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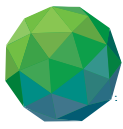
2020 work programme of the Secretariat and annual administrative budget of the Secretariat, Board and Trustee

Summary

This document presents the 2020 work programme of the Secretariat and the proposed 2020 administrative budget of the Secretariat, the Board and the Trustee. It includes a draft decision for Board consideration, a framework for an output-based budget, a provisional results framework designed to support an assessment of the Secretariat's progress on key work programme targets and a consolidated overview of the budget of the GCF that includes the budgets of the independent units.

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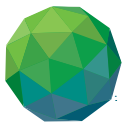
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Executive summary

1. Paragraph 23(e) of the Governing Instrument for the GCF directs the Secretariat to “develop the work programme and annual administrative budget of the Secretariat and Trustee and submit them for approval by the Board.” This document is submitted in fulfilment of that mandate. In addition, at the request of the Budget Committee, this document presents the administrative budget of the Board and includes, in annex IV, a consolidated administrative budget that covers all of the instrumentalities of GCF, including its independent units.
2. This executive summary covers highlights of the initiatives proposed in the 2020 Secretariat work programme and an overview of the proposed administrative budget designed to enable that work programme to be effectively implemented.
3. The Secretariat’s proposed 2020 work programme builds on a substantial body of foundational work that was undertaken during 2019. In particular, the Board and the Secretariat have been able to consider lessons learned during the initial resource mobilization (IRM) and review key operational modalities of the GCF. These efforts, which were aided by the evaluation on the GCF results management framework and its first Forward-Looking Performance Review of the GCF, support substantial ongoing progress on the development of the Strategic Plan for the first replenishment period of the GCF (GCF-1) and its related forward programming vision. As a part of these efforts, the GCF also clarified its strategic vision through a theory of change that delineates how “the GCF promotes paradigm shift in developing countries towards low-emission, climate-resilient development pathways in line with the goals of the United Nations Framework Convention on Climate Change and the Paris Agreement.” In turn, this work, and the substantial input of the Board and GCF stakeholders, have enabled a clearer articulation of the comparative advantage of the GCF in the climate finance landscape.
4. With substantial experience gained from the IRM and clarity on the theory of change and comparative advantage of the GCF, the Secretariat and the GCF as a whole are poised to assume the vision for it that was expressed in the Governing Instrument: that the GCF should “become the main global fund for climate change finance” and deliver a “significant and ambitious contribution to the global efforts ... to combat climate change”. This work programme is designed to provide the Board with a view of the initiatives that the Secretariat needs to undertake in 2020 to achieve, during GCF-1, the significant and ambitious contribution that the global community expects and needs.
5. **A key 2020 Secretariat priority will be supporting the Board in approving a 2020–2023 strategic plan for GCF-1.** Once approved, this plan will serve as an overarching guide for all GCF stakeholders, and the Secretariat will move towards its implementation. Another major focus of the Secretariat’s work in 2020 will be on supporting Board efforts to wrap up a number of tasks in its workplan that are remaining from the IRM, including the filling of outstanding policy gaps, the review of access modalities, and the review of institutional and investment framework matters.
6. The ongoing work of the GCF for 2020 will start with its most important partner: its national designated authorities (NDAs). Indeed, the country driven approach of the GCF depends on NDAs being able to undertake strong country planning to begin the process of originating a pipeline of transformational, GCF-aligned proposals that meet country priorities. During 2020, the Secretariat will take a number of steps to increase the transparency and efficiency of the GCF planning processes to enable that objective to be met. First, the Secretariat will **roll out what will be newly finalized guidelines on the content of country programmes.** It will also complete the operationalization of the new Readiness and Preparatory Support Programme direction agreed at the twenty-second meeting of the Board



(B.22) by **initiating grants through the new multi-year strategic support framework of the Readiness and Preparatory Support Programme (Readiness Programme) and by operationalizing an online submission and proposal tracking system for NDAs.** These efforts will be assisted by the engagement on **new, co-created, science-based sector guidance** that will identify interventions having high impact potential in view of country needs, market conditions and the comparative advantage of the GCF. The Secretariat will also **facilitate structured programming dialogues** to help NDAs match target interventions with the accredited entities (AEs) best situated to deliver successful project outcomes. Finally, **the Readiness Programme will support short-term, medium-term and longer-term planning** to enable countries to frame out the priority policy actions and investments needed to take their next step forward toward low or net zero emissions, and to protect against a 1.5–2 °C future. In all, this support and guidance will better enable countries to develop country programmes that formulate a list of priority interventions and national investment plans designed to translate their nationally determined contributions, national adaptation plans and other national strategies into GCF-aligned project and programme pipelines that have the greatest potential for transformational impact.

7. The overall country-driven approach of the GCF also depends on countries being able to access and leverage the required expertise from AEs. In this regard, during 2020 the Secretariat will **support the preparation of an accreditation strategy** that will, among other things, recommend the optimal number, scope, size, and coverage of the AE network, taking into consideration both the needs of developing countries and the ability of the AEs to advance the GCF mandate and strategy. The Secretariat will also streamline and increase the efficiency of the accreditation process by **supporting Board agreement on, and effective implementation of, a new accreditation framework.** Transparency of and certainty in the accreditation process will be enhanced further by providing real-time web-accessible reports on the status of applications and setting annual application review targets and expected time frames for clearly defined process stages. In addition, with the Board's approval, the Secretariat will **initiate the implementation of the new pilot project-specific assessment approach,** which will expand the GCF partnership base and enable the GCF to demonstrate a wider array of innovative interventions more quickly. Finally, during 2020 the Secretariat will **support efforts to prepare the ground for a re-accreditation process** that will promote both institutional change and the strengthening of national implementation capabilities towards the paradigm shift to low-emission climate-resilient development pathways.

8. Programming through requests for proposal (RFPs) will also continue based on thoughtful consideration of the Secretariat's experience to date and widely articulated country needs. In that regard, in 2020 the Secretariat will **undertake a review and propose a way forward on existing RFPs, and, where warranted, propose frameworks for new ones.** In the process, the Secretariat will identify measures to optimize the RFP process to enable quicker action and a broadening of the group of entities that can work individually or together to develop and implement high impact vehicles for climate action. While new RFPs are unlikely to begin funding during 2020, the Secretariat expects that **2020 programming will include multi-country, multi-agency, multi-instrument programmatic interventions designed to facilitate and accelerate access** to GCF resources by simultaneously approving mutually supporting initiatives by a coalition of countries and laying the foundations for subsequent and more predictable programming. These efforts can provide easier access to a broader range of countries (including least developed countries, small island developing States and African countries) and make use of the full range of GCF partners, instruments and risk appetite. Such programmes can also address diverse country and project needs and more quickly promote innovative, impactful work that may have otherwise not have been funded.

9. To meet the climate challenge, the private sector must play an increasingly robust role, and in 2020 the GCF will take a number of steps to help **mobilize increased private sector**

capital flows. First, in line with the Independent Evaluation Unit findings and the Board's direction, the Readiness Programme will **increase support to NDAs for private sector outreach. In addition, the GCF will evolve its private sector strategy and operations.** This work will include elaborating strategic priorities for private sector engagement, supporting the **development of effective business models to stimulate private sector adaptation work,** promoting greater diversification in the use of GCF instruments to address project-specific needs and **facilitating the staged development and implementation of new Private Sector Facility modalities** that would enhance access to increased private sector investment. In addition, and consistent with the theory of change, the Secretariat will **support efforts of developing countries wishing to create more climate-compatible policies and investment environments** to increase financial flows and stimulate further investment for climate innovation.

10. Furthermore, in its effort to promote systemic change towards a low-emission climate-resilient future, the Secretariat will **take initial steps in 2020 towards establishing the GCF as a global thought leader and policy influencer in climate finance.** Part of this effort will involve the **finalization and initial execution of a comprehensive knowledge management strategy and system.** This work will enable the Secretariat to better leverage its experience and the knowledge of its wide partnership network to synthesize learning and facilitate both the uptake of best practices and the mainstreaming of climate considerations across and beyond AE operations. These efforts will be supported during 2020 by taking an **expanded leadership role in driving complementarity and coherence between climate funds.** In that work, GCF will act as a broker to help countries navigate the range of opportunities in the climate finance landscape. It will also work with other funds to better define relative roles and comparative advantages and identify where there are opportunities for parallel deployment of instruments or complementary programming across sectors. In addition, it will work with its partners to identify and enable replication of proven interventions that can, at scale, support the mainstreaming of innovative and impactful interventions and enable a climate focused shift in global financial flows in line with the Paris Agreement.

11. Beyond the above noted productivity enhancements to the business model, the Secretariat will speed up delivery and reduce engagement costs by improving the efficiency, effectiveness and transparency of the GCF allocation and implementation processes. This effort will be supported by 2019 work that has mapped all internal processes with a view towards reducing overlaps and increasing the efficiency of the Secretariat's work. The resulting operations manual, project preparation manual and policy manual will complement the new sector guidance and add significant transparency and predictability to GCF operations. Further transparency will be supported by a thoughtful move to more real-time web-accessible information. Predictability will also be enhanced through the implementation of service-standards for key programmes with shortened time frames for key actions needed to accredit entities, access funds and move proposals to disbursement.

12. On the implementation front, during 2020 the Secretariat will **implement an adaptive approach to portfolio management** that will enable it to quickly and effectively address inevitable changes in ground-level implementation conditions. In addition, during 2020 the **results management framework will be updated along with a suite of indicators, methodologies and practices** to help ensure that all investments can be effectively monitored for credible results in the wider global context. This effort will include the **development of a more specific framework to measure paradigm shift and clearer methods to more consistently estimate project impacts.**

13. To process an increased number of direct access entity, adaptation and simplified approval process projects, changes will need to be agreed during 2020 to **address the structure, timing and capacity of the independent Technical Advisory Panel.** These

changes would work synergistically with sector guidance and new operational manuals to support a clearer, more transparent, and more predictable application of the GCF investment and other funding review criteria and help to deliver to the Board higher quality, more transformational proposals that have fewer conditions and can be implemented more quickly after approval.

14. While the Secretariat looks forward to a very productive year in 2020, it also has a clear understanding of the many challenges that it faces. First, while the Secretariat will take many steps to help NDAs and AEs understand the expectations of the GCF as expressed in the Board's evolving decisions, the full GCF framework cannot be optimized without timely decisions to fill key policy gaps and provide the guidance necessary to support greater project quality and impact. To that end, the Secretariat will **support the Board in developing a four-year strategic policy agenda and aligned Board workplan** that will enable the Board to more effectively fill operationally essential policy gaps and ensure that previously agreed policies are reviewed only after sufficient experience has been gained with their implementation to evaluate their effectiveness. This effort also takes into consideration the recommendations of the Forward-Looking Performance Review of the GCF on the consideration of appropriate levels of delegation. In that context, the Secretariat could undertake a review of the list of outstanding policy and process issues that have long been pending with a view towards recommending some that could be considered for delegation to the Secretariat and others that, having been overtaken by subsequent events, could be considered for retirement.

15. In addition, **the Secretariat will need to have in place essential tools, staff and a budget commensurate with the increased funding of GCF-1 and the growing ambition of the GCF and its partner countries.** In terms of tools, the Secretariat believes that given the global span of its project portfolio, the increasing number of projects entering the implementation phase, and the increased need of the GCF for adaptive portfolio oversight and management, **continuing to operate the GCF without the essential privileges and immunities specifically called for in paragraph 8 of the Governing Instrument presents an ongoing risk to Board members, its investments and the Secretariat's personnel.** The Secretariat believes that this issue must be squarely addressed in 2020.

16. While the Secretariat has and must continue to achieve efficiency in its work, additional resources will be required during GCF-1 to enable the Secretariat to effectively monitor and manage changes to the growing GCF portfolio; review an increasing number of projects, including smaller direct access entity, simplified approval process and adaptation projects; support the accreditation and work of an increasing number of direct access entities; and diversify its use of instruments to meet the evolving needs of its clients and their increasingly innovative proposals. In that regard, the number of staff is only one part of the evolving needs of the GCF. Enabling the GCF to embody the vision for the GCF expressed in the Governing Instrument will require the Secretariat to more effectively engage with its global clients, advance its role as a thought leader, lead the United Nations Framework Convention on Climate Change financial mechanism's efforts on complementarity and coherence, and establish a globally recognized brand. To meet these challenges, the GCF will have to be in a position to better compete for world-class talent and have the latitude to strategically locate/deploy assets where it can most effectively provide support and learn from and influence global thinking. During 2020, the Secretariat will propose options to address these and other important human resource issues.

17. **Expected 2020 programming outputs:** table 1 below summarizes outputs expected for the year 2020, including projections for cumulative disbursements as of the end of 2020.

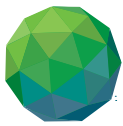


Table 1: Summary of core indicators for reporting period 1 January – 31 December 2020

Core indicators	15 September 2019 baseline	Target Dec. 2020
Accreditation master agreements (AMAs) signed	62 AMAs signed	87 AMAs signed
Funded activity agreements (FAAs) signed	80 FAAs signed	107 FAAs signed
No. funding proposals under implementation and value (USD)	62 funding proposals (USD 2,688 million)	101–102 funding proposals (USD 4,575–4,655 million)
No. funding proposals under disbursement and total disbursed (USD)	52 funding proposals (USD 661 million)	84 - 99 funding proposals (USD 1,499–1,805 million)

18. Annual programming goals for public and private sector work, as well as for work under RFPs, have historically been based on a number of factors, including an assessment of the GCF commitment authority for the coming year and an evaluation of the Secretariat and AEs’ ongoing work and project pipeline. This year’s assessment is made more complex by the remaining uncertainty of the exact level of commitment authority that might be available after B.24, the speed at which pledges will be translated into a new commitment authority, the time at which the 25 per cent threshold is reached for commitment authority effectiveness, and the time at which cash is made available. Programming for 2020 will also be affected by decisions taken by the Board in the context of the 2020–2023 Strategic Plan, which could affect such things as the level of adaptation funding and the extent of direct access entity programming. In addition, the level of funding and staff finally provided to the Secretariat will have an impact on what can be achieved in 2020.

19. Given the above, the indicative 2020 programming goals included in table 2 below are based on a group of assumptions, including an estimated residual commitment authority for B.25 of USD 300 million; an estimated commitment authority for the rest of 2020 of approximately USD 1.5 billion; an assumption that existing RFPs will remain active during 2020 and that any new RFPs will not start funding until 2021 or later; and an assumption that the Secretariat’s budget will be approved at the level requested.



Table 2: Indicative 2020 programming goals

Sectors/ Country Programming		FPs ALL	Regular FPs	Readiness Support (non- NAP/PPF)	NAPs	PPF	SAP	MFS	REDD- plus	EDA
FP/project/programmes		USD amount (number of proposals/requests)								
Country programming	Approval	-		45 million (50 requests)	40 million (18 requests)	7 million (10 requests)	20 million (2 FP externally reviewed)	-	-	
	Disburse.	-		11 million (first disbursement)	7.6 million (first disbursement)	4 million		-	-	
Private sector	Approval	600-800 million (12-16 proposals)	570 - 770 million (9-13 proposals)				30 million (3 proposals)	130 million (3 proposals)		
	Disburse.	550 - 750 million	550 - 750 million	-	-	-	-	-	-	
Public sector	Approval	580-680 million (28-33 proposals)	520-620 million (22-27 proposals)	-	-	-	60 million (6 proposals)	-	150 million (2 proposals)	60 million (3-4 proposals)
	Disburse.	682 - 869 million	672.99 - 859.99 million	-	-	-	9.01 million	-	-	12.5 - 12.7 million
Totals	Approval	1.18 billion - 1.48 billion	1.09 billion - 1.39 billion	45 million (50 requests)	40 million (18 requests)	7 million (10 requests)	110 million approved (11 proposals)	130 million (3 proposals)	150 million (2 proposals)	60 million (3-4 proposals)
	Disburse.	1.232 billion - 1.619 billion	1.223 billion - 1.61 billion	11 million (first disbursement)	7.6 million (first disbursement)	4 million				12.5 - 12.7 million

Abbreviations: EDA = enhancing direct access, FP = funding proposals, MFS = mobilizing funds at scale, NAPs = national adaptation plans, PPF = Project Preparation Facility, SAP = simplified approval process.

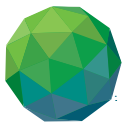
Highlights of the proposed 2020 administrative budget

20. The proposed 2020 administrative budget in table 3 below covers expenses related to the Board, the Trustee and the Secretariat.

Table 3: Proposed 2020 administrative budget (in USD)

		2019 (approved at B.21)	Proposed 2020 budget	Increase/ (decrease)	% change
1	Board	3,437,156	3,673,720	236,564	6.9%
2	Secretariat	67,065,847	70,190,932	3,125,085	4.7%
3	Trustee	2,065,000	2,881,000	816,000	39.5%
	Grand total	72,568,003	76,745,652	4,177,649	5.8%

21. An overview of the proposed 2020 Secretariat budget is provided in table 4 below. The budget represents a total increase of USD 3.1 million, or 4.7 per cent over the approved 2019



budget. Approximately 75 per cent of that 2020 increase is related to providing for an expected 2020 average staffing level of 240 staff. A detailed review of the requested budget can be found in paragraphs 100 to 151 of the full work programme and budget (annex II: section IV). Aside from the increased budget for the Secretariat, the overall GCF budget increase comprises increases of USD 0.24 million for Board expenditures and USD 0.82 million for additional Trustee costs.

Table 4: Overview of the proposed 2020 Secretariat budget (in USD)

Code	Budget category/ sub-category	2019 budget (approved at B.21)	Proposed 2020 budget	Increase/ (decrease)	% change
2.1.1	Full-time staff	44,948,077	47,297,107	2,349,030	5.2%
2.1.2	Consultancies	2,593,100	2,882,165	289,065	11.1%
2.2.1	Travel	2,680,418	3,024,338	343,920	12.8%
2.3.1	Office utility costs	280,000	288,000	8,000	2.9%
2.3.2	Contractual services	7,631,344	7,427,950	(203,394)	-2.7%
2.3.3	Other Operating costs	1,137,840	1,172,050	34,210	3.0%
2.3.4	Communication and printing	1,568,000	1,575,000	7,000	0.4%
2.3.5	Information and communication technology	5,313,365	5,579,055	265,690	5.0%
2.3.6	Depreciation	913,703	945,267	31,564	3.5%
	Grand total	67,065,847	70,190,932	3,125,085	4.7%

22. While not within the purview of the Secretariat, the Budget Committee requested that the budgets of the three independent units be included in this document to enable the Board to have a consolidated overview of all 2020 operational costs of the GCF (see annex IV). However, the proposed draft decision of the Board in annex I refers only to the administrative budget for the Secretariat, Board and Trustee. The proposed budgets and related draft decisions for the independent units are submitted for consideration under other documents coming to the Board this meeting.



Annex I: Draft decision of the Board

The Board, having considered document GCF/B.24/09 titled “2020 work programme of the Secretariat and annual administrative budget of the Secretariat, Board and Trustee” and GCF/B.24/Inf.07 titled “Reports from committees, panels and groups of the Board of the Green Climate Fund”:

- (a) Recognizes that the work programme will help to guide the activities of the Secretariat during 2020;
- (b) Approves the 2020 work programme and the goals and suggested priorities set out therein, in accordance with paragraph 23(e) of the Governing Instrument for the GCF;
- (c) Also approves an administrative budget for the Secretariat, as presented in annex II, section IV, for the period 1 January 2020 to 31 December 2020 in the amount of USD 70,190,932, which includes USD 26,083,209 in new funding as well as USD 44,107,723 for 2020 staff salaries and emoluments that was approved by the Board by decision B.18/12, paragraph (d);
- (d) Further approves releasing the amount of USD 45 million, which was set aside towards the operating expenses of the GCF for 2020, as per decision B.22/21, paragraph (a);
- (e) Approves USD 50,758,819 for projected staff salaries and emoluments for 2022;
- (f) Also approves a budget for the Board in the amount of USD 3,673,720 as found in annex II, table 4;
- (g) Further approves a budget for the Trustee in the amount of USD 2,881,000 as included annex II, table 17; and
- (h) Decides to set aside an additional amount of USD 70 million towards the risk buffer.

