

Annex III: Seventh Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

Executive summary

1. The sections below summarize the milestones reached by GCF under the guidance of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) towards its objective to promote the paradigm shift towards low-emission and climate-resilient development pathways, in serving the UNFCCC and the Paris Agreement, in the period 1 November 2017 to 30 April 2018.
2. The Board has approved USD 3.7 billion to support the implementation of 76 climate change adaptation and mitigation projects and programmes in 79 developing countries. These projects and programmes are expected to attract USD 8.8 billion in direct public and private sector co-financing. Of the USD 3.7 billion approved, USD 1.5 billion has come through the Private Sector Facility (PSF). Of the 76 projects and programmes approved, 60 per cent (46 projects) involve least developed countries (LDCs), small island developing States (SIDS) and African States. On a thematic basis, the portfolio is split 46 per cent for mitigation, 32 per cent for adaptation, and 22 per cent for cross-cutting. It is expected that these projects and programmes will abate 1.3 billion metric tonnes of carbon dioxide equivalent (CO₂ eq) of greenhouse gases in total and reach 217 million beneficiaries. Over 75 per cent of the amount allocated to adaptation is to projects and programmes to be implemented in LDCs, SIDS and African States and over 60 per cent of the total amount allocated to all approved projects and programmes is to be implemented in LDCs, SIDS and African States. The total value of the projects and programmes approved is USD 12.6 billion.
3. At its eighteenth meeting, the Board authorized, and the Secretariat subsequently launched, the Simplified Approval Process (SAP) Pilot Scheme with an allocation of up to USD 80 million in GCF financing. One SAP project has already been approved and more than three-quarters of SAP submissions to date are from direct access entities and national designated authorities (NDAs), showing that the scheme is on track to reach its target of 50 per cent of SAP approvals for direct access entities. The Board approved a request for proposals (RFP) for REDD-plus results-based payments with an initial envelop of USD 500 million. The Secretariat is working with countries to bring forward high quality proposals through this initiative. At least three REDD-plus concept notes are anticipated during 2018.
4. The Board approved an additional USD 60 million for the execution of the Readiness and Preparatory Support Programme (hereafter “Readiness Programme”), bringing the total amount allocated to the programme to USD 190 million. As at 30 April 2018, a cumulative amount of USD 90.9 million had been committed or spent. USD 86.1 million had been approved for 185 readiness requests from 110 countries. Of the 110 countries, 73 were SIDS, African States and LDCs. Legal arrangements had been completed for 146 of the approved readiness proposals and USD 19.7 million had been disbursed for 109 readiness requests received from countries.
5. Fifty-nine entities had been accredited to GCF, consisting of a 54:46 balance in the number of direct access entities and international access entities. Among the 59 entities accredited, eight are private sector entities including both direct and international access entities. An additional 79 entities had completed and submitted their applications for accreditation and were in the first stage of the accreditation process (institutional assessment and completeness check) and 24 applications were under review by the independent

Accreditation Panel (second stage of the accreditation process). With the aim of accrediting entities that fill the mandate on balance, diversity, coverage and advancing GCF objectives, the Board continued to prioritize entities applying for accreditation that are: national direct access entities; entities in the Asia-Pacific and Eastern European regions; private sector entities, in particular those in developing countries; entities responding to requests for proposal (RFPs) issued by GCF; accredited entities seeking fulfilment of conditions for accreditation; and accredited entities requesting upgrades in their accreditation scope.

6. As at 30 April 2018, GCF has entered into bilateral agreements on privileges and immunities with 17 countries.

7. GCF continues to further strengthen its investment and operational frameworks. The Board approved both an indigenous peoples policy and an environment and social policy to ensure the positive impact of its operations. Gender aspects also factor significantly in the work of GCF, with 92 per cent of projects considered by the Board containing gender assessments and 83 per cent of projects incorporating gender action plans. An updated Gender Policy and Action Plan will be considered by the Board in July 2018. As part of the ongoing process to simplify and clarify project and programme eligibility and selection criteria, the Board is addressing policy matters arising from consideration of the initial batches of funding proposals through an integrated approach. The update to the GCF risk management framework is under way with Board adopting key risk policies and revising the approach to reporting on concentration in the risk dashboard. The Board adopted the anti-money laundering and countering the financing of terrorism policy, and further work on integrity policies, including policies relating to prohibited practices, will be considered in 2018. The Board has also taken decisions to clarify the path forward on both the selection of the Permanent Trustee and the first formal replenishment process.

8. In its capacity as depository of the selections of members of the GCF Board, the Secretariat sent a communication to the chairs and coordinators of the respective constituencies and regional groups¹ bringing to their attention the process for the selection of Board members for the third term of membership to start on 1 January 2019 and to end on 31 December 2021. The chairs and coordinators of constituencies and regional groups are invited to notify the GCF Secretariat the names and contact details of the selected members and alternate members before 30 September 2018. An update on the status of selections to the GCF Board will be provided at the twenty-first meeting of the Board, to take place in October 2018, and communicated to COP 24. For further information on this process, please see annex XI.

9. Table 1 below provides an overview of GCF progress against key results since the sixth report of GCF to the COP was delivered in August 2017.

¹ The communications were sent to the chairs of the African Group of Negotiators; the Asia-Pacific Group; the Group of Latin American and the Caribbean States; the Group of Least Developed Countries; and the Alliance of Small Island States on 29 May 2018, and coordinators of the Eastern European Group; and the Environmental Integrity Group, as well as the Chair of the Umbrella Group, and the Permanent Representative of Bulgaria to the EU on 31 May 2018.

Table 1: Comparison of GCF progress against key result areas

GCF Result Area	6 th Report	7 th Report
Portfolio		
Number of approved projects	43	76
Number of approved projects in SIDS/LDCs/African states	29	46
Value of approved projects (GCF funding; USD billions)	2.2	3.7
Total value of approved projects (GCF + co-financing; USD billions)	7.3	12.6
Number of projects under disbursement	10	20
Value of projects under disbursement (GCF funding, USD millions)	228	651
Total GCF funding disbursed (USD millions)	47	158
Breakdown of portfolio by mitigation/adaptation/cross-cutting (%)	41/27/32	46/32/22
Total number of beneficiaries (direct + indirect; millions)	129	217
Total amount of CO ₂ equivalent abated (billions of metric tonnes)	0.98	1.3
Readiness and NAP Support		
Number of approved readiness requests	118	185
Number of approved NAP requests	3	12
Total value of approved Readiness and NAP requests (USD millions)	38.5	86.1
Accreditation and legal arrangements		
Total number of accredited entities	54	59
Number of direct access accredited entities	27	32
Number of private sector accredited entities	8	9
Number of accreditation master agreements signed	28	42
Number of funded activity agreements signed	18	32
Number of countries entered into agreements on privileges and immunities	12	17

Abbreviations: SIDS = small island developing States, LDCs = least developed countries, NAP = national adaptation plan.

