept notes were cleared and ready for PPF support at the end of 2018 (vis-à-vis GCF review criteria).
Completed	(c)	Volume of PPF requests	2.7 m approved/endorsed	15.4	15M (+ 14/15 m approved/endorsed)	

Status	Output KPI 1.9	Complementarity and coherence framework	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed	(a)	Number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level	0	13	10	
Completed	(b)	Number of CNs and FPs with consideration of complementarity with other climate finance	0	12	10	
Completed	(c)	Number of country-driven readiness and other preparatory support requests with consideration of preparatory support requests and consideration of delivery channels	0	12	10	
Status	Output KPI 1.10	Policy support to the Board	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed			Over 40 policy documents requested in 2017 Board work plan;	100%	Provide priority documents at least 3 weeks before each BM	
			Over 55 policy documents expected in 2018 Board work plan;	92 (+38)	Support the Board in document prioritization	

			Limited number of Secretariat papers produce Board decisions	49 (+19)	Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	
				49 of 50 (98%)		
Status	Output KPI 2.1	Implement changes to the Secretariat's structure	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed			Secretariat structure in existence before B.18	Completed.	New Deputy Executive Director hired; OSB renamed and provided with enhanced capacity; External Affairs Division established.	
Status	Output KPI 2.2	Communications strategy	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		

Completed			Board approved ToR for a communications strategy at B.04, deferred in decisions B.12/16 and B.13/25. Initial objectives established in decision B.13/25 pending preparation of a strategy	Completed	Strategy to be prepared by mid-2018	
Status	Output KPI 4.1	Privileges and immunities	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Completed		Number of P&Is	12	20	16 (+4)	
Status	Output KPI 5.1	Risk Management Framework	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Partially achieved			Revised risk register, risk appetite	Risk rating/scoring	Initiate implementation of RMF	At B.21, the Board approved the

			<p>statement, risk dashboard, risk guidelines for funding proposals adopted at B.17</p> <p>Non-financial risk policy, funding risk policy, investment risk policy, grant equiv. calculator (for info) to be presented at B.18</p>	<p>methodologies and legal risk policy moved off the Board work plan in 2018, and now appear in the proposed Board work plan for 2019 (B.22).</p>	<p>Deliver risk rating/scoring methodologies and legal risk policy at B.21.</p>	<p>workplan of the Board for 2019 and decided to defer the consideration of the remaining components of the risk management framework, inter alia, and requested the Secretariat, in consultation with the Co-Chairs and relevant committees, panels and groups of the Board, to progress its work on the matter and present them for consideration by the Board at the earliest possible opportunity (scheduled for B.23).</p>
Status	Output KPI 5.2	Compliance Framework	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Partially achieved				Under development	Development and implementation of fit-for-purpose compliance framework	The compliance risk policy was completed and submitted for

Status	Output KPI 6.1	Internal audit	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
					Development and implementation of key compliance policies (i.e. compliance risk policy, compliance terms of reference)	Board approval. However, the item was unopened at B.20 and B.21 and deferred to B.22.
Completed		Number of audits conducted	3 (5-6 expected by end of 2017)	4	Number of audits conducted: 5-6 within the Secretariat	4 audits completed and 8 reviews
Not achieved		Establish arrangements for getting assurance on projects funded by GCF	-	In progress	Establish arrangements for getting assurance on projects funded by GCF	This work is in progress and will be completed early 2019.
Not achieved		Completion of audit manual	-	In progress	Completion of audit manual	The audit manual draft is still under consultation prior to completion.
Status	Output KPI 7.1	Regional or multi-country dialogues / support NDA-led country dialogues	Baseline (Sept 2017)	Checkpoint	Target (Dec 2018)	
				31 December 2018		
Completed	a).	Number of regional/multi-country dialogues:	5	10	8	

Completed	b).	Number of NDA-led dialogues supported by GCF	10	24	20-30	
Status	Output KPI 7.2	Accreditation of new AEs, including DAEs	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Completed		Number of AEs:	54 (cumulative; 50% DAE)	76 (55% DAE)	20 additional (30-40 additional depending on reforms) with 50% DAE	
Status	Output KPI 8.1	Results area guidance	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Not achieved			Initial/incomplete investment/results management framework; Scattered information on projects types that align with Board frameworks and transformative goals	In progress	Production of initial sectoral/results area guidance in all 8 results areas providing direction on project alignment with GCF results frameworks and transformative goals	Related policy documents are drafted and ready for consideration by the Board in 2019
Status	Output KPI 9.1	Hiring target	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	

Not achieved		Staff members:	140 (by October 2017)	219	250	Recruitment proceeded during the year at a pace that was appropriate to GCF requirements and capabilities. It is expected that the final 30 posts will be filled in the first half of 2019
Status	Output KPI 9.2	ICT initiatives	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Completed	(a)	Advanced analytics & KM	25% of daily work benefitting from data analytics	56%	50%	
Completed	(b)	Advanced analytics & KM	25% of daily work benefitting from data analytics	46%	40%	
Not achieved		Org Performance Management: Digitization	10% of desirable information and workflows included 20% BP coverage	53%	75%	Work in progress
Not achieved	(d)	Org performance management	10% of desirable information and workflows included	62%	75%	Work in progress

Completed	(e)	Documents/records handling	20% of file-based information classified with meta data	90%	85%	
Completed	(f)	Financial systems: HR system	40% of articulated medium term needs covered 10% of desirable HR automation	80%	80%	
Completed	(g)	Financial systems	40% of articulated medium-term needs covered	83%	80%	
Completed	(h)	Board decisions tracking tool	60% of articulated medium-term needs covered	76%	80%	
Completed	(i)	Travel management system	30% of specified medium-term automation implemented	65%	70%	
Completed	(j)	Relationship management	20% of relationship mngt found system, tool, automation support	46%	50%	
Completed	(k)	GRC tools:	30% of systems/tools coverage for medium-term needs	70%	70%	

Completed	(l)	Professional case-handling	10% of medium-term automation needs of Ius	56%	60%	
Status	Output KPI 9.3	Replenishment	Baseline (Sept 2017)	Checkpoint 31 December 2018	Target (Dec 2018)	
Completed			Board document "Arrangements for the first formal replenishment of the GCF" presented at B.11 - under consultation	Completed	Preparation of communications pieces that can be used to initiate effective replenishment activities when directed by the Board	