Annex II: Work programme of the Secretariat for 2020 and administrative budget

I. Introduction

1. The Governing Instrument for the GCF states that “the GCF will promote the paradigm shift towards low-emission and climate-resilient development pathways and make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community” “by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.” The climate change goal set in the 2015 Paris Agreement is: “holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C”. These key provisions of the Governing Instrument help guide the work of the GCF and its Secretariat.

2. To support those efforts, paragraph 23(e) of the Governing Instrument directs the Secretariat “to develop the work programme and annual administrative budget of the Secretariat and trustee and submit them for approval by the Board”. This document is submitted in fulfilment of that requirement. It includes: in annex I, a draft decision on the work programme and budget for the Board to consider; in annex IV, an administrative budget covering the Board, the Secretariat and the Trustee; and, in annex V, a results management framework to support the Secretariat and the Board in assessing the Secretariat’s progress on key work programme targets.

3. The Secretariat’s proposed 2020 work programme builds on a substantial body of foundational work that was undertaken in 2019. In particular, during 2019 the GCF policy and governance frameworks were enhanced in significant ways. Among other things, the Board advanced the vision for the Readiness and Preparatory Support Programme (Readiness Programme), adopted a suite of risk management components and integrity policies, adopted a new set of investment criteria indicators, and finalized an agreement on a process for decision-making in the event that all efforts at reaching consensus have been exhausted. In addition to these initiatives, and in a broader sense, the Board and the Secretariat have been able to consider lessons learned during the initial resource mobilization (IRM) period and review key operational modalities of the GCF. These efforts, which were aided by Independent Evaluation Unit evaluations of the Readiness Programme, the GCF results management framework, and the first Forward-Looking Performance Review of the GCF (FPR), have supported substantial progress in the development of a roadmap for strategic programming and the 2020–2023 Strategic Plan for the first replenishment period of the GCF (GCF-1). In addition, the GCF has clarified its strategic vision and its mitigation and adaptation logic frameworks through a theory of change that delineates how “GCF promotes a paradigm shift in developing countries towards low-emission, climate-resilient development pathways in line with the goals of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement”. This effort, which articulates key outcomes, outputs and activities, will serve as a strong basis for creating a common understanding of the goals and requirements of the GCF and, together with a number of significant initiatives that the GCF will implement in 2020, will support accredited entity (AE) efforts to deliver higher quality, more transformational proposals for the Board’s consideration.

4. The work above, and the substantial input of the Board and GCF stakeholders, has also enabled a clearer articulation of the comparative advantages of the GCF as a de-risking entity in the climate finance landscape. As a flexible, collaborative, country-driven fund, the GCF can work in an unprecedented manner with a broad array of public and private stakeholders and

financial instruments. The GCF is also uniquely placed to provide grant instruments for policy de-risking and non-grant instruments for financial de-risking to demonstrate and scale up innovative and high impact projects. The GCF mandate to achieve a balance between mitigation and adaptation, leverage the essential participation of the private sector, and accept higher risks in the quest for climate impact enable it to deploy assets and achieve synergies that no other single institution can match. The work of the GCF provides a double dividend: it not only achieves impact; it provides confidence that enables developing countries to establish successively more ambitious climate goals.

5. With clarity on the strengths of the GCF and its theory of change to achieve transformative change, the substantial lessons learned from the IRM period, and the significant work accomplished in 2019, the GCF is poised to assume the vision for it that was expressed in the Governing Instrument, enabling it to “become the main global fund for climate change finance” and to deliver a “significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change”.

6. This work programme is designed to provide the Board with a view of the initiatives that the Secretariat needs to undertake in 2020 to step into that global leadership role and achieve, during GCF-1, the significant and ambitious contribution that the global community expects and needs. The work programme links those 2020 initiatives to related business model and operational priorities. In some instances, they are also linked to key performance indicators (KPIs) included in the results framework found in annex V to this document. That results management framework documents some of the results that the Secretariat expects to deliver in the implementation of the 2020 work programme.

7. While the work programme generally presents the work of the Secretariat in an integrated manner, the Budget Committee has requested the Secretariat to continue to break out indicative budgets of the Secretariat’s major units. Those unit-specific sections present indicative ranges or figures for such categories as headcounts, travel, consultants and contractual services, understanding that those figures are provided for informational purposes only and are likely to shift during the year. The unit-specific sections also round out the work programme by moving beyond initiatives, describing the broad work of those units and providing a list of priority 2020 deliverables for each unit. Finally, in an effort to address the request of the Budget Committee to consider output-based budgeting, the budget section includes an initial attempt to link the Secretariat’s administrative budget with the key Secretariat priorities that are included in the 2020 work programme.

1.1 Finishing the work of the initial resource mobilization/finalization of the Strategic Plan for the GCF 2020–2023

8. A key 2020 Secretariat priority will be **supporting the Board in approving the Strategic Plan for the GCF 2020–2023 (2020–2023 Strategic Plan) for GCF-1**. Once approved, this plan will serve as an overarching guide for all GCF stakeholders, and the Secretariat will move towards its implementation. Another major focus of the Secretariat’s 2020 work will be on supporting Board efforts to wrap up a number of tasks in its workplan that are remaining from the IRM period, including the filling of outstanding policy gaps, the review of access modalities and the review of institutional and investment framework matters. The Secretariat’s 2020 work programme frames that ongoing work in the context of six GCF-level priorities. Three of the 2020 priorities relate primarily to business model enhancements, and three relate to the operational model.

1.1.1. 2020 priorities for business model enhancements

- (a) Strengthen country-driven planning and partnerships with national designated authorities (NDAs) to originate and deliver high-quality, innovative and scalable investments to realize paradigm shift;
- (b) Galvanize the programmatic engagement of the GCF with AEs; and
- (c) Fill key gaps in the GCF policy and governance frameworks.

1.1.2. 2020 priorities for optimizing performance and operating modalities

- (a) Reduce engagement costs and time to funding by improving the efficiency, effectiveness and transparency of GCF processes and speed of delivery;
 - (b) Adopt dynamic adaptive management of portfolio implementation and strengthen results management of GCF;
 - (c) Consolidate institutional capacities and take initial steps to position the GCF to be a global thought leader and policy influencer in climate finance.
9. Section II will review key initiatives that the Secretariat intends to take in 2020 to advance progress on the above noted priorities.

II. Initiatives towards the achievement of 2020 work programme priorities

2.1 Strengthening country-driven planning and the partnership with national designated authorities to originate and deliver high-quality, innovative, scalable investments

10. **The indispensable partnership of the GCF with NDAs.** Consistent with the GCF business model, NDAs have a responsibility for advancing the GCF country-driven approach by putting forward key priorities that will enable them to advance their national goals and the goals of the Paris Agreement. The following sections will include several initiatives that the Secretariat intends to undertake in 2020 to strengthen the NDA/Secretariat partnership and enable the NDAs to more effectively fulfil their role.

11. **Implementing the new direction of the Readiness Programme.** At the twenty-second meeting of the Board (B.22), the Board agreed on a new direction for the Readiness Programme and related core objectives and outcomes. This revised framework will support operational and process improvements and enhance the programme's focus on planning, programming and pipeline development. While the new programme has many important components that will be discussed below, one component that is designed to provide overall support to sustained national planning is the allowance for the programme to approve multi-year strategic readiness implementation requests. This new funding tool, which will be operationalized in 2020, will enable countries to request and have the assurance of sustained funding for longer term readiness initiatives such as establishing the climate-focused investment and decision-making environments they will need to meet their specific national climate change challenges. It will also enhance programme efficiency by reducing the need for countries to come back with full annual readiness requests. The overall efficiency of the Readiness Programme will also be enhanced through the socialization of the new *Readiness Guidebook*, which will include review criteria and examples of best practices. Finally, a new

information technology tool will enable NDAs to use their country portals to track the real time status of their readiness applications through the approval process.

12. **Increasing the efficiency of country programmes (CPs) and national adaptation plans (NAPs)/processes.** At B.08, the Readiness Programme was authorized to initiate funding for the development of CPs on the basis of a broad, one-page set of initial “general guidelines” on what those programmes “may include.” Until July 2019, GCF readiness support to 122 countries had included some funding for the development of nationally consulted CPs, and, to date, the GCF has received 23 final CPs and 32 draft CPs. Given the general nature of the initial guidance provided, the final CPs have been diverse in nature and have often lacked a strategic focus, a prioritized list of project concepts, and an investment strategy designed to enable national climate goals to be addressed. In 2020, the Secretariat will take a number of steps designed to implement the Board’s direction and support the preparation of country programmes that are more strategic in nature, support longer term planning, and provide better support for the development of a robust GCF pipeline.

13. During 2020, the Secretariat will engage with countries on what will be newly completed CP guidelines that establish clearer expectations and that support the goals of enhancing national engagement (including engagement with civil society and the private sector) and of making CPs a catalyst for climate finance and investment. To that end, those guidelines will emphasize the importance of the development of a list of GCF-aligned project and programme priorities that target developing countries’ highest climate change priorities consistent with their NDCs, NAPs and other climate strategies.

14. In order to support the development of those CP and NAP project lists, **during 2020, the Secretariat will engage with NDAs and AEs to finalize initial sectoral guidance documents.** This multi-faceted engagement will include the initiation of a series of structured programming dialogues centred on this new guidance. The resulting guidance will help countries and AEs assess and prioritize high-impact interventions that fully meet the GCF investment criteria. This guidance and related structured programming dialogues will also support work on the development and strategic consideration of promising adaptation/NAP-inspired project ideas. As of 24 September, NAP/adaptation planning funding has been approved for 30 countries. In addition, 54 proposals are under various stages of review, of which 19 are with the Secretariat and the remainder with NDAs and their delivery partners for review. Considering the known status of requests, the Secretariat has set a target of approving 18 NAP/adaptation planning proposals during 2020.

15. The advancement of NAP/adaptation planning work and the related identification of national priority project concepts will also support Secretariat efforts to track the number of projects and level of funding associated with innovative, country-driven adaptation proposals. This will help **ensure that at least half of the related adaptation funds will go to help the most vulnerable countries** (small island developing States (SIDS), least developed countries (LDCs) and African states). This work will require the Secretariat to develop and implement a clearer framework to account for the adaptation components of cross-cutting projects and programmes as well as the adaptation components of other GCF workstreams. The GCF will also look for opportunities to promote multi-country or regional adaptation projects seeking scalability.

16. **Supporting the development of planning and related policy action and project pipelines.** As noted above, ongoing CP work will pivot towards articulating an initial country-driven list of GCF-aligned project and programme priorities for GCF support developed through a consultative process. That said, during 2020 the Readiness Programme will fund strategic assistance to enable countries to consult more widely and develop short-term, medium-term and longer term decarbonization and adaptation/resilience plans. These efforts would be designed to make a real contribution to planning by framing out the priority investments and

policy or regulatory actions that would be needed to move towards low or net zero emissions and protect against a 1.5–2 °C future scenario. Such longer-term thinking will be critical in helping countries chart a clearer course to where they need to be in 2050 and begin to frame their next set of GCF priorities and the ambition of their next set of nationally determined contributions (NDCs).

17. **Beyond planning**, during 2020 the Secretariat will strengthen its partnerships with NDAs by increasing its support to countries requesting assistance in the identification of appropriate AEs. Specifically, the Secretariat will review with countries the lists of priority project concepts emanating from CPs and NAPs and facilitate structured programming dialogues between NDAs and targeted AEs that are most capable of helping to turn their specific project ideas into GCF-aligned project proposals. During those dialogues, and as discussed further below, the use of the Project Preparation Facility (PPF) may be considered.

18. **During 2020, the Secretariat will also work to support an increase in country-driven, GCF aligned direct access entity (DAE) projects.** Direct access to the GCF is one of the core operational modalities included in the Governing Instrument. Consistent with the guidance of the Conference of the Parties (COP) and the decisions of the Board, during 2020 the GCF will support initiatives designed to increase the use of direct access and the number of innovative projects submitted through this modality. The Secretariat will increase the number and diversity of new entities having direct access to the GCF by working with NDAs to help identify and encourage promising national and regional entities to apply for accreditation and increasing support to get them accredited. That work will include reaching out to key national and regional development banks and other entities that have the skills to support the particular needs of each country. In addition, during 2020 the Secretariat expects to be in a position to begin implementing a new project-specific accreditation approach that would facilitate a wider range of entities gaining direct access to the GCF.

19. Experience has shown, however, that accrediting DAEs is only a first step in enabling the submission of high-quality, innovative, GCF-aligned proposals. In that regard, it has become increasingly clear that, in general, DAEs need substantially more support than international access entities (IAEs) in developing well-supported, climate-focused concept notes (CNs) and project proposals. The Secretariat needs to undertake a series of measures during 2020 to address this issue, including setting up a dedicated team to support DAEs.

20. In that regard, and in addition to the preparation of the information tools discussed earlier, a key line of assistance to enable the development of a stronger pipeline of DAE proposals will involve enhancing the support that is provided through the Readiness Programme and the PPF. Specifically, the Secretariat will need to expand its PPF efforts in 2020 to provide upstream technical assistance to DAEs and NDAs, upon their request, to translate promising project ideas into CNs and align and strengthen their project CNs and PPF applications. Currently, a small number of DAEs are receiving this support; given the finding that the major impediment to the wider use of the PPF has been the relatively low quality of CNs and proposals on submission, this type of support will be critical. Additionally, experience has shown that DAEs often need substantial support in moving from CNs to the preparation of full project proposals. To improve the efficiency of implementing project preparation activities after PPF approval, the Secretariat will, during 2020, operationalize a framework to enable procurement from a roster of consultancy firms who can provide project preparation services to AEs upon their request.

21. Enabling DAEs will also be supported through the Secretariat's participation in the Community of Practice for Direct Access Entities initiative. This effort, owned and led by the Adaptation Fund's national implementing entities and the GCF AEs, will enhance knowledge-sharing and help build DAE capacity in a range of areas, including management and accessing

climate finance. GCF participation will be led by the Deputy Executive Director of the GCF and will advance a range of readiness and complementarity and coherence goals.

22. **Preparing the independent Technical Advisory Panel (TAP) to support an increase in the number and depth of project reviews.** DAE, simplified approval process (SAP) and adaptation projects tend to be smaller than the average GCF projects while requiring the same or a greater level of effort from the Secretariat and independent TAP for their assessment due to, in general, lower quality at entry. With the increased level of funding available in GCF-1 and the increasing demand for these types of projects, the sheer number of projects needing review will increase. Beyond addressing an increase in the number of projects, the Board has directed the Secretariat to bring to it higher quality projects with fewer conditions and to increase the speed of funded activity agreement (FAA) negotiations and first disbursements. To effectively address both of these issues, it is likely that changes will have to be made to the structure and operation of the independent TAP. Specifically, the Secretariat believes that expanding the independent TAP and enabling it to engage on a rolling basis (rather than on its current time-constrained basis prior to each meeting) would increase the number of projects that can be reviewed, enable the submission of more finalized proposals to the Board with fewer conditions, and help accelerate the movement of approved projects to implementation and first disbursement. To address these matters, the Secretariat will work with the independent TAP and the Investment Committee to advance a specific proposal on this issue.

23. In addition to supporting broad-based country driven programming, during 2020 the Secretariat will undertake a review and propose a way forward with existing requests for proposal (RFPs), and propose a shortlist of concepts for new RFPs. In the process of its RFP review, the Secretariat will also identify measures to optimize the RFP process to enable quicker action and a broadening of the group of entities that can work individually or together to develop and implement related innovative vehicles for climate action. While new RFPs are unlikely to begin funding during 2020, the Secretariat expects that **2020 programming will include multi-country, multi-agency, multi-instrument programmatic interventions** designed to facilitate and accelerate access to GCF resources by simultaneously approving mutually supporting initiatives by a coalition of countries and laying the foundations for subsequent and more predictable programming. These efforts can provide easier access to a broader range of countries (including LDCs, SIDS and African countries) and make use of the full range of GCF partners, instruments and risk appetite. Such programmes can also address diverse country and project needs and more quickly promote innovative, impactful work that may have otherwise not have been funded.

24. One of the comparative advantages of the GCF is its ability to deploy a wide range of instruments to tailor funding packages to meet the unique needs of projects and deliver impact. **In 2020, the GCF will lean into the diversity of its available instruments and its higher risk appetite to demonstrate innovative models for funding paradigm-shifting projects** that might otherwise not have been undertaken. While the IRM level of grant funding will be maintained, during 2020 the Secretariat will be alert to opportunities to diversify instruments by initiating a small shift from concessional lending towards the increased use of risk mitigation instruments such as equity and guarantees in order to mobilize finance from the private sector at higher multiples. In 2020, methodologies will also be developed to more effectively track the level of mobilized private finance.

25. A phased shift in the use of GCF instruments will move forward in tandem with **2020 efforts to finalize and initiate implementation of a new private sector strategy**. Indeed, as noted in the FPR, much of the “scale and additional finance” that the Governing Instrument mandates will only be possible by leveraging the private sector. With that understanding in mind, the GCF private sector strategy will elaborate strategic priorities for engagement with the private sector – from micro, small and medium-sized enterprises (MSMEs) to institutional

investors and financial institutions (including national and regional development banks) – with a particular focus on building higher rates of capital mobilization. That engagement will start upstream and include working through the Readiness Programme to **enable greater NDA outreach to the private sector**. It will also involve a concerted effort to identify private sector entities that would make good AEs and help them through the process of accreditation from start to finish. Further, new partnerships will be investigated with a variety of specific aims, including working more closely with banks that set climate finance targets and promoting the green bank model in developing countries.

26. **The private sector strategy will also be designed to catalyse private finance in each of the eight GCF results areas.** A particular area of emphasis during 2020 will be on the development of business models designed to attract increased private investment into work on adaptation and resilience. Finally, and consistent with the theory of change, the Secretariat will initiate work to support NDAs wishing to establish national enabling environments for climate action, including the formulation of key policy reforms that will support the flow of finance.

27. During 2020, GCF will also support broad-based programming by acting as a broker to **help countries navigate the wide range of opportunities in the climate finance landscape**. This will be done through a three-track approach. First, the GCF will work through its complementarity and coherence process with a view to identifying and scaling up proven climate interventions. This work would not only deliver direct impact; it would be aimed at driving down costs to enable these successful interventions to be mainstreamed and contribute more widely to the goals of the Paris Agreement. Second, it will work with its partners to identify where there are opportunities for parallel deployment of instruments or complementary programming across sectors. Finally, the GCF has been invited to **participate in the development of a new, publicly accessible climate investment platform**. This platform, which will be publicly accessible and open to all climate finance actors, will enable proponents of GCF or non-GCF projects to identify project analogues worldwide and assess their structuring. It will also facilitate the mobilization of additional sources of co-financing for GCF or non-GCF activities needing such assistance and/or support project concepts that may not be the best current candidates for GCF funding.

2.2 Galvanizing GCF programmatic engagement with accredited entities

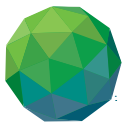
28. The overall country-driven approach of the GCF depends on developing countries having the capacity and support to turn the climate ambition of their NDCs, NAPs and other national strategies into climate-supportive enabling frameworks and impactful, GCF-aligned proposals. In turn, the GCF business model depends on AEs having the climate expertise and knowledge of GCF requirements to provide essential project development and implementation support across a broad range of GCF results areas and countries. In order for this circle of knowledge and support to be closed, key policy gaps must be filled and the Secretariat must effectively communicate a comprehensive understanding of the evolving policies, processes and programming priorities of the GCF. In 2020 the Secretariat will undertake a number of initiatives to develop and communicate that critical guidance and strengthen the essential partnership of the GCF with its AEs.