I. Introduction

1. Parties to the United Nations Framework Convention on Climate Change (UNFCCC) through decision 1/CP.16 established the Green Climate Fund (GCF) to be designated as an operating entity of the Financial Mechanism of the Convention under article 11 of the UNFCCC to support projects, programmes, policies and other activities in developing country Parties.
2. At its seventeenth session, the Conference of Parties (COP) to the UNFCCC through decision 3/CP.17 launched GCF and approved its Governing Instrument which stipulates that GCF is to play a key role in channelling new, additional, predictable and adequate financial resources to developing countries so as to promote the paradigm shift towards low-emission and climate-resilient development pathways to achieve the goals set by the international community to combat climate change, while accountable to and functioning under the guidance of the COP.
3. Through decision 5/CP.19, the COP agreed to the arrangements between the COP and GCF to ensure that GCF is accountable to and functions under the guidance of the COP. Accordingly, GCF receives guidance from the COP, including on matters related to policies, programme priorities and eligibility criteria, and matters related thereto; takes appropriate action in response to the guidance received; and submits annual reports to the COP for its consideration and to receive further guidance.
4. By decision 1/CP/21, the COP decided that GCF as an entity entrusted with the operation of the Financial Mechanism of the UNFCCC is also to serve the Paris Agreement, which was adopted at COP 21.
5. This document presents the seventh annual report of GCF to the COP. It provides an overview of actions taken in response to COP guidance and milestones reached towards its objective to promote the paradigm shift towards low-emission and climate-resilient development pathways, in serving the UNFCCC and the Paris Agreement. It covers the period of November 2017 to 30 April 2018, during which the Board held its nineteenth (B.19) and twentieth (B.20) meetings.²

II. Accessing Green Climate Fund resources

2.1 Readiness and preparatory support

6. The Readiness Programme was put in place to enhance country ownership and to help countries access GCF resources. The programme therefore provides resources for strengthening the institutional capacities of national designated authorities (NDAs) or focal points and direct access entities to effectively engage with GCF. It also assists countries in undertaking adaptation planning and the development of strategic frameworks to build their programming with GCF.
7. In UNFCCC decision 10/CP.22, paragraph 7, the COP requested the Board to take into account decision 1/CP.21, paragraph 64, to enhance the coordination and delivery of resources to support country-driven strategies through simplified and efficient application and approval procedures, and through continued readiness support to developing country Parties.
8. By decision B.19/15, the Board approved an additional USD 60 million for the execution of the Readiness Programme, bringing the total amount allocated to the programme to USD 190

² The nineteenth and twentieth meetings of the Board were held on 26 February to 1 March 2018 and 1 to 4 July 2018, respectively, in Songdo, Republic of Korea.

million. As at 30 April 2018, a cumulative amount of USD 90.9 million had been committed or spent.

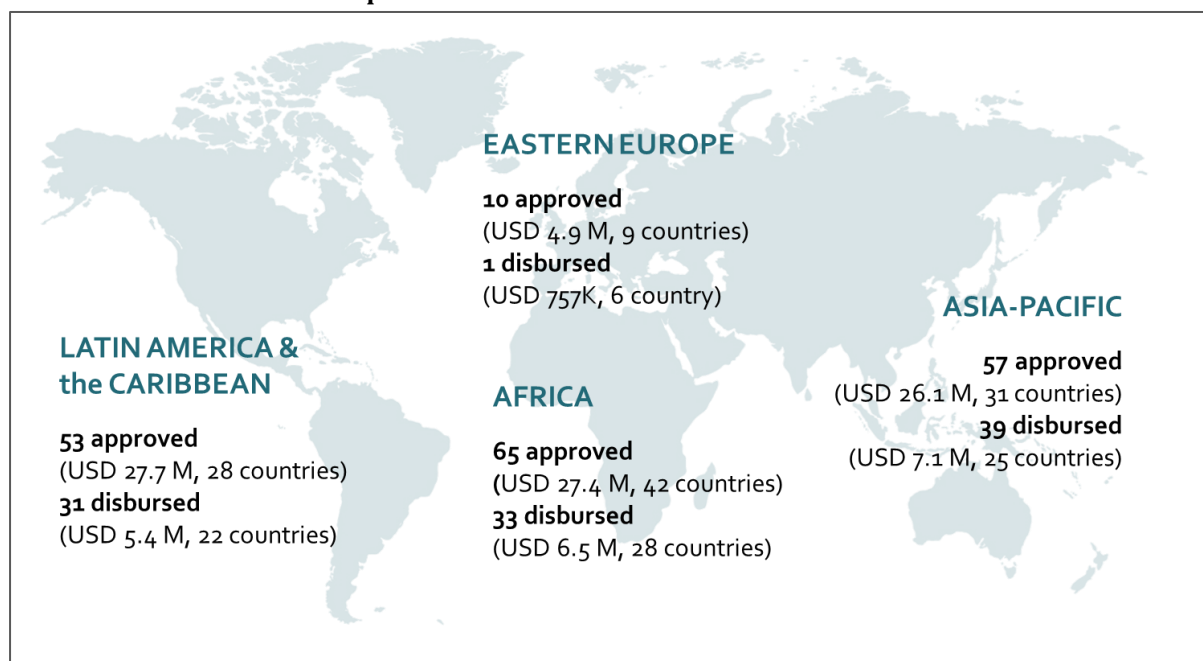
9. As at 30 April 2018, GCF had engaged with 127 countries on 284 readiness requests. USD 86.1 million had been committed in the form of grants or technical assistance for 185 readiness requests from 110 countries and 109 of the requests were under implementation or had been completed. Of the 110 countries whose readiness requests were approved, 73 were SIDS, LDCs and African States.

10. USD 4.7 million had been expended on readiness events, including structured dialogues, regional workshops and NDA visits to the Secretariat, and on providing in-kind support to countries and direct access entities through the GCF accreditation process.

11. Legal arrangements had been completed for 146 of the approved readiness proposals, either in the form of bilateral grant agreements or under the GCF framework agreement with multilateral agencies, and USD 19.7 million had been disbursed to 109 readiness requests received from countries.

12. Figure 1 shows the status of the Readiness Programme as at 30 April 2018.

Figure 1: USD 86.1 million in readiness resources committed to 185 readiness requests from 110 countries as at 30 April 2018



13. Table 11 in annex VII lists all the activities approved to receive readiness support as at 30 April 2018.

2.1.1. Expected results from readiness support

14. Key expected outcomes of readiness support provided include:

- (a) The development of country programmes that form the basis for countries' engagement with GCF, and development of project and programme pipelines. Recipient countries can engage with stakeholders in their countries, as well as accredited entities and the Secretariat in the structured dialogues to further develop their country programmes and pipelines of projects that implement national climate priorities identified in nationally determined contributions and other national strategies or plans;

- (b) The strengthening of the capacity of NDAs to engage stakeholders in their countries to conduct dialogues and consultations, particularly on GCF country programmes;
- (c) The provision of support to direct access entities in the accreditation process of GCF, from identification through to accreditation and, once accredited, the development of their capacities to build their pipelines of projects and programmes as articulated in their entity work programmes, and to effectively implement projects and programmes funded by GCF;
- (d) The establishment of transparent and efficient no-objection procedures in countries;
- (e) The engagement of the private sector and the mobilization of private sector finance in countries for climate action;
- (f) The establishment or strengthening of national adaptation planning processes; and
- (g) The strengthening of knowledge-sharing and learning through regional structured dialogues and other events, which are in addition to readiness grants and technical assistance provided to countries.