29. In that regard, it is useful to understand the multifaceted nature of the Secretariat's work with the AEs of the GCF. For example, as required by the accreditation master agreements (AMAs), the Secretariat consults with the AEs on the potential impacts that proposed policies and their effective dates will have on the AE's ability to develop and implement country-driven projects and programmes. In this important process (and in many other workstreams), the Secretariat works with the AEs as a collaborator. In contrast, in the review of proposals for such things as compliance with GCF environmental and social, gender and indigenous people's

policies, the Secretariat plays more of an enforcer role. Through its PPF, the Secretariat often plays a support role for AEs and, in particular, DAEs. In its interaction with AEs during project implementation, the Secretariat is increasingly playing the role of manager and dynamic problem solver. Finally, in an effort to ensure that the AEs have a fundamental understanding of GCF requirements and programming priorities, the Secretariat often takes on the role of knowledge provider. This complex group of relationships must be carefully managed to ensure consistency and avoid conflicts. This necessitates a clear, open and high-level channel of communications between the Secretariat and the AEs and NDAs. It also necessitates a clear understanding of the distinction between the second-level technical support services and second-level due diligence services provided by the Secretariat through the project cycle. To manage these important AE relationships, **the Secretariat is moving the primary AE management function to the Office of the Executive Director (OED)**, where it will be overseen by the Deputy Executive Director. In addition, the Secretariat is more directly separating its second level due diligence services from its second-level technical support services to AEs for project origination, development, structuring and implementation provided by its programming divisions. This is being done by moving the Secretariat's appraisal function to the Office of Risk Management and Compliance (ORMC). In this framework, the Secretariat's programming divisions report to the Deputy Executive Director, while ORMC reports to the Executive Director. These changes will help to strengthen the Secretariat's partnership with AEs and enhance the integrity of the GCF review processes.

30. **Making sure all GCF partners have a stronger base of understanding of GCF requirements and expectations.** As noted above, the GCF business model depends on AEs having the climate expertise and knowledge of GCF requirements and priorities to provide essential support in the development and implementation of impactful climate action across a wide range of results areas and countries. All GCF AEs, by definition, meet a number of specified financial management and safeguard standards. That said, both experience to date and the findings of some initial reviews have pointed to a range of shortcomings in the breadth of knowledge and expertise within the AE network relative to various aspects of climate action, pre-proposal assessments, and the GCF mandate and strategy. Specifically, many of the initial proposals submitted by AEs have demonstrated a lack of high-level expertise in the full range of the GCF results areas. In addition, many of the initial proposal documents have lacked a useful assessment of the proposals' climate nexus and impact, and some have demonstrated a lack of understanding of essential elements of the GCF results management framework and its strategic programming goals. While these and other shortcomings have tended to be more pronounced in the case of DAE concept notes and proposals, they have also been present in many IAE proposals. These findings make it clear that to accelerate the submission of higher quality, innovative proposals, the Secretariat needs to do a better job helping AEs understand its policies and processes and, where necessary, it needs to train AEs on essential requirements and methodologies. To that end, during 2020 the Secretariat will enhance the ability of the country programming division to train AEs and in particular DAEs on diverse matters relating to proposal requirements and programming priorities. This will be supported through the development of knowledge products on such things as the GCF theory of change, the 2020–2023 Strategic Plan and the emerging sector guidance.

31. Beyond preparing documents, the Secretariat will integrate and advance the depth of readiness support being given to prospective DAEs in the accreditation process to better prepare them to hit the ground running after they are accredited. It will also expand its use of webinars and initiate web-based tutorials on key GCF requirements and methodologies. While these measures should support the submission of more complete project proposal submissions, the Secretariat will also support the enhanced quality of proposals through the full origination phase by deploying proposal-specific, cross-divisional project origination teams. These teams will be individually designed to bring to bear the related strength of the diverse Secretariat



expertise on ensuring that each specific proposal effectively implements GCF guidance and national priorities. They will also help ensure that each proposal's predicted results are credible and can be effectively monitored and professionally evaluated.

32. **Getting the AE skillset needed for GCF-1.** In November 2014, the GCF issued a broad, open call for entities wishing to be accredited to the GCF, and by 31 August 2019 the Secretariat received a total of 174 applications. Initially, applications for accreditation were reviewed on a first-come, first-served basis. By B.14, however, a backlog of applications led the Board to begin taking short-term decisions on specific criteria for their prioritized review. The Board has used the initial accreditation framework and this prioritization process to approve 88 entities for accreditation. This total includes 40 IAEs and 48 DAEs (including 16 private sector entities). Of the 88 entities approved as of July 2019, only 47 entities have effective AMAs enabling them to work with the GCF, with most of the remainder awaiting fulfilment of conditions. Currently, the GCF has an additional backlog of 110 applications in various stages of review.

33. While the open call for AE applications has enabled the creation of a sizable network of IAEs and DAEs and the approval of over 100 projects, as noted above the AE network may not have the full range of expertise or abilities that may be needed by developing countries and the GCF during GCF-1. As a consequence, **during 2020 the Secretariat will support the preparation of an accreditation strategy** that will examine the capabilities of the AE network against both the mandate and strategy of the GCF and the evolving climate investment and support needs of developing countries. That examination will also consider needs related to geographical, sectoral and thematic coverage and financial instrument usage. On that basis, it will recommend to the Board the numbers and kinds of additional AEs that will be needed to implement the priorities for developing countries and the GCF for GCF-1. It will also recommend accreditation application review priorities designed to achieve any agreed AE network development targets and establish performance indicators designed to measure related progress.

34. **Streamlining, accelerating and increasing the transparency of the accreditation process.** Over the past several years, the Secretariat has taken many steps to optimize the accreditation process and address the guidance of the COP to increase and accelerate access, including through the accreditation of more DAEs. The Secretariat is moving to implement additional efficiencies where it can, however, Board decisions will be necessary to advance more significant changes to the GCF accreditation framework. Specifically, at B.20 the Board considered an independent review of the accreditation framework and an advanced set of proposals to improve the accreditation process, and at B.23 it considered another updated set of proposals from the Accreditation Committee. The Secretariat expects that in 2020 it will be in a position to begin implementing a new, streamlined framework that would increase the effectiveness and efficiency of the accreditation process by reducing both the duplication of reviews and the overall time it takes to do the reviews. To support greater transparency and predictability for accreditation applicants in the implementation of this new process, the Secretariat will set time estimates and performance standards for each stage of the process and provide real-time web access to status reports to enable applicants to track the forward movement of their applications.

35. **Enhancing access to the GCF by implementing a new access modality – the pilot project specific assessment approach (PSAA).** At B.23, the Board approved in principle a new PSAA modality and agreed to consider it further at B.24. The proposed PSAA aims to provide a more fit-for-purpose approach to accreditation in relation to a single project or programme by undertaking the simultaneous assessment of the proposed project and the proposing organization's ability to implement the project. Opening the GCF in this manner would extend GCF access to organizations that find applying for accreditation to be too costly and/or that are currently intending to bring forward only a single project to the GCF. The current proposal

before the Board includes an extensive implementation framework, and once agreed, the Secretariat will prioritize the operationalization of the approved approach. The Secretariat believes that the approval of this approach will enable speedier access to the GCF by a wider array of entities and support the approval of an increasing number of innovative proposals. Use of this approach will also enable both the GCF and the PSAA entities to assess the potential value in undertaking an effort to seek full accreditation based on the mutual PSAA experience of the GCF.

36. **Establishing the requirements for re-accreditation.** Consistent with decision B.07/02 and decision B.23/11, five years after the date of effectiveness of their AMAs, AEs must be re-accredited in order to continue working with the GCF. Given the effective dates of the initial set of AMAs, the Secretariat expects up to eight entities to apply for re-accreditation in 2021. As a consequence, in 2020, the Secretariat will accelerate its work with the Accreditation Committee, the Accreditation Panel and the Board to lay the groundwork for the re-accreditation of AEs, considering, among other things, how the accreditation process can support AE efforts in continuing to improve their climate profiles and expertise. As regards AE climate profiles, in 2020 the Secretariat expects to pilot a process for evaluating the degree to which AE portfolios (including non-GCF portfolios) have shifted towards support of low-emission, climate-resilient pathways. In addition, and considering experience with the first round of GCF RFPs, the Secretariat will suggest re-accreditation options that could incentivize an increased AE role in advancing promising RFP applications submitted by non-AEs.

37. While the Secretariat understands that the accreditation of a DAE in a country is often equated with the notion of enhanced country ownership, the Secretariat strongly believes that all projects implemented by IAEs must support and demonstrate a level of country ownership that is equivalent to that implemented by a DAE. However, it is equally as clear that in the long run, IAEs cannot have the presence in countries that will be necessary to meet the full range of climate-related needs those countries will have in their long-term efforts to address climate change. Accordingly, there is an undeniable need to build in-country capacity. To that end, as re-accreditation requirements are considered, the Secretariat will suggest options that could incentivize an enhanced IAE role in helping build the capacity of DAEs and other local entities, including executing partners.

2.3 Filling key gaps in GCF policy and governance frameworks

38. The Governing Instrument and initial Strategic Plan for the GCF included a number of goals, the operationalization of which are essential to enabling the GCF to fully support the preparation of an impactful, country-driven pipeline of GCF-aligned proposals that would contribute to a paradigm shift. The 2020 work programme highlights many of the initiatives that the Secretariat intends to undertake to provide the guidance that is essential to advancing those goals. That said, the presence of key policy gaps creates uncertainties that make it difficult for countries and AEs to submit stronger project and programme proposals and for the GCF to proceed at a speed that is more commensurate with the climate challenge.

39. In 2020, the Secretariat will take a number of steps designed to support the Board in closing gaps in the GCF policy frameworks and enhancing certainty for GCF stakeholders. First, **the Secretariat will work to support finalization of a four-year “policy agenda”** that will provide a strategic framework and proposed sequencing for cycles of new policy development and/or reconsideration of key policies and frameworks consistent with the to-be agreed 2020–2023 Strategic Plan. That draft policy agenda could then be aligned with a four-year Board workplan. This effort would support the consideration and adoption of policies by: reducing the number of high priority items on the Board’s agenda; establishing clear time frames for policy development, consideration and reviews; maximizing the consultation period

for items allocated to a specific year; and regularizing policy review cycles with a view to minimizing the impact of policy changes on portfolio implementation. It could also take into consideration the recommendations of the FPR on the consideration of appropriate levels of delegation. In that context, the Secretariat could undertake a review of the list of outstanding policy and process issues that have long been pending with a view towards recommending some that could be considered for delegation to the Secretariat and some that might be considered for retirement as having been overtaken by events.

40. Second, consistent with decision B.20/04, the Secretariat will support the Board in its consideration of the consultant's report on Board committees and panels and the preparation of options to increase the effectiveness of the Board committee process. The Secretariat will also continue to work with the Co-Chairs in an effort to focus the agendas of both Board meetings and informal Board consultations on broad-based strategic issues.

41. Further, and as noted elsewhere in the work programme, **during 2020 the Secretariat will issue a policy manual** describing the policy development process, including the timelines for consultation on Board policies. This manual will include templates that will be used for the development of policy impact assessments that will enable both the Secretariat and the Board to consider the implications of policies relative to foreseen impacts on the implementation of projects and programmes, Secretariat and AE workloads, budgets, and coherence with other policy frameworks. It will also support the use of best practices to promote the streamlining of policy documents and the preparation of robust executive summaries that highlight the key issues that the proposed policies address.

42. In a related matter, both the IRM experience and the FPR have made apparent that there could be a benefit in creating greater clarity in the roles, responsibilities and boundaries of authority of the various GCF actors and instrumentalities. Accordingly, during 2020 the Secretariat will work with relevant GCF actors towards the **development of a GCF control framework that more specifically delineates responsibilities within and between GCF instrumentalities**, including the Secretariat, the independent units, and the Board (including its committees, Co-Chairs, advisers and panels). This effort would also support clarification on the separation of supervision and management in the GCF, as suggested in the FPR.

43. In addition, consistent with annex III of decision B.23/02, in 2020 the Secretariat will support Board efforts to ensure that the development of draft decisions and related documents are undertaken in an open, inclusive, consultative and transparent manner. In that regard, and as required in paragraph 23 of the Rules of Procedure of the Board, the Secretariat expects to accelerate the distribution of Board member comments received on Board meeting documents to help facilitate the early identification, engagement on, and resolution of issues where members may have differing views. The Secretariat will also put forward possible options for increasing opportunities for webinars on key policy proposals scheduled to be considered during upcoming Board meetings and for addressing the communications problems that have inhibited the fuller participation of some Board and alternate members.

44. The Secretariat will also need to move forward in 2020 with Board mandates calling for the development of new policies and the operationalization of other policies. An example of a significant new policy mandate would include the development of GCF-specific environmental and social safeguards (ESS), which, in accordance with decision B.23/02, are due to be presented to the Board during the second meeting of 2021. Examples of existing mandates that the Secretariat will work to operationalize in 2020 include the development of standard operating procedures under the Anti-Money Laundering and Countering the Financing of Terrorism Policy and the operationalization of guidelines to implement the Indigenous Peoples Policy. The latter work will include the establishment of a new advisory group. The potential for additional new policies must also be foreseen. For example, when adopted by the Board, the Secretariat will have to be ready to implement any updated gender policy and workplan.

2.4 Reducing engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery

45. During the second half of 2019, the Secretariat initiated a concerted interdivisional effort to comprehensively map all of its programming, project development, project review, implementation, and policy processes. This is being done with a view to identify opportunities under current policy settings to clarify staff roles and responsibilities in all process phases and to **streamline, reduce duplication, improve consistency, and optimize the speed and performance of key processes including decision-making**. Those efforts will result in a revised operations manual, a new policy manual, a new project preparation manual and a new programming manual. During 2020, these manuals will be made available to all stakeholders to support a clearer understanding of GCF investment and other funding review processes and criteria, and with a view to improving the quality of proposals being submitted. These manuals will also increase the transparency and effectiveness of GCF operations and support the development of service standards for key processes, thereby setting expectations and creating greater certainty. Finally, relevant manuals will also support efforts to speed up post-approval processes through, among other things, regularizing the conclusion of legal implementation arrangements, including through increasing the use of templates. In tandem with the independent TAP measures discussed above, these manuals should also support the submission to the Board of higher quality proposals with fewer conditions which can move to implementation more quickly.

46. In 2020, the Secretariat will also take additional measures to increase speed and transparency. Consistent with its efforts to become a truly digital organization, the Secretariat will promote smart automation of GCF processes. As an example, following its expected launch at B.24, the Secretariat will roll out an expanded project management information system that will enable stakeholders to track, in real-time, the progress of GCF operations, including the status of accreditation, the pipeline of funding proposals and the portfolio of approved projects.

47. **The Secretariat's effort to accelerate the speed of project work will also extend to SAP.** While experience shows SAP is reducing project lead times, the review and approval processes required of the Secretariat, independent TAP and Board remain similar to the times associated with regular funding proposals. If this continues, it will constrain ambition to substantially scale up SAP and accelerate GCF action on smaller projects. Consistent with Board decisions, the Secretariat has commissioned a review of the SAP, and in 2020 the Secretariat hopes to reform the process so that it better lives up to its name in terms of simplifying both underlying requirements and the approval process.

48. The Secretariat will also implement changes to its project origination and policy development process designed to facilitate more cross-secretariat participation in the review and development of all projects and policies. Specifically, on the project side, the Secretariat's new Climate Investment Committee is already supporting an early review and integrated consideration of feedback on CNs, PPF applications and proposals, and country and entity work programmes relative to consistency with GCF policies and strategic goals. As noted earlier, the Secretariat will also establish project-specific, cross-divisional teams to shepherd each proposal through the process leading up to Board consideration. Finally, as noted earlier, appraisal activities, including safeguard reviews, are being consolidated in the ORMC. On the policy development side, the Secretariat will establish a Climate Policy Committee to set and review the direction of policy development. In addition, policies themselves will be developed by cross-Secretariat teams, and there will be an increased focus on understanding the potential impacts of new policies on the Secretariat, GCF resources, and AEs and their ability to develop and implement innovative projects in a timely manner.

49. **Participation of observers and civil society organizations (CSOs).** The Secretariat believes that its observer and CSO networks are a strength of the GCF, and in 2020 the Secretariat will facilitate consideration of a number of efforts to enable effective transparency and observer participation. First, from B.24 on, the Secretariat will publicly disclose all annexes for all funding proposals, a step that will help to enhance stakeholder participation in GCF decision-making processes and ensure that GCF deliverables address climate challenges more effectively. Second, in 2020 the **GCF will organize a stakeholder engagement forum** to promote dialogue with civil society representatives at the international, regional and national levels as well as to amplify messages in partnership with like-minded organizations. This event will convene as a half-day forum (potentially back-to-back with the Private Investment Conference) and will engage stakeholders, including governments, civil society organizations, academia and media, to create a platform for engagement with GCF.

50. In addition, in 2020 the Secretariat will work with all stakeholders in its review of the Information Disclosure Policy (including the disclosure of ESS reports), identify implementation issues and recommend improvements by considering lessons learned and best practices. Further, and consistent with decision B.22/02, the Secretariat will review the protocol for live webcasting of formal meetings of the Board. Finally, the Secretariat will support the Board's consideration of long delayed, updated guidelines relating to observer participation, accreditation of observer organizations and participation of active observers.

51. **Regional hubs/networks.** By its decision B.12/32, the Board requested the Secretariat to provide updates on the development of regional hubs to provide support to NDAs, AEs and partner countries. In that regard, initial findings from the pilot deployment of an individual staff person to Grenada has resulted in a significant increase in regional engagement with the GCF. The pilot deployment in Latin America and the Caribbean will continue through 2020, and, in appropriate situations, the Secretariat may consider similar deployments.

52. However, discussions to date have made clear that there is not yet consensus relating to the establishment of formal GCF-staffed regional offices or hubs. In the meantime, the 2018 and 2019 work programmes approved by the Board included a proposal for the Secretariat to issue an RFP designed to hire an entity or entities to formally organize and operate regional networks of NDAs through external, regionally based institutions. These networks would advance many of the primary objectives of the Readiness Programme, including: enhancement of peer-to-peer learning; enhanced engagement with AEs, including DAEs; enhanced engagement with CSOs and relevant private sector interests; and support for an increased number of regional dialogues in which varied topics of regional interest would be discussed. The suggested model, which would be funded through the Readiness Programme, would be adapted from the model used in the context of the Multilateral Fund for the Implementation of the Montreal Protocol. That model is recognized globally as being successful in supporting capacity-building, facilitating a high rate of mandated reporting, and supporting the development and implementation of related national policies designed to effectively implement the Montreal Protocol. During 2020, the Secretariat intends to consider the possible parameters of an RFP package to advance this idea.

2.5 Adopting adaptive management of portfolio implementation and strengthening GCF results management

53. Over the last two years, the number of projects that have moved into implementation has increased from 1 to 58, and it is expected to rise to 82 by the end of the year. By the end of 2023, close to 300 projects could be under implementation. Along with that increase has come a significant expansion of the Secretariat's responsibility for reviewing progress reports and tracking implementation against agreed project milestones. Beyond tracking, the on-the-ground realities of implementation have increased the need for the Secretariat to undertake site visits

and consider and react to FAA changes that are being proposed to enable thoughtful implementation. To address implementation challenges, **the Secretariat will adopt a dynamic, adaptive approach to portfolio management that accommodates changing conditions and reflects GCF risk appetite.** Looking forward, it is clear that this workstream will inevitably increase with the number of projects reaching the implementation phase and that addressing it will require a multifaceted effort to strengthen the portfolio management function.

54. First, during 2020 the Secretariat must increase resources devoted to adaptive portfolio management. This includes increasing the number of staff devoted to the oversight and management of both the overall portfolio and specific projects requesting changes. It will also necessitate an increase in the travel budget to enable essential site visits. In addition, and as noted above, it will require an increase in support to DAEs to enable them to better meet project reporting requirements and facilitate effective implementation consistent with agreed or amended project parameters.

55. Management of the portfolio must be undertaken with a focus on results, and, to that end, in 2020 **the Secretariat will begin implementing an updated results management framework** to better measure the degree to which GCF operations and investments contribute to overall GCF goals and outcomes as well as the shorter-term goals and outcomes contained in this work programme and the to-be agreed 2020–2023 Strategic Plan. This work will include the design of a framework for measuring paradigm shift. In addition, during 2020 the Secretariat will initiate implementation of an updated suite of indicators, methodologies and measurement, reporting and verification (MRV) and monitoring and evaluation (M&E) practices to support the development of an integrated resources and results framework and help ensure that all investments can be monitored for results in a wider global context.

56. While the Secretariat will expand its efforts to measure results, concluding the process review of results is clearly not sufficient. Accordingly, concept notes and proposals will be reviewed on entry to ensure that they are designed for specific results from day one. This review will also help ensure that they include a framework to enable the collection of robust, reliable data for verification of those results. To those ends, the GCF will strengthen guidance on project-level MRV and take a greater role in ensuring that logical frameworks are articulated clearly. These steps will help ensure that projects and programs can and will be monitored, implemented and supervised appropriately. Finally, the GCF will implement internal accounting standards and web-based systems to track results and continue to maintain the highest degree of transparency in the regular reporting of performance and results.

57. To support the integrity of project consideration and reporting, the Secretariat will also work in 2020 to enable greater consistency in the prediction and verification of estimates of greenhouse gas reductions and beneficiaries. To that end, the GCF will work to ensure that the most appropriate methodology is selected and applied for these calculations considering the particularities of the proposals and that the GCF itself is confident with the level of reductions and/or beneficiaries predicted for all GCF projects.

58. Finally, while much of the Secretariat's adaptive management work will focus on advancing the movement of individual projects or programmes towards implementation, the reporting framework will be integrated with the wider GCF knowledge management system, and efforts will be made to extract emerging lessons and trends and use that information to develop improved, evidence-based guidance on what is working and what is not for wider discussion with stakeholders.

2.6 Consolidate institutional capacities and take initial steps to position the GCF to be a global thought leader and policy influencer in climate finance

59. **Privileges and immunities.** Paragraph 8 of the Governing instrument states, “The GCF will enjoy such privileges and immunities as are necessary for the fulfilment of its purposes. The officials of the GCF will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official functions in connection with the GCF.” Privileges and immunities are of the utmost importance to ensure that the GCF can perform its functions effectively and operationalize its activities in a speedy manner. Moreover, they are necessary to protect the financial resources that have been made available to the GCF and ensure its independence. Privileges and immunities establish a formal political relationship between a country and an international organization. This is critical because, for international organizations to perform their functions effectively, their assets, archives and communications must be protected, and personnel such as Board and alternate members, staff and other persons associated with the GCF must enjoy functional immunity of legal processes in relation to acts performed by them in an official capacity.

60. The Secretariat has actively pursued privileges and immunities negotiations with both developed and developing countries and, as of 30 April 2019, it had sent draft agreements to a cumulative total of 135 countries. At 24 May 2019, 21 bilateral privileges and immunities agreements had been signed; none of those are from developed countries. While those agreements are important, it is also important to note that the 21 countries that have signed agreements represents less than 1 per cent of the developing country population.

61. **The absence of privileges and immunities creates increased litigation risks, not only for the GCF as an institution, but for its Board members and other officials.** This risk relates to the operational activities of the GCF including, but not limited to, decisions on accreditation and funding proposals. The fact that many of GCF activities are carried out by AEs does not protect the GCF and its Board and officials from litigation. In fact, because many GCF AEs are independently covered by privileges and immunities, there is an increased likelihood that aggrieved third parties would consider recourse against the GCF as the most exposed party involved in a transaction.

62. **The lack of privileges and immunities for GCF staff in their work outside of the Republic of Korea is an issue of concern.** The absence of privileges and immunities results in GCF staff having to use their own personal passports for official travel. Because of that, most staff travel outside of the Republic of Korea necessitates a trip to Seoul to obtain a visa. In some cases, staff members find it difficult to easily obtain visas and participate in missions due solely to their nationality. Beyond the difficulty in obtaining visas, the absence of privileges and immunities leave staff who are traveling on GCF missions without the normal protections that are afforded to international civil servants in the conduct of their work. While related risks are present in all travel, they are perhaps most pronounced in missions dealing with investigations where privileges and immunities are essential to ensure the safety and independence of the investigators and the integrity of their work. Finally, and as it relates to effective staff deployment, the absence of privileges and immunities will continue to make it difficult for the Secretariat to outpost GCF staff to key cities and regions where the GCF could want a representational-level presence if the GCF is to consistently engage with its partners and assume the role of a global thought leader.

63. **The absence of privileges and immunities has also had an impact on the efficiency of the GCF project cycle.** Specifically, in order to reduce project risks related to the absence of privileges and immunities, the Secretariat routinely incorporates appropriate protections into

the legal agreements it enters into for the implementation of approved funding proposals. These protections, together with other requirements prescribed by Board policies, have increased the complexity of such legal agreements, making the related negotiations lengthier.

64. While the Secretariat can theoretically devote significantly more staff for the negotiation of privileges and immunities agreements, many countries have either not engaged with the GCF on this issue or have indicated that they cannot sign agreements with the GCF. Thus, it is unclear if the country-by-country process can ever yield sufficient international coverage to address ongoing concerns.

65. In 2014, the Board suggested in the fourth report of the GCF to the COP that the COP might “wish to consider recommending to the General Assembly of the United Nations that the General Assembly consider an institutional linkage between the United Nations and the Green Climate Fund that is consistent with the status of the [GCF] and the powers vested in the Board and a Secretariat that is fully independent and accountable to the Board”. However, this proposal of the Board has not yet been acted upon by the COP. The Secretariat believes that it is in the best interests of the GCF, the Board (including its individual members and alternate members) and the Secretariat staff that this option be pursued during 2020.

66. **Human resource initiatives.** It is often said that an organization’s greatest asset is its employees, and the Secretariat’s management team agrees. In recognition of this fact, a change has been made in the Secretariat’s reporting structure. Henceforth, the Head of the Office of Human Resources (OHR) will report directly to the Executive Director. Staff matters will therefore be taken up at the highest level in the organization. Administratively, however, and for the time being, the budget of the OHR will be maintained within the overall administrative framework.

67. During 2020, the Secretariat will develop a human resources strategy designed to attract, nurture, retain and deploy the world-class talent needed to effectively grow and manage its global portfolio and over time represent the GCF as a global thought leader in the areas of climate finance.

68. To accomplish this, the GCF will review its compensation and benefits package and consider possible adjustments to ensure that the GCF is well positioned to effectively compete for top talent. That consideration could include a review of such things as the degree to which GCF salaries maintain competitiveness with comparator organizations; the degree to which the package enables consistent and automatic inflation adjustments to compensation; the level of opportunities for staff advancement and promotion; and the ability to provide equal net pay for equivalent work from staff of all countries. The former factors would also have to be considered in light of local circumstances that could affect the decisions of staff to come to or stay with the Secretariat.

69. Beyond attracting and deploying staff, in 2020 the Secretariat will also take steps to retain and advance the talented staff that it has by, among other things: creating a focused career centre and advancing broad career management programmes; increasing opportunities for staff mobility; and fostering staff development in a manner designed to enable staff to work across disciplines and promote both staff member and cross-Secretariat learning. In 2020, the Secretariat will also strengthen its ombudsman function, benefit from a newly deployed ethics officer, and overall enhance its workplace conflict prevention and resolution infrastructure to help ensure that the Secretariat retains a strong internal ability to manage essential staff issues. Finally, to meet the upcoming challenges of GCF-1, the Secretariat will need to develop a plan and budget in 2020 to support greater staff training.

70. **Initiating steps to position the GCF as a global thought leader and policy influencer in climate finance.** GCF is not just an operating entity of the financial mechanism under Article 11 of the Convention; it is the largest dedicated climate fund in the world. It is also the world’s

largest provider of climate-related capacity-building support. That being said, the mission of the GCF – to promote a paradigm shift towards low-emission climate-resilient development pathways – can never be accomplished by any one institution. As a consequence, the GCF has a responsibility to expand and replicate its knowledge and that of its partners and use it to help develop, disseminate and mainstream best practices and bring about systemic climate-centred change.

71. During 2020, the Secretariat will operationalize the mandate of the GCF to establish and run effective knowledge management practices and take initial steps to establish the GCF as a thought leader and policy influencer in climate finance. Specifically, in 2020 the Secretariat will finalize and initiate implementation of its knowledge management strategy. This will be done through the operationalization of an integrated knowledge management system. Initial 2020 steps towards the achievement of GCF external and internal knowledge management objectives will include:

- (a) Integration of knowledge management efforts taking place in the different divisions and offices in the Secretariat;
- (b) Introduction of dedicated knowledge management resources to enable the generation, capture, sharing and re-use of lessons learned from the project cycle;
- (c) Initiation of the establishment of a knowledge hub to drive the co-generation of knowledge products in collaboration with partners; and
- (d) Advancement of its efforts to deliver an integrated information and communications technology (ICT) system to support its knowledge management objectives.

72. Through these and other initiatives, the Secretariat will enhance the internal processes of the GCF to capture, store and re-use explicit knowledge to improve the efficiency, effectiveness, and sustainability of operations and enhance stakeholder capacity to leverage lessons from the project life cycle and broader climate finance experience.

73. In 2020 the Secretariat will work to expand its interaction with global thought leaders through the identification of issue-specific experts and the establishment of partnerships with key universities and other centres of excellence. It will also work on framing a pilot fellowship programme to bring in expert assistance to support the positioning of the GCF as a thought leader in climate finance. In addition, it will continue to participate strategically in international conferences where the GCF can both showcase its knowledge products and learn from others. This and other work will be directed towards synthesizing and sharing experience and defining global best practice in areas related to climate finance.

74. Beyond attending global forums organized by its partners, the GCF will continue convening global forums in 2020 designed to enable the global community to share knowledge on climate finance and climate policy. GCF-led forums in 2020 will include the Global Private Investment Conference.

75. **Learning from and sharing GCF experience.** The results of reviews, evaluations and audits will provide significant input into GCF knowledge management efforts, as well as its efforts to enhance its overall performance. In recognition of the importance of these inputs, the Secretariat will take a number of steps during 2020 to study, synthesize, and put into action the lessons learned from these efforts. First, the Secretariat will assemble specific cross divisional review teams to carefully consider the results of evaluations and audits with a view towards carefully considering the costs and benefits of operationalizing related recommendations and preparing robust management responses and action plans. Second, where it is deemed warranted, the Secretariat will create knowledge-sharing products to enable related learning to be shared more widely both within the organization and with other entities. In regards to audits, the GCF Office of the Internal Auditor (OIA) is considering undertaking audits in 2020 on

resource mobilization and replenishment; ICT product management; data protection and information security; accreditation (including AMA approval); communication with the Board, advisers, CSOs and UNFCCC; PPF, readiness and NAPs; financial statement preparation; accounting and budgeting; and efficiency and effectiveness of Secretariat KPIs. The exact composition will depend on the OIA risk-based assessment of the GCF at the end of 2019, taking account of any changes agreed and implemented in the year.

76. **Closely related to GCF knowledge management/knowledge-sharing work is its ICT framework.** Indeed, in today's world, ICT plays a pivotal role in the management and sharing of knowledge and information both within the Secretariat and between the Secretariat and its stakeholders. The Secretariat's work in this area is discussed in more detail in section 4.4.6 below.

77. **Managing GCF resources – resource mobilization.** In 2020, the Secretariat will support efforts of the Trustee to ensure that all contributors quickly have in place signed contribution agreements for their pledges. It will also have to consistently and carefully track and forecast the level of available GCF resources in order to calibrate this with funding proposals that may be brought forward for Board consideration. In addition, and as discussed earlier, the level of commitment authority is also directly relevant to the level of funding proposals that can be considered for Board approval, and during 2020 this factor will be monitored closely and reported on regularly.

78. Beyond matters related to the first replenishment, the Secretariat will work during 2020 to finalize policies and procedures for accepting contributions from philanthropic foundations and other non-public alternative sources. Upon Board approval of the appropriate policies, the Secretariat will endeavour to mobilize resources from alternative sources to further amplify the impact of GCF-1.

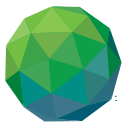
III. GCF programming for 2020

79. **Expected 2020 programming outputs.** Table 1 below summarizes outputs expected for the year 2020, including projections for cumulative disbursements as of the end of 2020.

Table 1: Summary of core indicators for reporting period 1 January – 31 December 2020

Core indicators	15 September 2019 baseline	Target December 2020
Accreditation master agreements (AMAs) signed	62 AMAs signed	87 AMAs signed
Funded activity agreements (FAAs) signed	80 FAAs signed	107 FAAs signed
No. funding proposals under implementation and value (USD)	62 funding proposals (USD 2,688 million)	101–102 funding proposals (USD 4,575–4,655 million)
No. funding proposals under disbursement and total disbursed (USD)	52 funding proposals (USD 661 million)	84 - 99 funding proposals (USD 1,499–1,805 million)

80. **Annual programming goals for public and private sector work as well as for work under RFPs** have historically been based on a number of factors including an assessment of the GCF commitment authority for the coming year and an evaluation of the Secretariat's and AE's



ongoing work and project pipeline. This year's assessment is made more complex by the lack of firm knowledge of the level of commitment authority that might be available after B.24, the speed at which pledges will be translated into commitment authority for the GCF, and when pledges may exceed the agreed level of commitment authority effectiveness (25 per cent of the pledged amount). Programming will also be affected by Board decisions to be taken relative to the 2020–2023 Strategic Plan. This could affect such things as the extension or cessation of the current RFPs and agreement to move forward with new RFPs. Finally, the level of funding and staff finally provided to the Secretariat will have an impact on what can be achieved in 2020.

81. Given the above, the indicative annual programming goals included below are based on an estimated residual commitment authority for B.25 of USD 300 million, an estimated commitment authority for the rest of the year of approximately USD 1.5 billion, an assumption that existing RFPs will be active during 2020 and that any new RFPs will not start funding until 2021 or later, and an assumption that the Secretariat's budget will be approved at the level requested. Table 2 below summarizes projected outputs expected for the year 2020 based on those assumptions. Also included are projections for cumulative disbursements as of the end of 2020.

Table 2: Indicative 2020 programming goals

Sectors/ Country Programming		FPs ALL	Regular FPs	Readiness Support (non- NAP/PPF)	NAPs	PPF	SAP	MFS	REDD- plus	EDA
FP/project/programmes		USD amount (number of proposals/requests)								
Country programming	Approval	-		45 million (50 requests)	40 million (18 requests)	7 million (10 requests)	20 million (2 FP externally reviewed)	-	-	
	Disburse.	-		11 million (first disbursement)	7.6 million (first disbursement)	4 Million		-	-	
Private sector	Approval	600-800 million (12-16 proposals)	570 - 770 million (9-13 proposals)				30 million (3 proposals)	130 million (3 proposals)		
	Disburse.	550 - 750 million	550 - 750 million	-	-	-	-	-	-	
Public sector	Approval	580-680 million (28-33 proposals)	520-620 million (22-27 proposals)	-	-	-	60 million (6 proposals)	-	150 million (2 proposals)	60 million (3-4 proposals)
	Disburse.	682 - 869 million	672.99 - 859.99 million	-	-	-	9.01 million	-	-	12.5 - 12.7 million
Totals	Approval	1.18 billion - 1.48 billion	1.09 billion - 1.39 billion	45 million (50 requests)	40 million (18 requests)	7 million (10 requests)	110 million approved (11 proposals)	130 million (3 proposals)	150 million (2 proposals)	60 million (3-4 proposals)
	Disburse.	1.232 billion - 1.619 billion	1.223 billion - 1.61 billion	11 million (first disbursement)	7.6 million (first disbursement)	4 million				12.5 - 12.7 million

Abbreviations: EDA = enhancing direct access, FP = funding proposal, MFS = mobilizing funds at scale, NAPs = national adaptation plans, PPF = Project Preparation Facility, SAP = simplified approval process.

82. In terms of the substance of programming, public and private sector work will be pursued in line with the theory of change, striving to deliver outcomes in the eight GCF results areas and across four climate transition areas:

- (a) **The built environment**, focused around supporting resilient infrastructure and low-emission buildings, cities and transport;
- (b) **Human security, livelihoods and wellbeing**, focused around livelihoods of people, communities and regions, health, well-being, food and water security and sustainable agriculture;
- (c) **Energy and industry systems**, focused on supporting resilient energy systems and low-emission power generation, energy access and low-emission industries; and
- (d) **Land use, forests and ecosystems/ecosystems services.**

83. Adaptation and mitigation impacts will be sought in the eight results areas and across the four climate transition areas, promoting cross-cutting measures that can deliver on systemic impact. Programming directions will be further informed by the new sector guidance that will further elaborate on focus areas that can best respond to developing country needs, require urgent action, and have the greatest potential to deliver on transformational climate impact. As noted earlier, 2020 programming is likely to include an enhanced focus on adaptation projects (including the involvement of the private sector), an increase in DAE projects; an increase in programmatic approaches designed to address areas of broad demand; the broader use of GCF instruments; and a review of existing RFPs to determine the extent to which they might proceed beyond proposals that remain active in their respective pipelines.

84. The sections that follow review likely GCF programming for 2020 with respect to CNs and existing RFPs.

3.1 Concept note programming for 2020

85. In accordance with current procedures, AEs and intermediaries have the option of submitting a CN to the Secretariat with a view to verifying whether the concepts they are considering are broadly aligned with key GCF guidance, including the GCF investment and results management framework, ESS for SAP, and sector guidance. CNs play an increasingly valuable role in the effort to achieve programming goals, such as an increase in the number of DAE projects and an increase in funding devoted to adaptation work.

86. The Secretariat's simplified CN template has focused information requirements, eased preparation and created greater value in supporting alignment with the GCF transformational goals. These and other changes have resulted in a significant increase in the number of CNs being submitted; as at 31 August 2019, the number of CNs stands at 47, including 45 public sector and 2 private sector CNs. These notes provisionally imply the need for over USD 1.3 billion in GCF funding. Furthermore, the Secretariat sees the increasing use of CNs, in particular for public sector projects, as an important stage of the proposal approval process. During the second half of 2019, over 90 per cent of public sector funding proposals submitted to GCF were developed from previous CNs.

87. The Secretariat expects to see a further increase in the level of CN submissions in 2020 due to, among other things, lists of country-driven priority project concepts being developed in the context of country and entity programme work. The Secretariat will strive to maintain consistency with its goal of ensuring that submitters are sent initial substantive feedback within 30 days of their CN submissions.

3.2 Enhancing direct access pilot programme

88. At its tenth meeting, the Board agreed to an initial allocation of up to USD 200 million for at least 10 EDA pilot projects, including at least 4 to be implemented in Small Island developing States, the least developed countries and African States. Based on the Board's direction, in June 2016, the Secretariat launched a request for EDA concept notes. As at 31 August 2019, 2 EDA projects with a total volume of USD 30 million have been approved by the Board. The current EDA pipeline includes 4 funding proposals and 7 concept notes. There has been an increase in EDA submissions, with 2 Funding proposals and 1 Concept note submitted in 2019.

89. During 2020, the Secretariat aims to engage in a series of outreach activities to ignite interest in the EDA and utilize the remaining allocation of USD 170 million, while planning for the EDA pilot evaluation to take place by the end of 2021 (5 years from the 2016 launch of the EDA RFP, as mandated by decision B10/04).

90. Specific guidance and knowledge products on how to develop EDA funding proposals will be developed throughout the year (2020), to better guide the direct access entities on EDA requirements, types of eligible activities and how EDA interventions can play a central role to promote locally-led climate actions by communities, local governments and micro, small and medium enterprises. In that regard, through coordination with the Readiness and Preparatory Support Programme and national, regional and international partners, specific trainings on how to develop EDA proposals will be offered to direct access entities and NDAs.