2.1.2. **Support for national adaptation plans and/or other adaptation planning processes**

15. The COP, in decision 1/CP.21, paragraph 46, requested the Board to expedite support for the LDCs and other developing countries for the formulation of national adaptation plans (NAPs), consistent with decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of policies, projects and programmes identified by them. In response to this guidance, through decision B.13/09, the Board decided to expedite support for developing countries for the formulation of NAPs consistent with decisions 1/CP.16, 5/CP.17 and 1/CP.21, paragraph 46, and for the subsequent implementation of projects, policies and programmes identified by them. The Board also invited NDAs and focal points to collaborate with readiness delivery partners and accredited entities to submit requests for support to formulate their NAPs and/or other adaptation planning processes.

16. The Board established a separate activity area under the Readiness Programme for the formulation of NAPs, and delegated authority to the Executive Director to approve up to USD 3 million to support the formulation of NAPs and other national planning processes, taking into consideration the UNFCCC NAP technical guidelines³ and the importance of coordination and complementarity with other NAP-related initiatives and support.

17. As of 30 April 2018, the Secretariat had approved 12 proposals (from Antigua and Barbuda, Argentina, Bangladesh, Bosnia and Herzegovina, Colombia, Democratic Republic of Congo, Kenya, Liberia, Nepal, Niger, Pakistan, and Uruguay), and had received NAP proposals from 37 additional countries, namely: Albania, Armenia, Benin, Bhutan, Cameroon, Costa Rica, Cote d'Ivoire, Commonwealth of Dominica, Dominican Republic, Ecuador, Egypt, Ghana, Guatemala, Haiti, Honduras, Iraq, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mongolia, Montenegro, Myanmar, Nigeria, Papua New Guinea, Serbia, Seychelles, South Sudan, Sudan, Swaziland, United Republic of Tanzania, Uganda, Uruguay, Uzbekistan and Zimbabwe.

2.1.3. **Support for direct access entities**

18. In decision 7/CP.20, paragraph 13, the COP requested the Board, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including

³ Least Developed Countries Expert Group. 2012. *Least Developed Countries: National Adaptation Plans: Technical Guidelines for the National Adaptation Plan Process*.

the LDCs, SIDS and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast tracking upon request.

19. As at 30 April 2018, GCF had provided in-kind accreditation support to 185 entities nominated by the NDAs and focal points of 83 countries in African, Asia-Pacific, and Latin American and Caribbean States. Among them, technical assistance support had been approved for 29 direct access entities nominated by 33 countries for in-depth assessments of their institutional capacity, and fiduciary, environmental and social safeguards and gender standards against GCF accreditation requirements. To date, 19 of the entities nominated by 16 countries had received technical assistance enabling completion of their institutional gap assessments and preparation of action plans to address any gaps identified in order to meet GCF accreditation requirements. As of the same date, a total of USD 746,330.18 has been disbursed for the implementation of this support.

20. Following provision of the technical assistance, six entities had submitted their applications for accreditation (Stage I of the accreditation process); accreditation applications of two entities were under review (Stage II of the accreditation process); and two entities (Central American Bank for Economic Integration and Micronesia Conservation Trust) had been accredited. The institutional gap assessments reduce the time taken for reviews undertaken at Stage I and Stage II and help entities to accelerate through the accreditation process.

21. A user-friendly version of the online GCF accreditation self-assessment tool⁴ is available on the GCF website. The tool provides stakeholders interested in accreditation with insights into the fit-for-purpose accreditation requirements of GCF. Since its launch, more than 350 users, including NDAs, focal points and entities, have completed the assessment.

2.1.4. Evaluation of the Readiness Programme

22. By decision B.19/16, the Board approved the terms of reference for the independent evaluation of the Readiness Programme that will be undertaken by the Independent Evaluation Unit (IEU), with the aim of initiating and concluding the independent evaluation by July 2018.

23. By decision B.19/15, the Board requested the Secretariat to submit to the Board a proposal for improving the Readiness Programme based on the outcome of the Secretariat's initial review⁵ and of the independent evaluation of the Readiness Programme as soon as it is concluded.

2.2 Accreditation to GCF

24. Access to GCF resources for the implementation of adaptation and mitigation is through entities accredited to GCF. Accredited entities play a key role in working with developing countries to bring forward funding proposals and, once approved by GCF, to oversee the implementation of the projects and programmes in countries and monitor and report on the results achieved. The COP, by decision 7/CP.20, paragraph 13, encouraged the timely implementation of the GCF accreditation framework, and in decision 7/CP.21, paragraph 16,

⁴ The online GCF accreditation self-assessment tool is available at <<https://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool>>

⁵ Findings of the initial review by the Secretariat of the Readiness Programme were submitted to the Board at its nineteenth meeting and are available at <https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_32_Add.01_-_Readiness_and_Preparatory_Support_Programme_Revised_Work_Programme_for_2018__Addendum_I_Final_report_from_Dalberg_on_the_initial_review_of_the_Readiness_Programme.pdf/e3bdea93-7ff1-42b3-92de-cb2aaafdc05b>.

urged the Board to streamline the accreditation modalities and to seek a balance of diversity in accredited entities.

25. GCF adopted the fit-for-purpose approach to accreditation, so that entities are accredited according to the project size category, financial activity and level of environmental and social risk of the projects and programmes that they intend to bring to GCF.

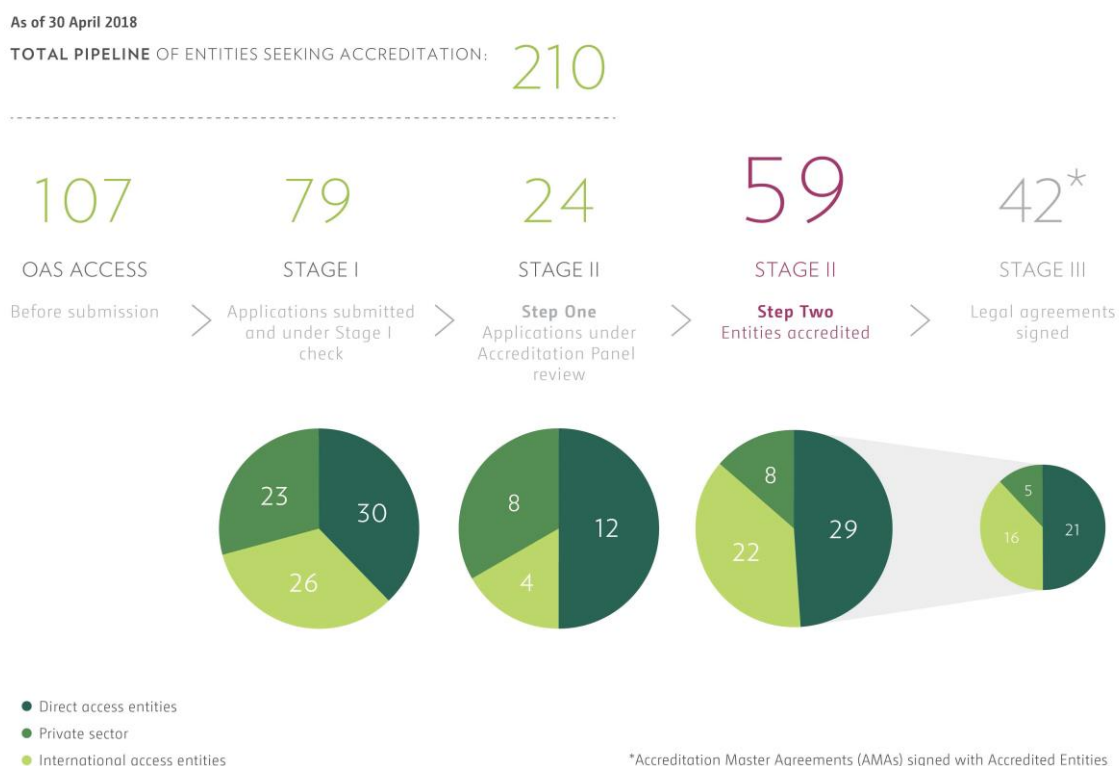
26. As at 30 April 2018, a total of 59 entities had been accredited to GCF, including 32 direct access entities (21 national, of which two are private sector entities, and 11 regional direct access entities, of which one is a private sector entity) and 27 international access entities (of which 6 are private sector entities). This represents an increase in the proportion of the number of direct access entities in the total portfolio of accredited entities from 50 per cent on 31 July 2017 (the cut-off point for reporting in the fifth report of GCF to the COP) to 54 per cent. The Governing Instrument establishes that countries will determine the mode of access, and both the direct access and international access modalities can be used simultaneously.