3.3 REDD-plus programme

91. In response to UNFCCC REDD-plus guidance, the Board, through its decision B.18/07, allocated USD 500 million for an approved RFP for the REDD-plus results-based payments (RBP) pilot programme. In the first half of 2019, two REDD-plus RBP proposals were approved and two more proposals will be presented for Board consideration at B.24 and at least two more are expected in 2020. For 2020, the Secretariat will increase outreach to countries and AEs to accelerate action towards implementing REDD-plus. This work will include developing webinars, communications material, hands-on workshops across regions (at least three regional workshops in Latin America, Asia and Africa). Given the high demand from countries for the pilot programme, the Secretariat will start preparing the subsequent phase of the pilot, taking into account the midterm review and the lessons learned contained in it. This will include stakeholder consultations, meetings and workshops with REDD-plus experts, country representatives and civil society.

92. Additionally, the Secretariat will engage further with private sector stakeholders to leverage finance for REDD-plus. This will include identifying "investment-ready jurisdictions", which would facilitate the interaction with different groups of private sector actors at significant scales towards national and regional scales. This will be further strengthened through the community of practice of the forest and land use sector and the identification of markets in which the GCF could establish partnerships between private sector actors, governments and AEs. Dedicated training and capacity building sessions are expected in 2020 to increase awareness and overall access to GCF support for REDD-plus through SAP, readiness and PAP. These activities will support development of pipeline origination and overall coherence with the sectoral guidance, and the global coalition on forest and land use expected to be in place early 2020.

3.4 Simplified approval process

93. By its decision B.18/06, the Board approved a pilot SAP scheme with the objective of applying best practices to reduce the time and effort needed in the preparation, review, approval and disbursement procedures. This pilot is to be used for the approval of transformational projects or programmes that are ready for scaling up, involve a GCF contribution of up to USD 10 million, and have an environmental and social risk and impact classified as minimal to none.

94. On 31 August 2019, the SAP portfolio consisted of seven approved funding proposals for the amount of USD 57 million. The SAP pipeline consisted of a total of 76 public and private sector CNs and funding proposals, with total requested GCF funding of USD 693 million, and almost USD 1.8 billion of total finance when taking co-financing into account. Sixty per cent of the funding being requested from the GCF is by DAEs and NDAs.

95. The review of the SAP pilot phase is envisaged to be presented to the Board by early 2020. The SAP pilot review will provide recommendations for the further development of the SAP. The objective is to reform the SAP so that, in its full phase, eligible proposals can be processed more efficiently while countries and entities can better understand the value proposition that GCF offers through the SAP compared to a regular funding proposals.

96. Given the 2019 baseline and growing demand for SAP, there could be the potential for 12-15 SAP funding proposals to be reviewed for approval throughout 2020. If so, the Secretariat can explore solutions that allow an increase of its review capacity for SAP projects and programmes and pilot the external review for SAP concept note and funding proposals.

97. Given the high demand for accessing SAP, further knowledge products on how to develop high-quality SAP proposals will be developed throughout the year (2020). In coordination with the Readiness and Support Programme and international and national partners, trainings and webinars on how to access SAP will be delivered to NDAs and entities. As well, further efforts will be undertaken to strengthen the effectiveness of the technical support to be provided to the entities to complete SAP proposals.

3.5 Micro, small and medium-sized enterprise pilot programme

98. At its tenth meeting, the Board established a MSME pilot programme with a view to encourage private sector investment in support of MSME climate activities. At B.13, the Board reviewed and authorized the Secretariat to issue an initial RFP aimed at soliciting up to USD 100 million in proposals from AEs and potential AEs. In response to that initial RFP, the Secretariat received 30 CNs from existing and potential AEs as well as financial institutions to work with AEs. It shortlisted seven CNs based on the RFP evaluation criteria and invited the submitters to develop full funding proposals. To date, four projects have been approved, of which one has lapsed. There has been USD 60 million in GCF financing committed. Three remaining proposals that were submitted by AEs and shortlisted are inactive. For two of these, the sponsoring AEs were no longer interested in proceeding. The other proposal is inactive because the AE was not accredited for the requested financial instrument. There is no further active pipeline for MSMEs. The Secretariat is undertaking a review of this RFP and may recommend its closure, or may seek approval of new terms for a call for RFPs, considering lessons learned from the first tranche of the pilot.

3.6 Mobilizing funds at scale

99. By its decision B.16/03, paragraph (a), the Board requested the Secretariat to issue an RFP to solicit responses from AEs and potential AEs to establish and manage pilot programmes for mobilizing funds at scale (MFS). To that end, the Board decided to allocate up to USD 500 million over the course of the initial mobilization period for this programme. The Board also decided to consider proposals submitted under this RFP as part of the wider portfolio of the GCF and through the same modalities as standard proposals. In response to the initial MFS RFP, the Secretariat received 350 CNs from existing and potential AEs, and the Secretariat shortlisted the top 30 CNs based on their quality. The Secretariat has faced numerous constraints in presenting MFS proposals for Board consideration. The shortage of AEs supporting initial submissions or willing to work with project proponents has made it challenging to identify viable projects. Of the shortlisted projects with AE support, there have been difficulties securing no-objection letters and negotiating and executing AMAs with non-AEs. Another challenge is securing country support from NDAs for multi-country funds and programmes. The Secretariat currently projects the submission of three MSF proposals to the Board in 2020 with a value of up to USD 175 million, and it will recommend further steps in the context of an RFP-wide review to be undertaken early in the year.

IV. Proposed 2020 administrative budget of the GCF including the Board, the Trustee and the Secretariat

4.1 Introduction

100. The operation of the Board, the Secretariat and the services provided by the Trustee are supported through an administrative budget approved by the Board against the funds available in the GCF Trust Fund. This document proposes the administrative budget for the period 1/1/2020–31/12/2020 to support the operations of those three entities.

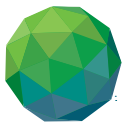
101. Table 3 provides a broad overview of the budget. That overview is followed by individual sections covering the Board, the Secretariat and the Trustee

Table 3: Proposed administrative budget for the period 2020 (in USD)

		2019 (approved at B.21)	Proposed 2020 budget	Increase (decrease)	% change
1	Board	3,437,156	3,673,720	236,564	6.9%
2	Secretariat	67,065,847	70,190,932	3,125,085	4.7%
3	Trustee	2,065,000	2,881,000	816,000	39.5%
	Grand total	72,568,003	76,745,652	4,177,649	5.8%

4.2 Board

102. The costs relating to the Board, which are detailed in table 4 below, cover expenditures associated with logistical arrangements for and travel to Board meetings; Co-Chair, Co-Chair team and Board representative travel on GCF-related missions; and intersessional meetings of Board committees, panels and working groups. The 2020 Board budget reflects increased costs associated with changes in the operation of the independent TAP and the Accreditation Panel. The Accreditation Panel budget includes one international consultant supporting the Accreditation Panel on sexual exploitation, sexual abuse, and sexual harassment (SEAH) and



gender-related issues. This is needed for the implementation of the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment approved by the Board in B.23. As a consequence, the Board budget shows an increase of 6.9 per cent over the 2019 budget.

Table 4: Board: Proposed administrative budget for the period 2020 (in USD)

		2019 budget approved at B.21	2020 proposed budget	Increase/ (decrease)	% change
1.1	Board meetings				
1.1.1	Board representative travel	1,153,919	1,153,919 ^a	0	0%
1.1.2.	Venue and logistics	415,237	415,237	0	0%
	Subtotal: Board meetings	1,569,156	1,569,156	0	0%
1.2	Co-Chair and Board representative travel				
1.2.1	Co-Chair and Board representative travel	24,586	25,324	738	3%
	Subtotal: Co-Chair and Board representative travel	24,586	25,324	738	3%
1.3	Board committees, panels and working groups				
1.3.1	Board representative travel	346,394	356,785 ^b	10,391	3.0%
1.3.2	Venue and logistics	10,927	11,255	328	3.0%
1.3.3	Compensation of Board panels: Accreditation Panel	642,523	804,000 ^c	161,477	25.1%
1.3.4	Compensation of Board panels: independent Technical Advisory Panel	843,570	907,200 ^d	63,630	7.5%
	Subtotal: Board committees, panels and working groups	1,843,414	2,079,240	235,826	12.8%
	Grand total	3,437,156	3,673,720^e	236,564	6.9%

^a Twelve Board members, 12 alternate members and 24 advisers each are budgeted per meeting.

^b Assumes six members of the Accreditation Panel and independent Technical Advisory Panel travelling to three Board meetings per year in addition to three one-week missions for pre-Board technical session; two Accreditation Panel members making six site visits; and three Private Sector Advisory Group meetings.

^c Assumes six panel members working an average of ten days per month, two consultants to Accreditation Panel at 10 days per month and one Accreditation Panel operations support consultant.

^d Assumes six panel members on monthly fixed honoraria rates.

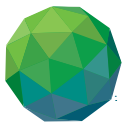
^e Assumptions above are made for the purpose of budgeting and do not pre-empt Board decisions on either the number of meetings, the number of days of those meetings, or the venue of those meetings in 2020.

4.3 Secretariat budget

103. The 2020 Secretariat budget has been developed in collaboration with relevant divisions and offices of the Secretariat and is based on the Secretariat's best estimate of the resources required to enable it to carry out its work, including the initiatives included in the 2020 work programme. The GCF Senior Management Team (SMT) played a challenger role function when reviewing individual divisional/office budgets.

104. As noted at the beginning of this document, the 2020 work programme is designed to enable the GCF to begin to step into the role envisioned for it in the Governing Instrument -- that the GCF should "become the main global fund for climate change finance" and deliver a "significant and ambitious contribution to the global efforts ... to combat climate change". The proposed 2020 budget requests are designed to enable the Secretariat to undertake the 2020 work necessary for the GCF to begin to step into that role and operate at scale during GCF-1.

105. While reviewing the budget, it is important to consider the following aspects:

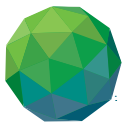


- (a) In GCF-1, it is important to scale up to effectively address the significant increase in projects that will result from the increased funding being provided by the new contributions, together with the expected increase in smaller projects. The Secretariat projects that these factors could result in a significant increase in the number of funding proposals coming to the GCF in GCF-1:
- (b) In order to improve the quality of projects at entry, the Secretariat will have to perform stronger due diligence reviews, which require the Secretariat to strengthen the project review teams to facilitate effective origination and appraisal, as well as effective downstream FAA negotiation;
- (c) The projects under implementation are expected to increase from 1 at the beginning of 2017 to about 75 at the beginning of 2020. This number is expected to increase further to about 100 by the end of 2020. The GCF fiduciary responsibilities require the Secretariat to significantly step up its M&E efforts;
- (d) A significant number of changes are being requested by the AEs and countries to address the ground realities during the project implementation. Dealing with these requests with due care and speed will require the adoption of a dynamic adaptive portfolio management approach;
- (e) The Secretariat's administrative budget was prepared to support the work of the Secretariat and the Board. The support functions that the Secretariat is being asked to take on relative to the independent units was not contemplated in past budgets. The Secretariat provides a range of support services to the independent units in the areas of human resources, finance, ICT, procurement, legal support, etc. Given the increase in the size and operations of the independent units and the complexity of the support needed, the strain that servicing them puts on the secretariat's resources is not minor; and
- (f) In the past, the Board has approved a number of new policies such as the revised policy on AE fees, the cancellation and restructuring policy and the SEAH policy, just to name a few of them. The implementation, compliance and dissemination of these policies will require significant efforts on the part of the Secretariat.

106. The proposed budget set out in table 5 below requests an increase of USD 3.1 million, or 4.7 per cent, constituting USD 2.3 million for staffing and USD 0.8 million for non-staff needs.

Table 5: Secretariat: Proposed administrative budget for the period 2020 (in USD)

Code	Budget category/subcategory	2019 budget approved at B.21	2020 proposed budget	Increase/ (decrease)	% change
2.1	Salaries and consultants				
2.1.1	Full-time staff	44,948,077	47,297,107	2,349,030	5.2%
2.1.2	Consultancies	2,593,100	2,882,165	289,065	11.1%
	Subtotal	47,541,177	50,179,272	2,638,095	5.5%
2.2	Travel				
2.2.1	Travel	2,396,309	2,769,338	373,029	15.6%
2.2.2	Secretariat staff travel to attend Board meeting	284,109	255,000	(29,109)	-10.2%
	Subtotal	2,680,418	3,024,338	343,920	12.8%
2.3	Contractual services, general operating, information technology costs				



2.3.1	Office utility costs	280,000	288,000	8,000	2.9%
2.3.2	Contractual services	7,631,344	7,427,950	(203,394)	-2.7%
2.3.3	Other Operating costs	1,137,840	1,172,050	34,210	3.0%
2.3.4	Communication and printing	1,568,000	1,575,000	7,000	0.4%
2.3.5	Information and communication technology	5,313,365	5,579,055	265,690	5.0%
2.3.6	Depreciation	913,703	945,267	31,564	3.5%
	Subtotal	16,844,252	16,987,322	143,070	0.8%
	Grand total	67,065,847	70,190,932	3,125,085	4.7%

107. Section 4.4 below provides more background on the aggregate figures provided in many of the budget lines included in the Secretariat budget in table 5 above. Then, section 4.5 undertakes a broad review of the work of each division/office of the Secretariat and includes tables providing indicative information on the unit-specific funding.

4.4 Aggregate overview of the Secretariat budget items on staffing, consultancy, contractual services and travel

4.4.1. Headcounts and Secretariat staff funding

108. The full-time staff budget line included in table 3 above assumes that 225 staff will be on board by 1 January 2020 and that the Secretariat will average 240 staff over the 2020 time frame. The current level of 225 has been maintained to date to enable the Secretariat to better understand the Board's direction for GCF-1 and the related need for expertise before hiring towards the GCF staff limit. The expected average of 240 (and not 250) relates solely to the time it will take to complete the hiring up to 250 once the 2020–2023 Strategic Plan is finalized.

109. While the work programme includes many new initiatives that will increase the Secretariat's workload, the main source of the funding increase being requested for 2020 stems from the increase in staffing costs that will be necessary to enable the Secretariat to staff up and maintain an average 2020 staffing level of 240. Just like 2019, the level is below the existing staffing target of 250. Further, the stratification of staff levels used to model estimated 2019 staff costs was lower than what was determined to be necessary in order to meet specific evolving Secretariat needs. Finally, within level performance awards that were given to some staff in 2019 will have an impact on the level of funding needed for staff salaries in 2020. As a result of these factors, just maintaining the Secretariat's staff during 2020 at the level of 240, on which this year's budget is based, will require an increase in the Secretariat's budget of approximately USD 2.3 million. This constitutes 75.2 per cent of the requested 2020 budget increase.

110. The Secretariat provides a range of support services to the independent units in the areas of human resources, finance, ICT, procurement, legal support, etc. Given the increase in size and operations of the independent units and the complexity of the support needed, the strain that servicing them puts on the Secretariat resources is not minor. This support function provided to the independent units was not contemplated in past budgets. If the Secretariat is to maintain these support functions, the increased workload related budgets should be internalized in either the Secretariat's budget or the independent units' budgets, the latter of which is in line with the good practice of showing the true cost of operating and maintaining the independent units. It should be noted that for 2020, the independent units were requested to budget for basic ICT services costs. These costs are to cover the ICT services such as the purchase of laptops, mobile phone equipment and subscriptions, helpdesk support, software,

etc. If the cost of all the Secretariat support services are allocated to the independent units budget, the total amount to be allocated for the year 2020 is estimated at USD 1.3 million. This amount is calculated based on the independent units' estimates of the staff and consultants to be hired in 2020. The Secretariat will continue to work on this aspect with a view to fine tuning the allocation mechanism to enable related support costs to be fully allocated to the independent units.

4.4.2. Consultancy costs

111. Consultancy costs included in table 5 above relate to the hiring of consultants based in Songdo and consultants who provide services remotely on a call basis. Consultants are used to meet a wide range of needs from operational support to top level senior assistance and are hired to perform specific tasks. In general, they play a critical role in enabling the Secretariat to meet evolving demand for thematic expertise and to address surges in the workload. This flexibility is critical for both the effectiveness and efficiency of the organization. Remote consultants are hired to provide additional expertise in technical areas where the relevant division or office needs niche assistance that cannot be provided by current staff and/or where the Secretariat has been unable to attract the needed expertise.

112. The 2020 consultants budget requests a USD 0.3 million increase relative to the approved 2019 budget request. This increase takes into account the fact that the current usage rate for the Secretariat is projected to be 139 per cent of last year's budgeted level. Further, and as noted in the preceding section, the Secretariat is basing its 2020 budget request on an estimated on-board staffing average of 240, which is 10 below the Board-approved target of 250. As suggested in the work programme, that 2020 staffing target is not an indication of a lack of need, but is rather a result of a decision to wait until the 2020–2023 Strategic Plan is finalized to hire to meet specifically needed expertise. Therefore, to help cover that gap and address its immediate needs, the Secretariat will require an increase in funding for consultants. While the 2020 budget request for consultants is USD 0.3 million higher than the 2019 request, it should be noted that the proposed 2020 consultants' budget of USD 2.9 million is USD 0.5 million less than what was spent on consultants in 2018. Further, and as noted below, it is somewhat offset by a USD 0.2 million decrease in the request for contractual services funding. Finally, the Secretariat believes that if staffing is adjusted during GCF-1 to keep pace with the expected increase in the GCF-1 workload, the need for consultants will decrease in the coming years.

4.4.3. Contractual services

113. Professional service firms that provide assistance to the Secretariat are budgeted under the line item "Contractual services" in table 5. Related assistance supplements the substantive work programme in areas where it is more efficient to hire outside assistance than it is to procure full time staffing. The process for procuring contractual services with professional firms is rigorous and always involves a price reasonableness review in relation to deliverables. GCF guarantees value for money of such services at several stages of the procurement process. Financial aspects are only looked at after a thorough and comprehensive review of the technical aspects. The Secretariat then undertakes negotiations with the service providers, which includes a review of the terms of reference of the work and the expected deliverables. Once agreed, professional firms work closely with the client division to ensure deliverables agreed are met within the agreed cost. On the procurement of goods, other than the procurement process itself, a technical compliance check is done to ensure value for money on a total cost of ownership basis. The proposed 2020 budget for contractual services is USD 7.43 million. This is a decrease of USD 0.2 million or 2.7 per cent compared to the approved 2019 budget. Specific unit requests for contractual services support are outlined in the sections below.

4.4.4. Travel

114. Secretariat travel is budgeted at USD 3.02 million for 2020, of which USD 2.77 million is projected to support the work programme of the Secretariat and USD 0.25 million is projected for staff members supporting any Board meeting outside of Songdo. The budget of USD 3.02 million represents an increase of USD 0.34 million. This takes into account the increased need for the Secretariat to more closely monitor and support the increasing number of projects that are now being implemented. It also addresses the proposed increase in engagement with NDAs and DAEs that is necessary to support the development of a robust pipeline of strong, GCF-aligned, country-driven CNs and funding proposals. In that regard, it assumes at least 10–12 structured programming dialogues between countries, the GCF and AEs focused on how to address areas of critical climate needs identified in country programmes and long-term strategies through transformational investments. It also reflects the need for increased outreach related to the new theory of change and the 2020–2023 Strategic Plan. Finally, it covers an increase in travel that is essential to enabling the Secretariat to increase its efforts related to complementarity and coherence and to take initial steps towards establishing the GCF as a thought leader in the global climate landscape.

4.4.5. Utility costs and depreciation

115. Utility costs are estimated at USD 0.29 million. These comprise utility costs for the eleven floors of the G-Tower to be occupied by the GCF in 2020. Depreciation: includes the annual depreciation/amortization costs for systems developed in a number of areas including software and hardware; Boardroom equipment; and computer equipment, furniture, etc.

4.4.6. Information and communications technology

116. The 2020 work programme includes a wide range of ICT initiatives designed to make the Secretariat and the GCF a more responsive and truly digital organization. To that end, in 2020, almost every existing GCF information system will undergo an update or revision for strategic realignment. This work will be undertaken with a view to increasing the efficiency and productivity of the Secretariat and key GCF processes and facilitating the dynamic use of key information to enable both the Secretariat and the GCF partners to better plan and implement their work.