27. Of the 59 entities accredited, 42 had signed accreditation master agreements (AMAs) with GCF, thereby completing the accreditation process.

28. As at 30 April 2018, an additional 210 entities were seeking accreditation to GCF and were at various stages of the accreditation process. Of these, 107 entities had gained access to the GCF online accreditation system and are preparing their applications for submission; 79 entities had submitted their applications and are under Stage I of the accreditation process for institutional assessment and completeness checks; 24 were under Stage II (Step 1), the review by the independent Accreditation Panel which makes recommendations to the Board regarding the accreditation of entities.

29. Figure 2 shows the status of the accreditation pipeline as at 30 April 2018.

Figure 2: Pipeline of entities in the various stages of the application process as at 30 April 2018



30. At its fourteenth meeting, the Board, with the aim of bringing forward accredited entities that fill the mandate on balance, diversity, coverage and advancing the objectives of GCF, established a prioritization of entities applying for accreditation, applicable from October 2016 to the end of the twentieth meeting of the Board (B.20) in July 2018. To this end, the Board prioritizes the following:

- National direct access entities;
- Entities in the Asia-Pacific and Eastern European regions;
- Private sector entities, in particular those in developing countries, seeking a balance of diversity of entities in line with decisions B.09/07, paragraph (g), and B.10/06, paragraph (h);
- Entities responding to RFPs issued by GCF, for example including a pilot phase for enhancing direct access; a pilot programme to support micro, small, and medium-sized enterprises (MSMEs); and a pilot programme to mobilize resources at scale in order to address adaptation and mitigation;
- Accredited entities seeking fulfilment of conditions for accreditation; and
- Accredited entities requesting upgrades in their accreditation scope.

31. As at 30 April 2018, the Secretariat had received a total of seven applications from accredited entities to upgrade their accreditation types, of which two upgrades were approved by the Board. The remaining five entities include three direct access accredited entities and two international access accredited entities. The upgrade applications from one direct access accredited entity and one international access accredited entity are under Stage II (Step 1)

review by the independent Accreditation Panel, and three remaining applications are currently under Stage I of the accreditation process.

32. The Board is scheduled to consider additional applications for accreditation at upcoming Board meetings. The Board is also to further consider matters related to the review of the accreditation framework.

33. Annex VI lists all the entities accredited to GCF as at 30 April 2018.

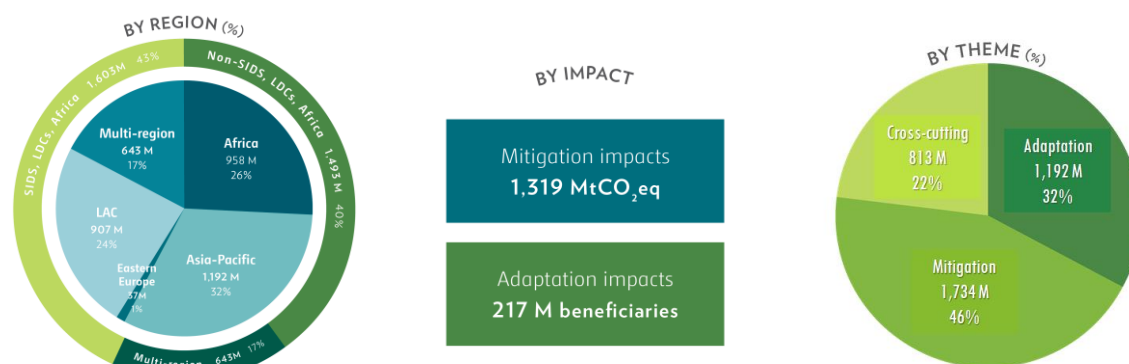
2.3 Support for adaptation and mitigation actions

34. The Board, as at its nineteenth meeting (B.19), had approved USD 3.7 billion to support the implementation of 76 climate change adaptation and mitigation projects and programmes in 79 developing countries. The GCF portfolio contains 46 projects and programmes that involve LDCs, SIDS and African States. It is expected that the projects and programmes will abate a total of 1.3 billion Mt CO₂ eq and reach 217 million beneficiaries. The total value of the projects and programmes approved is USD 12.6 billion.

35. In nominal terms, of the USD 3.7 billion approved by the Board, 46 per cent is allocated through the mitigation window, 32 per cent through the adaptation window and 22 per cent cuts across the adaptation and mitigation windows. By disaggregating the cross-cutting projects and programmes, USD 2.3 billion (62 per cent) is allocated for mitigation projects and USD 1.4 billion (38 per cent) is allocated for adaptation projects.⁶

36. Figure 3 below shows the GCF Portfolio by region, impact, and thematic windows.

Figure 3: GCF Portfolio by region, impact, and thematic windows



37. The COP, in decision 7/CP.20, paragraph 13, requested the Board in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including LDCs, SIDS and African States. Over 75 per cent of the amount allocated to adaptation projects and programmes will be implemented in LDCs, SIDS and African States.

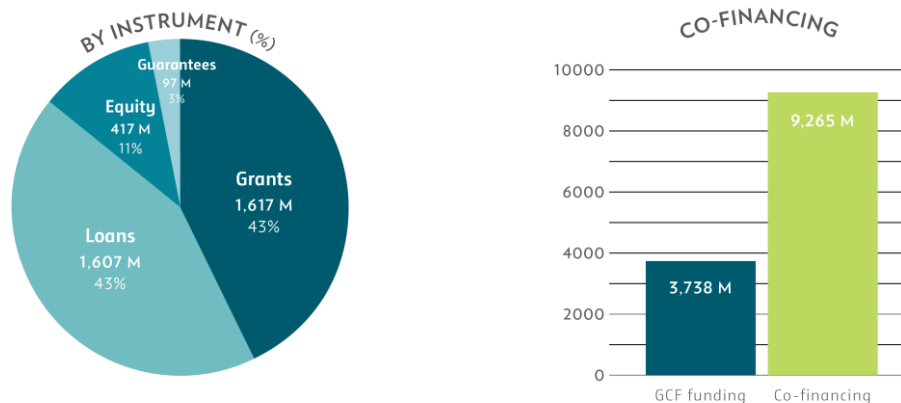
38. The current portfolio of GCF comprises 60 public sector projects and programmes, totalling USD 2.2 billion. The private sector portfolio contains 16 projects and programmes with

⁶ In terms of grant equivalency, 61% of the portfolio is dedicated to adaptation, and 39% to mitigation. The grant equivalents were estimated for each project using a uniform 5% discount rate. The Grant Equivalent Calculator (GEC) tool developed by the Office of Risk Management and Compliance of the GCF to measure the grant-like element embedded in GCF financing has been used for the calculations. The breakdowns by mitigation and adaptation for cross-cutting projects are preliminary estimates for all approved projects through B.19 based on the best information available to the Secretariat. The methodology to segregate the mitigation and adaptation components and the discount rate approach continues to be improved, so there may be modifications to the data in the coming months.

a total GCF contribution of USD 1.5 billion, utilizing a wide range of financial instruments as provided for in the Governing Instrument. Taken together, these projects and programmes are expected to attract USD 8.8 billion in direct public and private sector co-financing.

39. Figure 4 provides an overview of the financial instruments applied and the combined co-financing in the current GCF portfolio.

Figure 4: Instruments in the GCF portfolio and co-financing



40. More details on the projects and programmes approved to receive GCF funding as at 30 April 2018 are provided in annex VII. The Board will continue to consider additional funding proposals at upcoming Board meetings.

2.3.1. Alignment of the GCF portfolio with the initial results management framework

41. In the arrangements between the COP and GCF, the COP requested the Board to indicate actions undertaken to balance the allocation between adaptation and mitigation activities. In line with decision B.09/02, with project approvals over USD 2 billion, the Board at its seventeenth meeting considered actions to align the portfolio composition with the initial results management framework, which consists of an equal number (four each) of adaptation and mitigation result areas. In order to align the portfolio composition with the initial results management framework, the Board by decision B.17/08 requested the Secretariat:

- (a) To undertake targeted outreach to promote partnerships between accredited entities and those potential non-accredited entities that have the technical expertise to support targeted result areas;
- (b) To prepare targeted RFPs for Board consideration as appropriate; and
- (c) To work with accredited entities to ensure that the financial terms and conditions proposed in concept notes and funding proposals for concessional loan products meet the principles agreed by the Board, and to apply these in a fit-for-purpose manner.

42. The Board by decision B.17/08 also requested the Secretariat to undertake additional analysis, taking into consideration potential investment priority areas considered by the Board at its ninth meeting, to identify specific result areas where targeted GCF investment would have the most impact.

43. In line with decision B.06/06 and paragraph 3 of the Governing Instrument, the Board will continue to aim to maintain a balance between mitigation and adaptation over time as it considers further projects and programmes at its meetings.

2.4 Simplified approval process

44. Through decision 7/CP.21, paragraph 14, the COP requested the Board to adopt a simplified process for approval of proposals for certain activities, in particular for small-scale activities to reduce complexities and costs involved in project proposal development and to move efficiently from project conception to implementation.

45. The Board by decision B.18/06 approved the Simplified Approval Process (SAP) Pilot Scheme with an allocation of up to USD 80 million in GCF financing, and requested the Secretariat to operationalize the pilot as expeditiously as possible. The decision simplifies the approval process for certain funding proposals in two ways:

- (a) The supporting documentation to be provided with the funding proposal is reduced; and
- (b) The review and approval processes are streamlined. Projects or programmes eligible under the SAP pilot are those ready for scaling up and having potential for transformation, promoting a paradigm shift to low-emission and climate-resilient development; projects or programmes with a GCF contribution of up to USD 10 million; and projects or programmes whose environmental and social risks and impacts are classified as minimal to none.

46. The SAP pilot is to be reviewed two years from its operationalization, or when the aggregate approvals under the pilot reach USD 80 million, whichever is earlier, with a view to further improving the efficiency and effectiveness of the process, considering expanding the type of eligible activities and to increasing GCF funding.

47. Following the Board approval at the eighteenth meeting in October 2017, the SAP Pilot Scheme was launched at COP 23 in November 2017. By March 2018 at B.19, the first SAP project, submitted by the Environmental Investment Fund of Namibia,⁷ was approved by the Board.

48. As at 30 April 2018, the SAP pipeline consisted of 13 public-sector proposals: two funding proposals and 11 concept notes. Seventy-seven per cent of the submissions were submitted by direct access entities and NDAs.

49. To increase and enhance the SAP pilot pipeline and portfolio, the Secretariat has been undertaking various communications and outreach activities, as well as direct engagement with NDAs and accredited entities. The SAP pilot concept note template and the simplified format for the funding proposal template are now available on the GCF website.

2.5 Policy matters related to the approval of funding proposals

2.5.1 Review of the initial proposal approval process

50. Following decisions B.17/09 and B.17/10 to develop and update GCF policies and procedures, the ongoing work of GCF included revisiting policy gaps. By decision B.19/06, the Board took note of the linkages between matters related to policy gaps identified in decision B.11/11 with matters related to incremental costs and concessionality, as well as the GCF

⁷ Further information on SAP001: "Improving rangeland and ecosystem management practices of smallholder farmers under conditions of climate change in Sesfontein, Fransfontein, and Warmquelle areas of the Republic of Namibia" is available at < <https://www.greenclimate.fund/-/improving-rangeland-and-ecosystem-management-practices-of-smallholder-farmers-under-conditions-of-climate-change-in-sesfontein-fransfontein-and-warmqu?inheritRedirect=true&redirect=%2Fwhat-we-do%2Fprojects-programmes>>.

results management framework, initial investment framework, country programmes and entity work programmes, and risk management framework.

51. Noting that addressing these policy gaps requires an integrated approach that considers their interlinkages, the Board requested the Secretariat to develop such an integrated approach to resolve these interrelated issues for consideration by the Board, including:

- (a) Steps to enhance the climate rationale of GCF-supported activities; and
- (b) Policies on the review of the financial terms and conditions of GCF instruments and concessionality, incremental costs, full costs and co-financing.

52. Pursuant to decision B.19/06 paragraph (f), the Board instructed the Secretariat to include a capacity-building strategy in its development of such approaches to support NDAs/focal points and accredited entities, and in particular direct access entities, to incorporate these policies.

53. The Board is also to consider a proposal on investment criteria indicators and options for the independent Technical Advisory Panel to accommodate the increase in funding proposals from the simplified approval process and regular funding proposals process.

2.5.2. Strengthening and scaling up the pipeline

54. As at 30 April 2018, the GCF pipeline is comprised of 66 public- and private-sector funding proposals, which request a total GCF funding of USD 3.9 billion to support projects and programmes totalling USD 17.7 billion, when taking co-financing into account. Since the eighteenth meeting of the Board (B.18), the Secretariat has received 28 new funding proposals from accredited entities and NDAs, which are at the different review stages of completeness check and second level of due diligence depending on the quality of the proposals.

55. The GCF pipeline includes 179 public and private concept notes, which request a total GCF funding of USD 10.7 billion, totalling USD 36.6 billion when taking co-financing into account. Since B.18, the Secretariat has received 58 new concept notes, including 13 SAP projects, from accredited entities and NDAs.

56. Among efforts to further scale up the pipeline with high quality projects, the Secretariat is drafting the sectoral/results areas guidelines, aiming to provide a first draft version to the public by the end of 2018.

2.5.3. Update to the GCF risk management framework

57. In decision 7/CP.21, paragraph 18, the COP requested the Board to prioritize the development of its initial risk management framework.