117. ICT work in 2020 will prioritize the systems utilized by NDAs and AEs, and specifically DAEs. Their portals will see richer information, interaction, and near real-time tracking of the status of their requests. In addition, the GCF intends to work towards establishing missing ISO standards in the digital realm as a prerequisite for future pervasive knowledge exchanges. Related work will likely include the deployment of cutting-edge tracking and reporting techniques in adaptation and mitigation contexts (e.g. supported by artificial intelligence and Internet of Things with smart contracts technologies) and the creation of credible information for impact assessments that support evidence-based strategies. In addition, the cloud-only technology platforms of the GCF will undergo steady review and optimization.

118. Equally important, ICT efforts will be designed to support knowledge management efforts and enable us to integrate key information from diverse Secretariat workstreams to support institutional learning and the development of knowledge management tools. Initial 2020 efforts in this area would establish a path for the medium-term visionary goal of establishing the foundation of a global climate intervention platform, which would go beyond the collection of climate programme/project data, facilitate matchmaking and provide tools for partners, academics and “citizen developers”.

119. The ICT work of GCF is performed by a small core team, supplemented by a high ratio of outsourcing arrangements. The 2020 budget has been created using a zero-based approach. It has benefited from the consideration of industry best practises and has undergone scrutiny by the dedicated internal governance body for ICT of GCF. Gartner Benchmarking indicates that GCF ICT costs compare favourably to the averages of national/international governmental organizations with operating budgets similar to that of GCF: 7.9% of Secretariat total in GCF versus the industry benchmark figure of 13.0 per cent, as well as the GCF ICT staffing ratio of 4.1 per cent versus the 10.5 per cent industry benchmark.

4.4.7. Other GCF operating costs

120. Under this cost category are a number of items for budget purposes. These include funding for the third annual GCF Private Investment for Climate Conference, office maintenance costs, office supplies, International SOS, insurance, bank charges, in-house workshops, security services, and the provision of air purifiers, among other.

4.5 Office and division-specific work and budget-related information

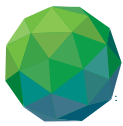
121. As noted above, this section of the budget includes indicative allocations of 2020 funds for each of the Secretariat divisions and offices. Specifically, these unit breakout sections provide indicative projections for the level of staff, consultancies, travel and contractual services that are required to support the operation of the Secretariat for 2020. The common cost figures in those sections mainly consist of ICT, utility and other operating costs; depreciation; professional services costs related to the Communities of Practice; and knowledge management costs. The staffing number is used as the driver to allocate the common costs among the divisions/offices of the Secretariat. All of these figures are based on the Secretariat's current view, and are provided with an understanding that the actual distributions are very likely to shift during the year as evolving needs are better understood.

4.5.1. Office of the Executive Director

122. The OED is responsible for overall management of the Secretariat. This includes strategic leadership and direction-setting in policy and planning, hiring and budgeting, operations and programming, and establishing and advancing relationships with GCF stakeholders. OED manages these and other key functions through its Executive Director and its Deputy Executive Director, through its leadership of Secretariat committees on operations, policies and investments, and through a senior management team made up of the directors or heads of its offices and divisions. OED has recently established a team to coordinate Secretariat-wide policy and planning efforts, hired a Senior Ethics Adviser, and placed the role of knowledge management in a central position in GCF operations. In addition, the accreditation management function has been moved to the Office of the Deputy Executive Director with the view to streamline and increase the efficiency of the accreditation process, including preparation and execution of an accreditation strategy and the launch of the re-accreditation process for the entities accredited in 2015. While 2020 OED initiatives will track those included in the work programme above and discussed below in the context of each of the divisions and offices, OED expects to have a significant focus on supporting the Board in efforts related to filling policy gaps and considering ways to enhance the efficiency of the GCF business model. It will also focus on Secretariat-directed efforts to promote a culture of excellence for its staff.

Key 2020 work programme deliverables:

- (a) Drive implementation of the 2020 work programme and accountability for results;



- (b) Represent the Secretariat globally;
- (c) Lead cross-Secretariat initiatives on strategic proposal and pipeline review, policy development, business planning, and knowledge management (centrally budgeted);
- (d) Create a culture of respect and innovation within the Secretariat;
- (e) Lead organizational development efforts to ensure that the Secretariat remains fit-for-purpose; and
- (f) Support the development and implementation of an accreditation strategy.

Table 6: Overview of Office of the Executive Director staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
16	3,619,371	294,695	348,183	620,000	748,663	5,630,912

Note: * The Office of the Executive Director contractual services budget is primarily related to the accredited entity management activities.

4.5.2. Division of Country Programming

123. The Division of Country Programming (DCP) engages with countries to increase their capacity to identify transformative climate initiatives aligned with short, medium and long-term national priorities that fully meet the GCF investment criteria. DCP also forms an integral part of the project/programme team, leading country engagement throughout the project cycle in close collaboration with the Division of Mitigation and Adaptation (DMA), Private Sector Facility (PSF) and the Office of Portfolio Management (OPM). Finally, DCP supports DAEs through the Readiness Programme and the PPF with a view to enabling the development of project/programme funding proposals and enhancing the capacity to implement an increasing DAE share of projects and related GCF funding. Starting in 2020, DCP will also lead the implementation of SAP and the EDA modality in coordination with DMA and the PSF.

Key 2020 work programme deliverables:

- (a) Operationalize the Readiness Programme Strategy for 2019–2021, including promoting the new readiness guidebook and country programme guidance and operationalizing the multi-year strategic readiness grants;
- (b) Up to 15 countries supported to develop country programmes including investment planning information to align with NDCs, NAPs or other long-term strategies/plans aligned with global goals of 2/1.5 °C;
- (c) Proactive strategic engagement, including a series of 10–12 structured programming dialogues to drive GCF-aligned, transformational country and AE programming;
- (d) Support up to 20 countries to strengthen public and private capacity to design and deliver transformational investment, including through up to 10 DAEs;
- (e) Support up to 10 PPF requests to expedite the design of innovative transformational interventions across sectors;
- (f) Develop SAP capacity building and knowledge products and engage in at least 5 trainings at regional and national level;
- (g) Develop EDA guidelines and an appraisal toolkit, and organize three webinars with a view to supporting transformational projects and programmes targeting locally-led actions in adaptation and mitigation.

Table 7: Overview of Division of Country Programming staffing, and Division of Country Programming non-readiness budget information (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
33	6,487,753	162,971	436,998	306,000	1,544,116	8,937,838

Note: *Related costs include those for the pilot external review for the simplified approval process and simplified approval process outreach videos and webinars.

4.5.3. Division of Mitigation and Adaptation

124. DMA provides technical expertise across all eight mitigation and adaptation results areas for both public and private sector CNs and funding proposals. It also assists NDAs and AEs in the development and structuring of projects and plays a critical role in finalizing the FAAs following project approval to enable projects to start implementation. In addition, DMA is responsible for managing the GCF REDD-plus pilot programme. Finally, it carries out technical reviews of and provides input for PPF applications and draft country and entity work programmes. Recently, DMA has been heavily involved in the preparation of sector guidance. This work is based on a series of stakeholder consultations that are being held through 2019. This co-created guidance, initial versions of which will be finalized in early 2020, will provide information on how to carry out good climate change projects in relevant subsectors and highlight high-priority, high-impact investments in each sector that are consistent with broadly held country priorities.

Key 2020 work programme deliverables:

- (a) Submit 30–35 funding proposals for Board approval representing approximately 10 per cent of the GCF-1 project funding allocation;
- (b) Work with stakeholders to finalize sector guidance;
- (c) Ensure quality control: provide technical expertise across all eight mitigation and adaptation result areas to help partners to develop high-quality transformative initiatives;
- (d) Provide feedback on up to 100 CNs and 70 funding proposals, with significantly improved turnaround times;
- (e) Bring 70 per cent of proposals under implementation (cumulative) and shorten the time from FAA execution to FAA effectiveness;
- (f) Finalize initial sector and subsector guidance and support the preparation of relevant training materials/tools/knowledge products and training sessions; and
- (g) Participate in at least 10 strategic programming missions aimed at supporting the development of country-driven, GCF-aligned project proposals.

Table 8: Overview of DMA staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services	Common services	Total
34	6,685,661	438,005	470,020	250,000*	1,590,908	9,434,594

Note: *Related costs include those for review of project assessment methodologies, provision of services from specialized firms for assisting in part of the review process, and translation of documents.

125. **DMA needs for consultancy, travel and contractual services.** To achieve the key 2020 deliverables mandated for the DMA in alignment with GCF-1, it is essential that DMA

receive continued support from full-time consultants who have been partaking in the effective operation of the REDD-plus RBP pilot programme and post-approval process. In 2020, DMA expects to expand its outreach to countries and AEs in light of the new strategic programming, requiring the sustained level of the travel budget. DMA also plans to procure external resources in order to undertake review and assessment of its operations for continuous enhancement and acquire advisory services for specific areas of work.

4.5.4. Division of the Private Sector Facility

126. The Division of the PSF works to catalyse private sector low-emission climate-resilient investment in the eight GCF results areas. The PSF 2020 workplan will drive the objectives of the GCF and priority-setting for private sector engagement through its four business services, which cover financial institutions; project finance; private equity; and structured finance. PSF works with an expanding range of financial instruments. In 2020, the private sector work of the GCF will be informed by a new and strengthened approach to business origination that will include the assignment of private sector entity relationship managers and be guided by nationally identified priorities and scientifically based sectoral guidance. The work will also build on joint initiatives with the Readiness Programme, which will map national climate finance gaps and opportunities and enable countries and their private sector entities to better understand how to access the GCF.

Key 2020 work programme deliverables:

- (a) Submit 12–16 funding proposals for Board approval;
- (b) Provide feedback on up to 100 CNs and ideas as well as 25 funding proposals;
- (c) Bring 70 per cent of proposals under implementation (cumulative) and shorten the time from FAA execution to FAA effectiveness;
- (d) Participate in at least 10 strategic programming missions aimed at supporting the development of country-driven, GCF-aligned project proposals;
- (e) Increase efforts to demonstrate business models and catalyse private finance in more of the eight GCF result areas, including in the adaptation results and transition areas;
- (f) Formalize relationships with two new partnerships with a view to working with banks that set climate finance targets; and promote the green bank model;
- (g) Strengthen relationships with institutional investors, including pension funds, sovereign wealth funds, insurance companies, endowments, philanthropic investors and foundations;
- (h) Proposed next steps on existing RFPs and recommendations for new funding vehicles to enhance private sector capital flows;
- (i) Develop more transformative proposals that lean into the GCF risk appetite; and establish a wide range of instruments and partners to deliver higher leveraged impact;
- (j) Fully develop proposals for new modalities, including local currency lending and support for early stage incubation; and
- (k) Organize the 2020 Private Investment for Climate Conference and develop knowledge products to support effective private sector engagement in developing countries.

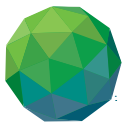


Table 9: Overview of 2020 Work Programme Division of the Private Sector Facility staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
20	3,967,367	347,478	381,539	538,500	935,828	6,170,712

Note:* Costs primarily related to the Global Private Investment Conference

4.5.5. Division of Support Services

127. The Division of Support Services (DSS) provides a range of corporate services that are critical to enabling the GCF to carry out its daily activities with efficiency and financial integrity. These include financial management, administration, ICT, procurement, the treasury function and human resources. DSS also provides critical support in a wide range of activities in the project cycle from AMA negotiation to project implementation. In addition, in 2020 DSS will enhance its contribution to project implementation work by strengthening monitoring reports (e.g. annual performance report, interim progress report and audit report review process) and recommending/taking timely action to address any related issues of concern. The team will also work in conjunction and coordination with the other operational units towards achieving the Secretariat's targets for 2020, for example negotiating AMAs and FAAs; reviewing funding proposals including readiness, PPF and SAP; contributing to the project life cycle activities through monitoring reports and facilitating project disbursements; and supporting the preparation and implementation of GCF policies. The demand for financial and procurement services to support the expanding needs of the GCF is currently surpassing the capacity. To achieve the above, the unit will continue to work on strengthening teams' complementarity through the use of procured consultants and professional services and by leveraging capacity-building and development opportunities.

Key 2020 work programme deliverables:

- (a) Initiate the implementation work on the GCF financial management software;
- (b) Update the documents on loan contribution management to ensure compliance with the policies for contribution;
- (c) Develop optimal allocations of investment portfolios for environmental social governance integration and return enhancement;
- (d) Finalize and launch the new GCF corporate procurement strategy;
- (e) Finalize and implement the sustainable procurement manual and standard operating procedures; and
- (f) Finalize and begin implementing a 2020–2023 human resources strategy.

Table 10: Overview of 2020 Work Programme Division of Support Services staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
46	7,567,460	427,573	158,861	602,200	2,152,404	10,908,498

Note:* Division of Support Services contractual services primarily relate to the external auditor's fees, services of the search firm to fill executive positions, a job evaluation project, and development of career assessment tools.

4.5.6. Division of External Affairs

128. The Division of External Affairs (DEA) leads the Secretariat's efforts related to partnerships, communications and resource mobilization. GCF is a partnerships institution and its capacity to develop and nurture strategic partnerships is fundamental to its performance. In 2020, the DEA will update its partnership strategy to further prioritize GCF partnership efforts.

129. The communications work by DEA plays a key part in sustaining those partnerships and supporting the operational activities of the GCF. It does this by promoting engagement, facilitating knowledge-sharing and norm-setting, reporting on implementation, explaining the climate impacts of GCF work and supporting accountability. In 2020, DEA will advance its work in the area of digital communications to ensure that GCF messages reach targeted audiences with speed and scale and, in the process, build a clear and identifiable GCF brand. Traditional and digital media partnerships will be pursued to enhance GCF visibility and position the GCF as a global thought leader, policy influencer, and innovator on climate finance and transformative climate action. In terms of substance, GCF communications in 2020 will focus on describing GCF activities and explaining how the impact of GCF work is contributing to the realization of countries' NDC priorities and raising climate ambition. To capture and produce human interest narratives and project impact stories from the field, which has been identified as priority work to showcase the value and real-life impacts of investing in GCF, video crews and production agencies will be engaged for filming, editing and post-production work. Related communications will also provide assurance that GCF will support developing country decisions to raise their climate ambitions, a matter that will have particular salience in 2020. Communication materials will also be created to help further clarify to stakeholders and partners how to engage with GCF. Related efforts will cover accreditation, readiness and preparatory support, project preparation, and access to funding, as well as policies and standards.

130. Finally, in 2020 the DEA resource mobilization team will develop a resource mobilization strategy and continue resource mobilization efforts to support GCF-1 replenishment in the lead up to COP 26, when countries are expected to increase their NDC ambitions. This work will include efforts to mobilize additional resources from new and emerging contributing countries, sub-nationals and cities. The resource mobilization team will also manage the finalization of contribution agreements to progress the speedy effectiveness of the GCF commitment authority. Further, the resource mobilization team will work to finalize the policies for accepting contributions from alternative sources, and it will make efforts to mobilize resources from alternative sources as well. The work of this team will be supported by the communications team, which will provide creative and targeted communications to support the replenishment efforts that will be continuing in 2020.

Key 2020 work programme deliverables:

- (a) Implement the GCF communications strategy;
- (b) Coordinate GCF external engagements and outreach;
- (c) Work to finalize guidelines on accepting contributions from alternative sources and, upon Board approval, work to mobilize related contributions; and
- (d) Develop and execute an updated partnership strategy.

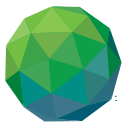


Table 11: Overview of Division of External Affairs staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Communications*	Common services	Total
16	3,383,669	170,621	194,102	1,568,000	748,662	6,065,054

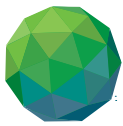
Note: *DEA funding for outside assistance will be used for digital media production, engagement and public relations support; media partnerships; video production services, including local video crew costs; printing services, merchandizing - branded materials and headquarters branding; communications writing services, including the annual report.

4.5.7. Office of Governance Affairs

131. The overall objective of the Office of Governance Affairs (OGA) is to provide effective support across the governance structure of the GCF to set a solid framework for GCF operation. Key elements of GCF governance include the Board’s decision-making process; Board relationship management including the arrangements between the GCF and the COP; the relationship of the GCF with other funds; the policies on information disclosure and participation of observer organizations; and addressing governance-related matters. OGA also plays a key role in ensuring the observance of the principles of good governance across the organization, including accountability, transparency, decision-making and inclusiveness. Finally, OGA plays a role in enhancing the understanding of the GCF mandates, policies and rules, and in ensuring a smooth relationship between external and internal actors.

Key 2020 work programme deliverables:

- (a) Develop a Secretariat strategy for engaging Board members;
- (b) Plan informative sessions for Board members, including on GCF operations;
- (c) Ensure the Board addresses COP 25 guidance;
- (d) Prepare the draft of the ninth report of the GCF to the COP;
- (e) Implement mandates related to linkages with the Technology Mechanism of the UNFCCC and advancing technology-related matters;
- (f) Engage in COP 25 and key meetings of the thematic bodies of the UNFCCC;
- (g) Organize the annual dialogue with climate finance delivery channels and a stakeholder workshop to highlight lessons learned on complementarity;
- (h) Pilot the “coordinated engagement” initiative launched in Viet Nam in 2018 with at least five countries;
- (i) Pilot the framework and evaluation matrix for scaling up Adaptation Fund projects and proposing specific measures to provide targeted support to DAEs with the Adaptation Fund;
- (j) Prepare concrete options for collaborative programming with the Global Environment Facility; and explore a pathway for GCF funding of Climate Investment Funds unfunded investment plans;
- (k) Lead the development of three Board meetings and respective informal sessions including intersessional consultations and work; make sure that meeting agendas and documentation are developed and delivered in an appropriate and timely manner; and support the Co-Chairs to “continue to enhance the effectiveness of pre-Board meeting consultations in an open, inclusive, consultative and transparent matter”, as per decision B.23/03;



- (l) Review the Information Disclosure Policy (including the disclosure of ESS reports and the live webcasting of formal meetings of the Board); and
- (m) Review the guidelines relating to observer participation, accreditation of observer organizations and participation of active observers.

Table 12: Overview of Office of Governance Affairs staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
15	2,903,070	196,050	240,689	70,000	701,871	4,111,680

Note: *The Office of Governance Affairs' contractual services support would be used primarily to support a request for proposal for the mandatory review of the GCF Information Disclosure Policy covering issues related to implementation.

4.5.8. Office of Portfolio Management

132. The function of OPM is to ensure that programmes are delivered on time, on scope and on budget, and that the GCF learns from the experience of each generation of projects so that it can deliver better results for the next generation. This function is implemented through three primary workstreams. First, the OPM Quality Assurance and Monitoring and Evaluation Team works to ensure that proposals, AMAs, FAAs, and framework and general agreements include provisions to enable effective oversight of projects and programmes. That team also ensures that benefit estimates of proposals are sound and measurable. Second, the OPM Portfolio Implementation Monitoring and Management Team oversees and monitors the implementation of projects by AEs/delivery partners to ensure compliance with GCF requirements and project-specific terms and conditions. It also facilitates the adaptive management of projects to resolve identified problems and improve project execution in line with GCF objectives. Finally, the OPM results and data management workstream designs, implements and optimizes strategies to operationalize an integrated GCF-level results architecture and enhance performance standards while building portfolio data governance in the Secretariat.