58. By decision B.17/11, the Board adopted the first set of components of the updated risk management framework, which included: (i) the revised risk register; (ii) risk appetite statement; (iii) risk dashboard; and (iv) risk guidelines for funding proposals. This decision replaced the interim versions of certain components such as the initial risk register, dashboard and risk guidelines for the public and private sectors which were adopted pursuant to past Board decisions. The updated risk management framework complements the financial risk management framework adopted pursuant to decision B.07/05. The risk dashboard and the underlying methodologies were to be further developed and considered by the Board.

59. By decision B.19/04, the Board adopted an update to the risk dashboard with the revised approach to reporting on concentration and requested the Secretariat to publish the updated risk dashboard every quarter. The first publication of the risk dashboard is planned for May 2018. By the same decision, the Board also adopted the second set of components of the

risk management framework, which included three policies governing investment risk, non-financial risk and funding risk.

60. Work to develop the remaining components of the risk management framework, including risk rating/scoring models and risk policies managing compliance and legal risks is ongoing and will be presented to the Board at subsequent meetings for its consideration.

2.6 Disbursement of resources for the implementation of approved projects and programmes

61. The COP, in decision 10/CP.22, paragraph 10, requested the Board to enhance the delivery of resources by addressing those measures that are delaying the implementation of projects that have been approved by the Board, including the conclusion of pending accreditation master agreements and funded activity agreements.

62. An accreditation master agreement (AMA) is the central instrument in the relationship between GCF and an accredited entity. It sets out the basic terms and conditions as to how the accredited entity and GCF can work together for the use of GCF resources. Once entities are accredited to GCF, an AMA between GCF and the accredited entity is to be signed as the last step in the accreditation process. The Board, through decision B.12/31, paragraph (f), requested the Executive Director of the Secretariat, as a matter of urgency, to prioritize the execution of AMAs with those entities accredited by the Board. The Secretariat continues to make every effort to expedite the conclusion of legal agreements to pave the way for project implementation.

63. AMAs have been signed with 42 of the 59 entities accredited to GCF as of 30 April 2018. Out of the 76 projects and programmes approved, FAAs for 32 projects have been signed, corresponding to USD 1.43 billion of GCF funding.

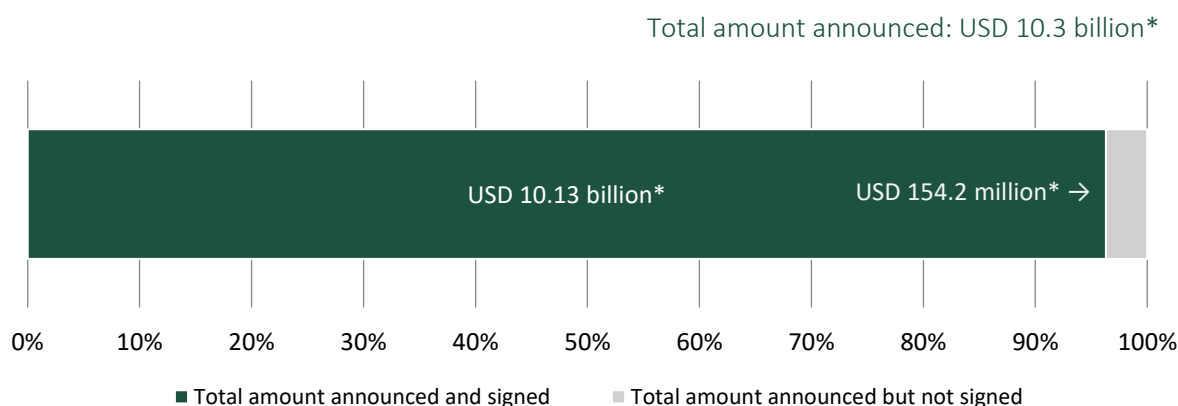
64. As at 30 April 2018, the number of projects and programmes receiving disbursements has increased to 20 of the 76 approved projects. The 20 projects under disbursement are valued at over USD 651 million in GCF funding and are active in 20 countries. Disbursements totalling USD 158.2 million have been made to date. Of that amount, USD 93.9 million (59 per cent) has been disbursed for three private sector projects, and USD 64.2 million (41 per cent) for 17 public sector projects.

65. To date, a total of 26 projects and programmes have effective Funded Activity Agreements (FAAs), allowing them to move to implementation. With this progress, disbursements are expected to continue accelerating in 2018.

2.7 Status of resources and arrangements for the formal GCF replenishment process

66. Pledges to GCF in the initial resource mobilization period as at 30 April 2018 amount to USD 10.3 billion equivalent. The pledges are from 43 countries, three regions and one city, 34 of which are developed and nine are developing countries. Approximately USD 10.2 billion of the pledges had been converted into contribution agreements/arrangements, representing 99 per cent of the total pledged amount. GCF continues to work with the relevant contributors on conversion of the remaining pledged amounts into signed contributions or arrangements. Annex IV provides details of the status of pledges and contributions as at 30 April 2018.

Figure 5: Amount pledged to the GCF in the initial resource mobilization period and signed contribution arrangements as at 30 April 2018



* Amounts indicated are in United States dollars equivalent (USD eq.)

67. The initial resource mobilization period for GCF continues, and new pledges are accepted on an ongoing basis.

2.7.4. Arrangements for the formal GCF replenishment process

68. The COP, by decision 9/CP.23, encouraged the Board to launch the first GCF replenishment process in accordance with previous decisions of the COP and the Board. At the subsequent meeting of the Board (B.19), the Board adopted decision B.19/05 to advance work under its 2018 work programme to conclude the essential preparatory arrangements for the first formal replenishment process and requested the Co-Chairs, with the support of the Secretariat, and in consultation with members of the Board, to oversee the preparation of necessary policies and procedures for the formal replenishment process. The Secretariat is scheduled to present a document on the matter to the Board for its consideration at B.20. Also, the Co-Chairs, with the support of the Secretariat, are planning for consultation meetings among Board members to discuss the formal replenishment process.

III. Support for forest-related actions

69. In line with the mandates of GCF as established by the COP, GCF is to promote the paradigm shift towards low-emission and climate-resilient development pathways and support the implementation of the Paris Agreement. These are the two strategic objectives of the GCF Strategic Plan for 2015–2018. Accordingly, this document outlines operationalization of REDD-plus as one of the key actions that the Board will take in promoting pipeline development and fulfilling the GCF mandate.

70. In decision 10/CP.22, paragraph 4, the COP urged the Board to finalize in a timely manner its work related to the guidance of the COP on financing for forests as mandated by decision 7/CP.21, paragraphs 23–25.

3.1 Operationalizing results-based payments for REDD-plus

71. Building on the REDD-plus logic model and performance measurement framework for ex-post REDD-plus results-based payments adopted at its eighth meeting, the Board in decision B.12/07, paragraph (d) requested the preparation of a document allowing for the operationalization of results-based payments for REDD-plus activities. Subsequently, the Board mandated through decision B.14/03 the development of a RFP for REDD-plus results-based

payments, including guidance consistent with the Warsaw Framework for REDD-plus and other REDD-plus UNFCCC decisions. Decision B.14/03 also mandated the development of further guidance to support efforts by NDAs and focal points to engage with GCF in the early phases of REDD-plus.