Key 2020 work programme deliverables:

- (a) All proposals and their logical frameworks, as well as AMAs, FAAs, and framework and general agreements, will include clear provisions with respect to GCF emissions reductions, theory of change, implementation time frames and arrangements, project indicators, and reporting and evaluation modalities to enable them to be effectively measured, monitored, implemented and supervised;
- (b) Methodologies will be developed, promoted and applied to enable more accurate estimates of the benefits of proposals;
- (c) Knowledge management products will be developed for M&E such as tool kits for indicators; tools for effective monitoring; and publications on lessons learned;
- (d) Streamlined and optimized portfolio management processes will be implemented to enable proactive identification and mitigation of risks and potential adverse impacts during origination; and quick and effective action to facilitate effective implementation;
- (e) Operations manual finalized to support transparency and consistency in the application of GCF requirements; and
- (f) Internal and external stakeholders are supported to strengthen projects/programme implementation capacity and effective reporting.

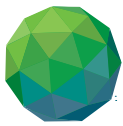


Table 13: Overview of the Office of Portfolio Management staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
18	3,530,060	170,391	83,360	383,000	842,245	5,009,056

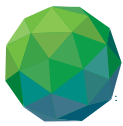
*Note:** Contractual services are projected to be used primarily to support quality assurance of infrastructure projects implementation, provision of analysis and recommendation as well as case studies upon review of the implementation of Readiness 1.0 portfolio, delivery of results outcomes and output analysis, facilitation of capacity-building events, and document production and editing.

4.5.9. Office of Risk Management and Compliance

133. The ORMC was established to undertake a comprehensive risk analysis of each proposed GCF investment to enable the Board to take educated risks in the pursuit of investments by GCF that will promote the paradigm shift to low-emission climate-resilient development pathways. In that role, ORMC is responsible for the development and implementation of the GCF risk management framework. In addition, beginning in November 2019, ORMC will be responsible for managing the secondary due diligence review of proposals. This work will be firewalled from GCF project development activities. The integrity of the process will be further enhanced through a separate reporting line to the Executive Director. ORMC reviews will provide the internal Climate Investment Committee with a substantive assessment of the alignment of project proposals with the investment criteria to enable the Committee and the Board to assess the likelihood of project success. Following the November realignment, ORMC will also take on a greater role in the development of policy documents for the Board’s review, and in particular those related to project proposals.

Key 2020 work programme deliverables:

- (a) Develop key components of GCF ESS standards;
- (b) Work with the Independent Integrity Unit on the development of standard operating procedures under the Anti-Money Laundering and Countering the Financing of Terrorism Policy and Standard;
- (c) Co-ordinate the implementation of counterparty and project-related SEAH compliance across the Secretariat. In addition, ORMC aims to commence the review of proposals for funding for exposure to SEAH risks – subject to the approval of costs related to retaining subject matter expertise which is necessary to conduct reviews;
- (d) Operationalize the Indigenous Peoples Policy and facilitate the establishment of the Indigenous Peoples Advisory Group;
- (e) Develop operational guidelines and implement the GCF Gender Policy and Action Plan;
- (f) Strengthen the capacity of the GCF and its stakeholders to meet the requirements of the ESS and the Environmental and Social Policy, Gender Policy and Indigenous Peoples Policy;
- (g) Develop a legal risk policy which sets out the principles governing the identification, prevention and management of legal risks arising from the activities and operations of GCF;
- (h) Continue the implementation of the risk management framework, which includes developing risk rating models, conducting internal risk-control assessments, and operationalizing the Compliance Risk Policy;



- (i) Continue the development of the Investment Framework and policies, which includes (i) matters related to developing incremental and full-cost methodologies; and (ii) a policy on concessionality;
- (j) Develop and disseminate sector guidance documents in conjunction with other relevant divisions within the Secretariat;
- (k) Lead a review of risk management framework components; and
- (l) Procure and implement an ORMC management system.

Table 14: Overview of 2020 Office of Risk Management and Compliance staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services*	Common services	Total
26	5,507,193	147,510	91,817	918,000	1,216,576	7,881,096

Note: *Office of Risk Management and Compliance contractual services are projected to support developing a risk-reward scorecard; conducting compliance risk assessments, addressing compliance policy gaps and developing the processes and procedures necessary for the effective implementation of the Compliance Risk Policy adopted at the twenty-third meeting of the Board; independent risk assessments of complex funding proposals; development of risk control self-assessment tools to enable Secretariat to identify, assess, mitigate, and monitor material risks; environmental safeguards standards review of funding proposals; and access to sovereign rating systems.

4.5.10. Office of the Internal Auditor

134. The internal auditing function is designed to help management maintain operational efficiency and effectiveness and operational and financial reliability, and to anticipate and prevent related issues from arising. OIA is positioned to engage with every Secretariat division and office as a partner and colleague to try and make sure that the Secretariat is performing as it should. This work provides an important level of reassurance to the Secretariat's executive office that the Secretariat's processes are robust and the resulting products are sound. To that end, OIA undertakes assurance and advisory engagements with a view to evaluate and improve the effectiveness of the organization's risk management, control and governance process. In 2020, OIA will continue to implement its rolling risk-based, three-year internal audit plan and plans to perform the following audits: resource mobilization and replenishment; ICT project management; data protection and information security; accreditation (including AMA approval); communication with the Board, advisers, CSOs and UNFCCC; PPF, readiness and NAPs/adaptation planning processes; financial statement preparation; accounting and budgeting; and efficiency and effectiveness of Secretariat KPIs. However, the exact composition will depend on the risk-based assessment by the OIA of the GCF at the end of 2019, taking account of any changes agreed and implemented in the year. OIA will also follow up the results of recommendations made in its audits to date and may perform ad hoc audits or reviews and/or advisory engagements at the request of the GCF Executive Director or Board.

Key 2020 work programme deliverables:

- (a) Develop and maintain risk-based work plan for 2020-2023;
- (b) Perform at least 5 audits as planned, and ad-hoc engagements as requested;
- (c) Follow up management action plans to address previous audits, reviews, and other evaluations; and
- (d) Prepare for 2021 external quality assurance review.

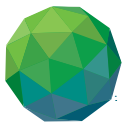


Table 15: Overview of 2020 Internal Audit Staffing and Budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services	Common services	Total
4	725,012	30,000	31,540	-	187,166	973,718

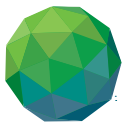
4.5.11. Office of the General Counsel

135. The Office of the General Counsel (OGC) provides vital cross-cutting legal support across the full spectrum of GCF matters, including support in relation to administrative, human resource, procurement, institutional, compliance, operational and reputational matters. It also plays a critical role in cross-divisional teams aimed at developing rules and procedures for the operations of the GCF, developing Board policies, negotiating agreements and amendments to such agreements, and verifying the conditions necessary to initiate disbursements and the implementation of approved projects, including readiness and project preparation projects. Finally, OGC supports the Board and its Co-Chairs, as well as the independent accountability units, advising on legal issues as they arise.

136. As the GCF has grown, so has its need for legal support. For example, as the number of new AEs grows, the need to negotiate AMAs will continue to grow. Furthermore, as the number of project approvals grows, the need to finalize FAAs and verify conditions of approval also grows. Equally, as the number of projects under implementation grows, so do the projects which require restructuring, amendments and waivers. The demand for legal services to support these and other expanding GCF activities has currently outstripped the capacity of OGC. As a consequence, the work of OGC is supplemented through the use of procured professional services. While the use of external counsel will continue to be efficient as regards the provision of certain niche extraordinary services, particularly in respect of complex project structures, intellectual property matters and data protection, the use of such assistance to do more routine work is expected to reduce over time as OGC increases its headcount.

Key 2020 work programme deliverables:

- (a) Support accelerated implementation of projects by negotiating and signing AMAs (20 AMAs expected for 2020), providing legal review and negotiating and approving term sheets for over 50 funding proposals expected to be submitted to the Board for approval, negotiating and signing at least 27 additional FAAs, and providing legal support on project restructurings, amendments and waivers relating to approved projects;
- (b) Support the enhanced delivery of readiness and related matters by negotiating and signing legal agreements to facilitate expedited delivery of readiness, NAP/adaptation planning and PPF projects and organizing structured dialogues. OGC also expects an ever-increasing demand for grants and readiness support, which will require additional OGC resources;
- (c) Perform increased work on privileges and immunities. There are currently over 100 of these agreements under negotiation, and GCF expects to bring 2 to execution in 2020;
- (d) Review contractual relationships and rework approximately 500 contracts to include relevant provisions of the SEAH policy and Prohibited Practices Policy on a good faith basis, as called for by the Board, which will significantly increase the workload in OGC;
- (e) Support the newly established Appeals Committee to resolve internal issues among staff, which will also increase OGC work. Already there are three appeals in train and



more are to be expected as staff avails themselves of the opportunities to challenge internal decisions;

- (f) Support legal aspects of the Board's workload, including organization of operational and institutional policy development, decision-making, replenishment and trustee-related matters; and
- (g) Provide cross-cutting legal support to the Co-Chairs, Board and independent units.

Table 16: Overview of 2020 Office of the General Counsel staffing and budget (in USD)

Projected staff headcount in 2020	Estimated staff cost	Consultants	Projected travel	Contractual services	Common services	Total
16	2,920,490	383,532	182,840	832,250	748,662	5,067,774

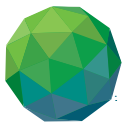
4.5.12. GCF Trustee (World Bank) workplan and estimated costs for calendar year 2020

Table 17: Estimated costs

GCF Trustee: Administrative budget 1 January – 31 December 2020 (in USD)					
	Board approved budget (1 January 2019 – 31 December 2019) A	Estimated 2020 budget (1 January 2020 – 31 December 2020) B	2019 revised budget (1 January 2019 – 31 December 2019) C	Change (2020 – 2019) B – C	
1. Financial and programme management					
1.1 Staff costs and expenses	480,000	566,000	495,000	71,000	14%
1.2 Travel	40,000	48,000	44,000	4,000	9%
Subtotal: financial and programme management	520,000	614,000	539,000	75,000	14%
2. Investment management	1,400,000	2,115,000	1,545,000	570,000	37%
3. Accounting and reporting	35,000	57,000	46,000	11,000	24%
4. Legal services					
4.1 Staff costs and expenses	100,000	83,000	66,000	17,000	26%
4.2 Travel	10,000	12,000	0	12,000	N/A
Subtotal: legal services	110,000	95,000	66,000	29,000	44%
Total: Trustee	2,065,000	2,881,000	2,196,000	685,000	31%
<i>Note: Staff costs and expenses include all indirect costs and overhead expenses. Estimated amounts are rounded to nearest USD 100; totals may not add due to rounding.</i>					

Trustee workplan description

137. **Financial and programme management.** This is expected to be higher in 2020 due to increased level of activity related to processing contribution agreements, cash transfers, reporting, and other activities associated with the GCF-1 replenishment. These items cover processes and procedures relating to all aspects of financial transactions; management and



processing of contributions, including negotiation and execution with contributors, all banking, foreign exchange, payment requests and acknowledgements; execution of cash transfers to recipients; and regular financial reporting. It also includes responding to day-to-day enquiries from the Secretariat, contributors and other GCF constituencies and stakeholders. From calendar year 2020 (CY2020), this also includes costs for information technology systems development and customization required to accommodate specific GCF transactions and reporting needs. These information technology costs include annual depreciation for the current financial management systems that apply to all trust funds using World Bank systems, with the GCF share calculated on a pro rata basis.

138. **Investment management.** Costs for CY2019 are calculated based on 0.035 per cent of the estimated average annual undisbursed balance in the GCF Trust Fund until 30 June 2019. Starting from 1 July 2019, the investment management fee for the World Bank's portfolio of financial intermediary funds increased from 3.5 basis points (0.035 per cent) of the estimated average annual cash balances to 4.5 basis points (0.045 per cent). The increase of 1 basis point in the investment management fee reflects the general increased costs for Treasury services since the fee was last reviewed in 2003. In keeping with the pace of evolving industry trends and to continue delivering high quality asset management services for trust funds, additional resources are needed for the addition of more complex investment options, process implications of regulatory requirements imposed on counterparties and markets, increased cost of compliance, and systems development and maintenance. This increase is reflected in the CY2019 Revised Estimate for Investment Management. For the purpose of the budget estimate for CY2020, an average annual balance of USD 4.7 billion is assumed, based on information provided by the Secretariat. The actual fee will depend on the actual average balances in the GCF Trust Fund, which may be higher or lower than this estimate depending on the timing of receipt of cash contributions, GCF requests for cash transfers, etc. Investment management activities during CY2020 will include implementation of the Investment Management Strategy agreed between the GCF and the Trustee, and the development of a Sustainable and Responsible Investment strategy.

139. **Accounting and reporting.** This includes the maintenance of appropriate records and accounts to identify contributions and other receipts and GCF Trust Fund liabilities, clearing agreements prior to execution, etc.

140. **Legal services.** This includes preparing and negotiating contribution agreements/arrangements with contributors and other agreements and arrangements as required, including with the GCF, and reviewing GCF governance documents as they impact the role of the Trustee. An increase in legal services is expected to be required in 2020 as a result of contribution processing related to the GCF-1 replenishment.

Annex III: Output-based budget – framework and initial results

Context for the consideration of an output-based budget

1. Outcomes-based budgeting may be defined as the budgeting process that reflects the link between funding received and expected results.¹ If the consideration is for long-term results, the budget will be referred to as an outcomes-based budget. On the other hand, if the results being considered are the services being offered or goods being produced, then the budget will be referred to as an output-based budget.
2. The process of developing an output-based budget usually follows the steps below:^{2,3}
 - (a) Setting of objectives based on priorities. Key outputs must also be outlined and communicated;
 - (b) Outline of projects or activities necessary for the achievement of stated objectives and the key divisions in charge of delivering the objectives/outputs;
 - (c) Identification of performance indicators and means of measuring results;
 - (d) Assigning of costs to the projects or activities identified in step (b) These are usually aligned with the divisions in charge of the delivering the objectives;
 - (e) Assessment of the performance against the planned budget using the performance criteria developed in step (c); and
 - (f) Correction of identified deviations by reassigning resources.
3. For a fund like GCF, whose outcomes are long-term in nature and not wholly within its control, it is more practical to consider the impact of the funding allocation on the services provided (i.e. output level).

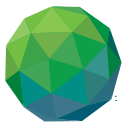
GCF administrative budget context

4. Over the past two years, the Secretariat has taken significant steps to integrate its work, and few if any of its activities are now undertaken in unit-specific silos. Thus, while the Secretariat has a specific unit called the Division of Support Services, that name may be somewhat misleading; the interdependency of all of the Secretariat's units in the execution of its work means that any unit in the Secretariat can now be considered to be a support services unit. While this integration brings great efficiencies, it makes it more difficult to attribute specific outcomes to specific units and specific budgets.
5. Various structural frameworks were considered for this first effort to prepare an output-based budget. For example, the Secretariat considered the possibility of applying a workflow paradigm that would have focused on outputs related to project origination, appraisal, implementation, and Board support. As suggested above, however, the design of the GCF business model places most of the outputs of Secretariat workstreams largely outside of the control of the Secretariat and its administrative budget. The Secretariat also considered using a paradigm based on the 13 functions outlined for the Secretariat in paragraph 23 of the Governing Instrument for the GCF. The Secretariat also explored the options of preparing the

¹ (Dugdale, 2016).

² (Corporate Finance Institute, 2019).

³ (Robinson & Last, 2009).



budget at the different hierarchy of the Secretariat's 2020 work programme. But it concluded that trying to allocate funding across many items would magnify the imprecision inherent in this effort. It is also important to note that the cost of doing this exercise should not outweigh the envisaged benefits.

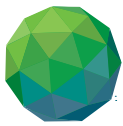
6. In this context, it's important to note that more than 75.3 per cent of the 2020 Secretariat's administrative budget is allocated to staff and consultants' costs. The staff and consultant costs, professional services and communication budget account for about 90 per cent of the 2020 Secretariat budget. While costing the various priorities, a number of important assumptions were made, for example on how much time staff/consultants will be using to accomplish a certain output, professional services firms will be contributing to which of the outputs etc. It's worth mentioning that output-based budgeting system reporting requires an enhanced accounting system that can continuously monitor the costs in line with the performance objectives. A major effort will be required in future to have an appropriate accounting and reporting system.

7. It is critical to understand that most of the key GCF key outputs (be they projects submitted/implemented or policies approved) are not within the sole control of the Secretariat. These and other factors make the application of an output-based framework to the Secretariat's administrative budget a difficult and imprecise undertaking. The Secretariat will continue to monitor progress and will work towards improving the usefulness of the information presented here.

8. In consultation with the Budget Committee, this first effort towards output-based budgeting uses the broad 2020 work programme priorities/goals as a structural framework for providing an indicative illustration of the level of funding that is going to different broad workstreams of the Secretariat's work. In that framework, and as outlined below, different workstreams have been associated with the six broad priorities that have been included in the 2020 work programme, and efforts have been made to attribute staff time and other budget components (contractual services, consultants and travel) to those priorities. Output-based budgets are formulated based on management's assessment of outputs of various divisions.

2020 priorities for business model enhancements

- (a) **Strengthen country-driven planning and GCF programming to originate and deliver high-quality, innovative scalable investments to realize paradigm shift.** For the purpose of this output-based budget effort, this broad workstream encompasses both the development of country capacity, the development of country programmes (CPs) and NAPs/adaptation planning processes, the operation of the PPF and implementation of the project/programme cycle with a focus on pre-implementation activities. As regards the latter, it encompasses the origination and appraisal functions carried out primarily by the Division of Country Programming (DCP), the Division of Mitigation and Adaptation (DMA), the Private Sector Facility and the Office of Risk Management and Compliance (ORMC), and with the support of the Office of Portfolio Management (OPM), the Division of Support Services (DSS) and the Office of General Council (OGC).
- (b) **Strengthen the GCF partnerships approach.** For the purposes of output-based budgeting, this work stream encompasses all of the work being done in the Secretariat related to accredited entities (AEs), including direct access entities (DAEs). This work spans accreditation and re-accreditation work, and goes beyond those areas to include new work being done with the AEs and national designated authorities (NDAs) and also with the delivery partners. The work in this area includes the finalization of sector guidance, enhanced knowledge-sharing on such things as the theory of change and the



2020–2023 Strategic Plan, enhanced work under the readiness programme to enable prospective DAEs to hit the ground running and participation in strategic planning meetings to support the development of robust projects. Major participants in this work include the Office of the Executive Director (OED), DCP, DMA and PSF.

- (c) **Support the GCF Board in filling in key gaps in the GCF policy and governance frameworks.** For the purposes of this output-based budget effort, this workstream includes the full suite of Office of Governance Affairs activities related to support for the Board and the broader Secretariat activities relating to the development of proposed policies. This latter work is highly interactive and requires input from virtually all Secretariat offices and divisions, with major work centred in OED, ORMC, DMA, PSF and OGC.

2020 priorities for optimizing performance and operating modalities

- (a) **Improve efficiency, effectiveness and transparency of GCF processes and speed of delivery.** Secretariat work in this priority area affects virtually every component of the Secretariat. Among other things, this priority includes the Secretariat’s efforts in project assessment. For the purposes of this output-based budget effort, the budget estimates relate only to the implementation of Secretariat 2020 priorities outlined in the work programme.
- (b) **Adaptive management of portfolio implementation and enhancement of GCF results management.** For the purposes of this output-based budgeting effort, this priority area will encompass related work that will be undertaken by OPM, ORMC, DSS and OGC, as well as the front line divisions that supported origination of the underlying projects that are being considered for change or restructuring.
- (c) **Consolidate institutional capacities and take initial steps to position the GCF as a global thought leader and policy influencer in climate finance.** This component of the output-based budgeting exercise will link primarily with the work of DSS and the Division of External Affairs, and will also include the estimated costs associated with knowledge management and complementarity and coherence efforts.