72. By decision B.18/07, the Board approved the REDD-plus RFP and all necessary templates were subsequently published for immediate use. The pilot is now open for applications but has not yet received any, although frequent communication exchanges with several NDAs are being conducted since its approval. The Secretariat has developed further guidance documents that will be posted on the website prior to B.20. It is expected that approximately three Concept Notes will be received by the end of 2018.

3.2 Private sector engagement on forest finance

73. In decision B.12/07, paragraph (f), the Board invited the Private Sector Advisory Group (PSAG) to make recommendations on the mobilization of private sector finance to progress GCF forestry-related areas.

74. The PSAG held a meeting from 28 February to 1 March 2018 in Songdo, South Korea to discuss this request from the Board. A background document was prepared by the Secretariat to initiate and facilitate the discussion. PSAG recommendations to the Board on private sector engagement on forest finance are scheduled to be presented to the Board at its twenty-first meeting in October 2018.

3.3 Alternative policy approaches for the integral and sustainable management of forests

75. In decision B.12/07, paragraph (e), the Board requested the Secretariat to prepare a document regarding alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests consistent with decisions 16/CP.21, paragraph 6, and 7/CP.21, paragraph 25. The Secretariat is analysing options to implement the alternative policy approaches and is scheduled to present a document on the matter for consideration at the twenty-first meeting of the Board in October 2018.

3.4 Further guidance for national designated authorities and focal points on how to engage with GCF in the early phases of REDD-plus

76. By decision B.17/19, the Board encouraged NDAs and focal points to access readiness support directly, or to collaborate with readiness delivery partners and accredited entities to submit readiness requests for the early phases of REDD-plus, using the existing modalities for accessing readiness and preparatory support. The Board also encouraged NDAs and focal points to collaborate with accredited entities to submit concept notes, project preparation facility (PPF) requests and funding proposals that will facilitate support for the early phases of REDD-plus.

77. In the same decision, the Board requested the Secretariat to prepare appropriate communication material to facilitate access to the information presented in the guidance document for early phases of REDD-plus, and to update the information provided in the light of future Board decisions when needed. The Secretariat has created the following communication materials to respond to the Board request:

- (a) “GCF in Brief: REDD-plus”⁸ pamphlet that presents key information on GCF support for REDD-plus in a compact format; and
 - (b) A webinar series scheduled to cover different time zones for providing further information on GCF funding modalities for REDD-plus implementation.
78. The Board and the Secretariat will continue to provide guidance for NDAs and focal points to facilitate engagement with GCF in the early phases of REDD-plus.

IV. Support for technology

79. By decision B.14/02, the Board confirmed that current GCF modalities enable support for technology development and transfer, including for facilitating access to environmentally sound technologies and for collaborative research and development.
80. The Board, in decision B.18/03, paragraph (b), encouraged NDAs/focal points to submit readiness requests, concept notes, funding proposals and PPF proposals supporting technology collaborative research and development. The Board also requested the Secretariat to develop for consideration by the Board the terms of reference for a RFP to support climate technology incubators and accelerators (I&As).
81. By decision 9/CP.23, paragraph 18, the COP encouraged GCF to report information on projects approved by the Board that support the innovation and/or scaling up of climate technologies. The Board responded in decision B.19/02, paragraph (c), requesting the Secretariat to include in the annual report to the COP information on projects approved by the Board that support the innovation and/or scaling up of climate technologies. This section addresses these mandates and provides further details on GCF support for facilitating access to environmentally sound technologies, collaborative research and development for developing countries, and for innovation and/or scaling up of climate technologies.

4.1 Support for technology through the GCF Readiness Programme

82. In decision B.18/03, paragraph (d), the Board requested the Secretariat to continue collaborating with the Technology Mechanism in implementing support for technology. As at 30 April 2018, GCF has received nine readiness requests submitted by NDAs and focal points with the Climate Technology Centre and Network (CTCN)⁹ of the Technology Mechanism as delivery partner. Beyond the capacity-building provided with all readiness projects, the support for technology provides a window for communication between the NDA and national designated entities (NDEs).¹⁰ It also further enables access to finance for action on mitigation and adaptation priorities of requesting countries.
83. As at 30 April 2018, the nine CTCN submissions request over USD 2.5 million in GCF support, of which five have been approved, for a total commitment of USD 1.4 million. The Secretariat will continue to work with countries and the CTCN in this effort.
84. In order to assist NDAs, focal points, and NDEs to formulate proposals for technology-related readiness support, the Secretariat has undertaken a revision of the readiness guidebook to include technology outcomes, sub-outcomes, baselines and targets. The revised guidebook

⁸ GCF in Brief: REDD-plus available at <<https://www.greenclimate.fund/documents/20182/194568/GCF+in+Brief+-+REDD%2B/6ad00075-1469-4248-a066-8a8e622edacd>>.

⁹ The United Nations Environment Programme (UNEP) hosts the CTCN in collaboration with the United Nations Industrial Development Organization (UNIDO) and the support of a global consortium of partners. For the purposes of the GCF Readiness Programme, UNEP-CTCN is the delivery partner.

¹⁰ National designated authorities/NDEs are the in-country focal points for the UNFCCC Technology Mechanism.

provides clear guidance on how countries can use readiness resources to enhance the deployment of climate technologies by:

- (a) Establishing effective coordination between NDAs and NDEs;
- (b) Identifying and prioritizing appropriate climate technologies in accordance with national strategies and plans for climate adaptation and mitigation, including development of roadmaps for prioritized technologies;
- (c) Conducting feasibility assessments of selected climate technologies for mitigation and adaptation; and
- (d) Strengthening the enabling environment for supporting technology deployment, including market preparation and roll-out strategy development.

4.2 Support for technology through projects and programmes

4.2.1. Development of an approach to track technology-related GCF support

85. Paragraphs 35 and 38 of the Governing Instrument mandate that GCF will finance agreed full and agreed incremental costs for activities to enable and support enhanced technology development and transfer, including innovative approaches. Subsequent Board decisions, as referenced above and in addition to others, reaffirm this mandate.

86. The GCF investment framework elaborates activity sub-criteria and assessment factors for adaptation and mitigation funding proposals, adopted by decision B.09/05.¹¹ The investment framework contains activity sub-criteria and/or assessment factors relevant to low-emission or climate-resilient technologies. Accredited entities are expected to develop funding proposals with due consideration of the investment criteria and the relevant activity-specific sub-criteria and indicative assessment factors, including:

- (a) Potential for strengthened regulatory frameworks and policies to drive investment in low-emission technologies and activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development;
- (b) Opportunities for targeting innovative solutions, new market segments, developing or adopting new technologies, business models, modal shifts and/or processes;
- (c) Degree to which the programme or project reduces proposed risks of investment in technologies and strategies that promote climate resilience in developing countries;
- (d) Contribution of the programme or project to country's priorities for low-emission and climate-resilient development and demonstration of alignment with technology needs assessments (TNAs); and
- (e) Explanations of how best available technologies and/or best practices, including those of indigenous peoples and local communities, are considered and applied.

87. The Secretariat has recently undertaken a comparative analysis of mitigation and adaptation key performance indicators (KPIs), associated targets, and systems on measurement, reporting and verifications (MRVs) of GCF with those of other climate finance delivery channels, and harmonized – as part of the complementarity and coherence approach – KPIs and MRVs as a basis for the further development of an approach to tracking technology-related support. During the exercise, technology-related indicators have either been identified or revised to better reflect the impact achieved through mitigation and adaptation projects and programmes.