Table 1: Output-based budget summary

Priority description	Budgeted amount (in USD)
01 – Strengthening country-driven planning and the partnership with national designated authorities to originate and deliver high quality, innovative scalable investments	10,567,901
02 – Galvanize the programmatic engagement of GCF with accredited entities	9,668,008
03 – Support GCF Board in filling in key gaps in the GCF policy and governance frameworks	7,730,361
04 – Improve efficiency, effectiveness and transparency of GCF processes and speed of delivery	15,530,370
05 – Adaptive management of portfolio implementation and enhance the results management of GCF	7,671,380
06 – Consolidate institutional capacities and take initial steps to position the GCF to be a global thought leader and policy influencer in climate finance	19,022,912
Total	70,190,932

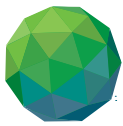
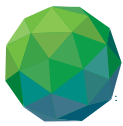


Table 2: Output-based budget details

Priority description	Budgeted amount (in USD)
01 – Strengthening country-driven planning and the partnership with NDAs to originate and deliver high quality, innovative scalable investments	10,567,901
Full-time staff	6,576,979
Consultants	415,443
Travel	627,875
Professional services	491,000
Other operating costs	2,456,604
02 – Galvanize the programmatic engagement of GCF with AEs	9,668,008
Full-time Staff	6,381,006
Consultants	304,997
Travel	520,560
Professional services	866,000
Other operating costs	1,595,445
03 – Support the Board in filling in key gaps in the GCF policy and governance frameworks	7,730,361
Full-time Staff	4,637,302
Consultants	322,449
Travel	366,320
Professional services	1,930,000
Other operating costs	474,290
04 – Improve efficiency, effectiveness and transparency of GCF processes and speed of delivery	15,530,370
Full-time Staff	11,215,827
Consultants	710,443
Travel	685,243
Professional services	1,362,000
Other operating costs	1,556,857
05 – Adaptive management of portfolio implementation and enhance the results management of GCF	7,671,380
Full-time Staff	5,595,587
Consultants	340,387
Travel	224,987
Professional services	881,000
Other operating costs	629,419



Priority description	Budgeted amount (in USD)
06 - Consolidate institutional capacities and take initial steps to position the GCF to be a global thought leader and policy influencer in climate finance	19,022,912
Full-time Staff	12,890,406
Consultants	788,446
Travel	599,353
Professional services	1,897,950
Other operating costs	2,846,757
Grand Total	70,190,932

Annex IV: Total administrative budget including independent units

		2019 (approved at B.21)	Proposed 2020 budget	Increase/ (decrease)	% change
1	Board	3,437,156	3,673,720	236,564	6.9%
2	Secretariat	67,065,864	70,190,932	3,125,085	4.7%
3	Trustee	2,065,000	2,881,000	816,000	39.5%
4	Independent Units				
	Independent Redress Mechanism Unit	1,161,220	1,321,238	160,018	13.8%
	Independent Integrity Unit	2,300,000	2,638,044	338,044	14.7%
	Independent Evaluation Unit	4,850,200 ¹	5,581,985	731,785	15.1%
	Grand total	80,879,440	86,286,919	5,407,479	6.7%

¹ The IEU's 2019 budget includes the Forward looking performance review budget of USD 847,000. This was approved by the Board in by decisions B.21/11 (USD 500,000) and B.BM-2019/04 (USD 347,000).

Annex V: Results management framework for the Secretariat's 2020 work programme

Priority 1: Strengthen country-driven planning and the partnership with NDAs to originate and deliver high quality, innovative, scalable investments to realize paradigm shift				
Assumptions:				
(1) Board adopts GCF-1 strategic plan at B.25				
(2) Board adopts workplan of the Board for 2020-2023				
(3) Board approves action to establish platform for climate finance and investment				
KPIs	Baseline (as at 30 Sept 2019)	Target (by 31 Dec 2020)	Division/Unit	Means of verification
<u>KPI 1.1</u> Support through Readiness to strengthen country-driven planning and programming	45 countries supported through Readiness to strengthen country-driven planning and programming	35 countries supported through Readiness to support the goal of strengthening country driven planning and programming	Primary: DCP Support: DMA/PSF/ORMC	Approved readiness requests
<u>KPI 1.2</u> Enhanced complementarity and coherence with other climate finance delivery channels	Complementarity and coherence strategies embedded in 5 new FPs or CNs	Complementarity and coherence strategies embedded in 10 new FPs or CNs	Primary: OGA Support: DCP/DMA/PSF	Report of the Activities of the Secretariat
	5 countries engaged in complementarity and coherence through readiness and other preparatory resources during 2019	5 countries engaged in complementarity and coherence as part of their programming, including through Readiness and other preparatory resources during 2020	Primary: OGA Support: DCP/DMA/PSF	Annual Update on Complementarity and Coherence
	Consultations with partners on establishing platform	Establish platform for climate finance and investment with partners	Primary: DMA Support: PSF/DEA	Platform is online and available to all stakeholders

<u>KPI 1.3</u> Review and feedback on CNs and FPs	Establishment of Climate Investment Committee; 24 FPs reviewed and endorsed for inter-divisional review	70 CNs endorsed by CIC for FP development	Primary: DMA/PSF/DCP	CIC minutes
		95 FPs endorsed by CIC for interdivisional review		
<u>KPI 1.4</u> Number and volume of FPs submitted for Board approval	19 FPs submitted for Board approval (B.22, B.23)	42–51 FPs submitted for Board approval	Primary: DMA/PSF/DCP	FPs passed independent assessment of the quality of proposals and allocated FP number for Board consideration
	USD 707 million total GCF resources within FPs submitted for Board approval (B.22, B.23)	USD 1.2 billion–1.5 billion total GCF resources FPs submitted for Board approval		
<u>KPI 1.5</u> Improved quality of CNs, FPs, SAPs, Readiness grants, NAPs, AMAs, FAAs	9 projects and programmes where ex ante greenhouse gas results verifications have been undertaken	15 projects and programmes where ex ante GHG results verifications have been undertaken	Primary: OPM Support: OED/OPM/DSS/ORMC /DCP	Report of the Activities of the Secretariat
	11 communities of practice established in 2019 to support the development of sector guidelines	At least 10 sector guidance documents developed and disseminated		
<u>KPI 1.6</u> Enhanced gender mainstreaming	100% of all FPs approved in 2019 contain gender action plans and gender disaggregated data	100% of all FPs approved in 2020 contain gender action plans and gender disaggregated data	Primary: ORMC Support: DMA/PSF/OPM/DCP	Secretariat assessment of integration of gender elements in FPs
	79% of all FPs approved in 2019 contain gender assessments	100% of all FPs approved in 2020 contain gender assessments		Publication of Board meeting documentation on the GCF website

Priority 2: Galvanize the programmatic engagement of GCF with AEs				
Assumptions:				
(1) Relevant Board decisions adopted				
KPIs	Baseline (as at 30 Sept 2019)	Target (by 31 Dec 2020)	Division/Unit	Means of Verification
<u>KPI 2.1</u> Number of AMAs signed.	14 AMAs signed	25 AMAs signed	Primary: DCP Support: OGC/DSS	Report on status of AMAs at each Board meeting
<u>KPI 2.2</u> Number project/programme ideas/concepts supporting direct access through Readiness/PPF	20 project/programme ideas/concepts supporting direct access through Readiness/PPF	25 project/programme ideas/concepts supporting direct access through Readiness/PPF	Primary: DCP Support: DMA/PSF/OPM	Readiness/PPF reports
<u>KPI 2.3</u> Major dialogues/conferences with countries and AEs	2 major events undertaken: 2019 GPC and GPIC	2 major events: 2020 Global Private Investment Conference, Global Programming Conference; 10-12 structured programming dialogues	Primary: PSF/DCP Support: DSS	Report of activities of the Secretariat
<u>KPI 2.4</u> Strengthened accreditation partnerships and processes	Establishment of new accreditation framework	Development of an accreditation strategy	Primary: OED Support: DCP/DMA/ PSF	Submission of accreditation strategy to Board
	51 DAEs accredited out of 88 (58%)	Enhanced representation of DAEs: 66 DAEs accredited or 60% of the total AE portfolio		Accreditation status report
	Preparations for re-accreditation	Launching the re-accreditation process for the accredited entities with AMAs made effective in 2016, pending Board consideration of the re-accreditation process one year in advance		
<u>KPI 2.5</u> Strengthen entity work planning	2019 KPI: Enhanced engagement with AEs to	Establish at least 2 pilot multi-annual entity work programmes	Primary: DCP Support: DMA/PSF	

	facilitate entity work programming (EWP)			
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Priority 3: Fill key gaps in the GCF policy and governance frameworks				
Assumptions:				
(1) Policy documents are cleared within 21-day period by the co-chairs or committees;				
(2) Secretariat holds webinars for Board members				
KPIs	Baseline (as at 30 Sept 2019)	Target (by 31 Dec 2020)	Division/Unit	Means of Verification
<u>KPI 3.1</u> Accountability and reporting to the COP	8 th Report of the GCF to COP submitted to UNFCCC Secretariat 12 weeks before COP starts	Response to COP guidance to the GCF incorporated into Secretariat operations after COP 25 and ahead of B.26 and 9th Report of the GCF to the COP submitted on time to UNFCCC Secretariat	Primary: OGA Support: All	Transmission of the report, date of transmission Memo to SMT, integration into relevant workplans
	Collaboration with the UNFCCC Secretariat on activities advancing COP guidance to GCF includes staff exchanges and collaboration workplan.	Enhanced collaboration with the UNFCCC Secretariat and constituted bodies in activities to advance COP Guidance to the GCF, such as on activities related to NAPs		GCF Report to the COP and Report on the activities of the Secretariat
<u>KPI 3.2</u> Support for informed Board decision-making and closing policy gaps	60% of documents issued on time during the first two Board meetings of 2019	75% of Board meeting documentation issued at least 21 days before the Board meeting starts, with a consultation process in place	Primary: OGA Support: All	Publication of Board meeting documentation on the GCF website
	33% of policy matters presented are adopted per Board meeting	100% of policy matters in Board workplan prepared and presented according to workplan schedule to facilitate higher adoption rate		Primary: OGA/OED Support: All

<p><u>KPI 3.3</u> Review of the risk management framework components I-VII and the initial financial risk management framework</p>	Internal consultation on the review timeline	Complete internal review of the risk management framework components I-VII and submit to RMC for consideration	Primary: ORMC	Report of the activities of the Risk Management Committee and/or presentation of updated components to Board for consideration
	Internal consultation between relevant divisions on gaps within the initial financial risk management framework	Complete internal review of initial financial risk management framework and submission to RMC for consideration	Primary: ORMC Support: DSS/DEA	
<p><u>KPI 3.4</u> Develop and present legal risk policy for Board consideration</p>	Draft legal risk policy to be consulted with relevant Secretariat divisions and independent units	Preparation of policy and presentation to Board for consideration; implementation of policy subject to Board approval	Primary: ORMC Support: OGC	Publication of relevant Board documents
<p><u>KPI 3.5</u> Supporting delivery of the GCF strategic and policy agenda</p>	First draft of 2020–2023 Strategic Plan presented to Board; preparation of strategic programming framework; preparation of 2020-2023 Board workplan	Finalization of a Strategic Plan for 2020–2023	Primary: OED Support: All	Adoption of Strategic Plan by Board
	Preparation of policy manual and funding proposal manual, development of policy cycle, preparation of readiness manual.	Finalization of policy manual	Primary: OED Support: ORMC/DMA/PSF/DCP/OGA	Approval of policy manual by SMT
	Mapping of standard policy preparation practices	All policies submitted to the Board for B.26 and B.27 developed in line with the GCF policy manual		Publication/approval of relevant Board documents.
<p><u>KPI 3.6</u> Strengthen awareness of ethical standards</p>	Recruitment of ethics specialist; development of engagement protocol with IUs	6 ethics-related trainings and workshops.	Primary: OED Support: All/ DSS/ORMC	Regular reporting to the ED.

Priority 4: Reduce engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery

Assumptions:

- (1) Relevant Board decisions adopted
- (2) Process mapping completed by end 2019
- (3) The conclusion of privileges and immunities (P&I) agreements depends on the willingness from countries to grant GCF P&I, including the completion of the relevant internal approval process

KPIs	Baseline (as at 30 Sept 2019)	Target (by 31 Dec 2020)	Division/Unit	Means of Verification
KPI 4.1 Review and feedback on CNs and FPs	54% of CNs reviewed within 30-day target (from submission to first feedback)	75% of CNs reviewed within 30-day target (from submission to first feedback)	Primary: DMA/PSF	Report of the Activities of the Secretariat
	58% of FPs reviewed within 90 day target (from start of interdivisional review to iTAP submission)	75% of FPs reviewed within 75 day target (from start of interdivisional review to iTAP submission)	Primary: DMA/PSF	Report of the Activities of the Secretariat
	48% of SAP CNs received Secretariat's feedback within the target (21 days)	70% of SAP CNs receive Secretariat's feedback within the target (21 days)	Primary: DCP Support: DMA/PSF /ORMC	
KPI 4.2 Accelerate FAA signings	27 FAAs signed	33 FAAs signed (especially focusing on signing FAAs that were unsigned at end of 2019)	Primary: DMA/PSF Support: OGC/OPM	Report on status of FAAs at each Board meeting
KPI 4.3 Projected aggregate disbursements	USD 672 million cumulative disbursements	Cumulative disbursements reach USD 1.2–1.6 billion	Primary: DMA/PSF/OPM Support: DSS/ORMC	Reports on status of portfolio to Board
KPI 4.4 Privileges and Immunities (P&I)	22 cumulative P&Is signed through September 2019;	5 additional Privileges and Immunities Agreements to be signed	Primary: OGC Support: DCP	Status report on P&I

	information on systemic risk posed by absence of P&I included in Secretariat report to Board at B.23			
KPI 4.5 Strengthen and standardize procurement systems to ensure value for money and transparency	Procurement requests are received through Procurement System (SAP Ariba)	Procurement Requests are acknowledged and procurement actions are initiated within 10 working days from receipt by Head of Procurement	Primary: DSS/Procurement	Procurement tracking list and Procurement System (SAP Ariba)
	Procurement produces quarterly statistic report	100% of requested data made available within 7 days		Quarterly statistics collected over the year
		100% of data is usable by those it is intended to serve		Survey in December 2020
KPI 4.6: Ensure transparency to non-classified information through real-time information systems	To be established and reported	80% of non-classified authoritative information made available to external parties	Primary: DSS/ICT Support: OED, DEA, All	Established start of 2020 baseline, enabled by house-wide taxonomy, data classification AI, inventory and curated information hub. Online pages, tools, APIs for pulling data are in place
	Identification of data sets and targets; monitoring system not applied yet	75% of data sets are kept current by the business owners according to targets by class	Primary: DSS/ICT Support: OED, DEA, All	Automated monitoring wherever feasible, complemented by check through OIA
KPI 4.7 Externally audited financial statements for 2019	Audit work to start in Q4-2019 2018 financial statements clean audit opinion was obtained	Financial statements audited for the year 2019, with unqualified audit opinion	Primary: DSS/Finance Support: All	Opinion from the external auditors
KPI 4.8	Establishment of Climate Investment Committee and Operations Committees;	4 sets of templates and SOPs established for Committees	Primary: OED	Distribution of templates and SOPs to Secretariat divisions

Templates and SOPs developed for Secretariat operations committees	Administrative Instruction establishing committees adopted		Support: OC and CIC Secretary	
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Priority 5: Adopt dynamic adaptive management of portfolio implementation and strengthening the results management of GCF				
Assumptions:				
(1) Relevant Board decisions adopted for the uptake of the integrated results management framework				
KPIs	Baseline (as at 30 Sept 2019)	Target (by 31 Dec 2020)	Division/Unit	Means of Verification
<u>KPI 5.1</u> Integrated results management framework (RMF) developed	Interim results framework insufficient to fully measure organizational efficiency and climate results	An integrated and 'fit-for-purpose' RMF submitted to B.25 (and operationalized, subject to Board approval)	Primary: OPM Support: All	Integrated RMF
	Lack of measurement, reporting and verification (MRV) and monitoring and evaluation (M&E) systems	MRV/M&E systems finalized and guidance on MRV/M&E systems developed for use by AEs		Methodologies, guidelines and protocols on MRV/M&E systems
<u>KPI 5.2</u> Implementation reports reviewed and 2020 APPR published	40 APRs reviewed, 50 readiness grants requesting subsequent disbursements reviewed	At least 65 APRs and 90 Readiness reports reviewed, analysed and AEs/DPs/NDA engaged on findings Follow-up engagement on portfolio implementation issues held with each of the five entities to which GCF is most exposed with respect to funded activities and the Readiness Programme	Primary: OPM Support: DCP/DMA/PSF /ORMC	APPR; Tools and guidelines produced; Record of workshop and AE/DP/NDA meetings
	APPR produced for B.24	APPR 2020 presented to B.27		Primary: OPM

Priority 6: Consolidate institutional capacities and take initial steps to position the GCF to be a global thought leader and policy influencer in climate finance				
Assumptions:				
<p>(1) Relevant Board decisions adopted (2) Communications strategy adopted by SMT by end 2019</p>				
KPIs	Baseline (as at 30 Sept 2019)	Target (by 31 Dec 2020)	Division/Unit	Means of Verification
<u>KPI 6.1</u> Enhanced staff engagement and increased capacity	Job classification and standardization of job descriptions undertaken	95% staff with standardized Job Descriptions completed, updated and used to ensure efficiency of operations	Primary: DSS/HR	Internal validation by HR
	88% average fill ratio	95% average fill ratio (total available positions/actual headcount)	Primary: DSS/HR	Internal validation by HR
	4% turn-over (3 rd quarter)	Maximum 10-20% turn-over of critical staff positions.	Primary: DSS/HR	Internal validation by HR
<u>KPI 6.2</u> Fostering a culture of innovation and respect	Culture circles established; SMT retreat adopts 10-point commitment; staff retreats and internal newsletter established	Regular assessment of implementation of SMT statement of commitment	Primary: SMT Support: All	SMT minutes
<u>KPI 6.3</u> Operationalization of the knowledge management system internally and externally	Draft Knowledge Management Strategy and Action Plan developed.	KM action plan initiated and GCF KM system launched	Primary: OED Support: All, DSS	GCF KM system launched, and KM action plan initiated
		Online knowledge hub launched featuring co-generated knowledge products developed with partners		Knowledge hub is online and available to external and internal stakeholders

<p><u>KPI 6.4</u> Implement communications strategy</p>	<p>Revised draft communications strategy to be considered by SMT November 2019</p>	<p>Adopt new branding guidelines</p>	<p>Primary: DEA</p>	<p>Endorsement of branding guidelines in SMT minutes</p>
	<p>30 September 2019 baselines: Twitter – 31,196 followers LinkedIn – 24,748 followers Instagram – 3,220 followers Facebook – 3,247 followers 2019 Q3 website baseline: Sessions: 188,311 Pageviews: 499,256</p>	<p>15% increase in followers on social media; 10% increase in website pageviews and sessions</p>		<p>Website traffic, social media dashboards</p>
<p><u>KPI 6.5</u> Develop partnership strategy & commence implementation</p>	<p>Draft partnership strategy finalized and submitted to SMT for its consideration.</p>	<p>Partnership strategy endorsed and implementation plan prepared</p>	<p>Primary: DEA Support: All</p>	<p>Endorsement of partnership strategy document in SMT minutes</p>
		<p>Support GCF global and regional outreach and engagements with representation at at least 10 regional and global events (including at least two side events on the margins of these event organized by the GCF).</p>		<p>Reports of Secretariat activities to Board</p>
<p><u>KPI 6.6</u> Mobilize additional resources and provide further support to GCF-1 replenishment</p>	<p>16 countries announced their intention to pledge (worth USD 7.420 billion)</p>	<p>Long-term resource mobilization plan for GCF developed and endorsed</p>	<p>Primary: DEA Support: OGC/DSS</p>	<p>Endorsement of resource mobilization plan in SMT minutes</p>
	<p>Pledging conference is planned to take place on</p>	<p>Submission of policies for contributions from alternative sources to board</p>		<p>Publication of relevant Board documents</p>

	24-25 October 2019 in Paris, France	Finalize contribution agreements/arrangements for least 90% of the pledges made		Number of signed contribution agreements and arrangements
		Throughout the GCF-1 period, continue resource mobilization efforts aiming to reach at least the level of IRM pledges		New pledges and new contribution agreements/arrangements