¹¹ The six GCF investment criteria are: impact potential, paradigm shift potential, sustainable development potential, needs of the recipient, country ownership, and efficiency and effectiveness.

This will also inform the Technology Mechanism of the UNFCCC as the Board undertakes further work on climate technology innovation by considering adoption of technology-related indicators in the performance measurement frameworks (PMFs).

88. GCF will continue to update the COP on the progress of this tracking approach in future GCF annual reports.

4.2.2. Examples of support for technology in the GCF portfolio

89. Early results of the application of the tracking approach reveal the GCF portfolio contains many examples of support for technology as well as capacity-building and enabling environment support to stimulate the uptake of climate technology, beginning from the first package of proposals approved by the Board in 2015. The support cuts across the mitigation and adaptation windows of GCF, and includes capacity-building, technical assistance and other enabling activities.

90. Table 2 below provides a non-exhaustive, indicative presentation of the types of support for technology provided through GCF projects and programmes. Further information on these projects is available on the GCF website.¹² The 11 projects and programmes included in Table 2 provide support to countries in all regions, including LDCs, SIDS and Africa. Three projects and programmes finance private sector activities (FP025, FP028, and FP078), and five are implemented by direct access entities (FP028, FP035, FP045, FP060, and FP078).

Table 2: Examples of support for technology in the GCF portfolio

Project title	Result areas	Technology component	Estimated impact target ^a
Cross-cutting (mitigation and adaptation)			
FP025 - Scaling up private sector climate finance through local financial institutions (GCF-EBRD SEFF co-financing Programme in Armenia, Egypt, Georgia, Jordan, Republic of Moldova, Mongolia, Morocco, Serbia, Tajikistan, Tunisia)	Energy generation and access; health, food and water security; infrastructure and built environment	Transfer of high performance EE, RE, and CR climate technologies to developing countries, investments in supply chains and local manufacturing to ensure the availability of these technologies locally	27.5M tCO ₂ ; 72,840 beneficiaries
FP040 – Scaling Up Hydropower Sector Climate Resilience in Tajikistan	Energy generation and access; health, food and water security; livelihoods of people and communities; infrastructure and built environment	Scale up the adoption of climate resilience practices and technologies in the Tajik hydropower sector	7.5M tCO ₂ ; 11M beneficiaries
FP060 – Water Sector Resilience Nexus for Sustainability in Barbados	Energy generation and access; health, food and water security; Livelihoods of people and communities	Promotion of renewable energy technologies usage to increase water security via the installation of photovoltaic solar and backup natural gas power for pumping stations	220.2K tCO ₂ ; 473,998 beneficiaries
Adaptation			

¹² GCF Portfolio available at <<https://www.greenclimate.fund/what-we-do/projects-programmes>>.

Project title	Result areas	Technology component	Estimated impact target ^a
FP002 – Scaling Up of Modernized Climate Information and Early Warning Systems in Malawi	Livelihoods of people and communities	Investments in climate information and early warning systems	2.1M beneficiaries
FP035 – Climate Information Services for Resilient Development in Vanuatu	Health, food and water security; livelihoods of people and communities; ecosystems and ecosystem services; infrastructure and built environment	Expansion of the use of Climate Information Services in five targeted sectors: tourism, agriculture, infrastructure, water management and fisheries.	260.7K beneficiaries
FP045 – Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha (India)	Health, food and water security; livelihoods of people and communities	Enhancement of ground water recharge in the community ponds through structural adaptation measures, and the use of solar pumps for micro irrigation	16.0M beneficiaries
FP078 – Acumen Resilient Agriculture Fund (ARAF) (Uganda, Ghana, Nigeria)	Health, food and water security; livelihoods of people and communities	Investment in aggregator platforms, digital platforms, innovative financial services	10M beneficiaries
Mitigation			
FP010 – De-risking and Scaling-up Investment in Energy Efficient Building Retrofits in Armenia	Buildings, cities, industries and appliances	Identification of and de-risking measures for market barriers to EE technology deployment, building off Armenia's TNA	1.4 M tCO ₂ eq
FP028 – Business loan Programme for GHG Emissions reduction in Mongolia	Energy generation and access; buildings, cities, industries and appliances	Promotion of both energy efficient and renewable energy technologies in the Mongolian MSME market, building off Mongolia's TNA	1.2M tCO ₂ eq
FP033 – Accelerating the Transformational Shift to a Low-Carbon Economy in the Republic of Mauritius	Energy generation and access	Promotion of renewable energy technologies, remove underlying barriers to sustainable use of the PV technology, implement technology-oriented grid absorption capacity solutions	4.3M tCO ₂ eq
FP071 – Scaling Up Energy Efficiency for Industrial Enterprises in Vietnam	Buildings, cities, industries and appliances	Scaling up of usage of energy efficiency technologies in the country's industrial sector	120M tCO ₂ eq

Abbreviations: EE = energy efficiency, RE = renewable energy, CR = climate resilience, FP = funding proposal, GCF-EBRD SEFF = Green Climate Fund-European Bank for Reconstruction and Development-Small Enterprise Financing Facility, GHG = greenhouse gas, MSME = micro, small and medium-sized enterprises, PV = photovoltaic, RE = renewable energy, TNA = Technology Needs Assessment, M = million, K = thousand.

^a Measured by GCF core indicators: (1) Expected tonnes of carbon dioxide equivalent (t CO₂ eq) to be reduced or avoided (mitigation only); (2) Expected total number of direct and indirect beneficiaries with increased resilience, disaggregated by gender (adaptation only).

91. The projects and programmes in Table 2 above are valued at USD 2.2 billion, of which GCF financing totals USD 699 million. Although not all the committed GCF financing or co-financing can or should be counted as support for technology, this non-exhaustive list indicates GCF has committed a significant percentage of its resources to supporting climate technology in developing countries.

4.3 Support for technology collaborative research and development

92. In decision B.18/03, paragraph (a), the Board took note of options presented by the Secretariat on support for technology collaborative research, development and demonstration, in respect of two approaches: (i) climate technology innovation systems and (ii) targeted climate technology research, development and demonstration support. In the same decision, paragraph (c), the Board subsequently requested the Secretariat to develop the terms of reference for a RFP to support climate technology I&As.

93. The Secretariat has undertaken a cross-divisional process to define and develop the terms of reference for the RFP requested by the Board in B.18/03. In doing so, the Secretariat has been mindful of the COP and Board guidance to continue collaboration with the Technology Executive Committee (TEC) and the CTCN in implementing support for technology, seeking the expertise of the Technology Mechanism and associated stakeholders.

94. The Secretariat actively participated in the CTCN Expert Meeting on National Systems of Innovation, held 21–23 February 2018 in Paris, which featured discussions on National Systems of Innovation and Incubators and Accelerators. At that meeting, the Secretariat was informed of the wide array of approaches to the topic, while gaining feedback on the GCF RFP mandated by B.18/03 from experts from UNIDO, US National Renewable Energy Laboratory, the Indian Institute of Technology, among others.

95. The Secretariat also co-organized, with the TEC and CTCN, a thematic dialogue¹³ on boosting climate technology I&As in developing countries, alongside the sixteenth meeting of the TEC. The dialogue addressed three main aspects: the role of I&As as part of a country's innovation ecosystem; experiences with I&As on the ground; and accelerating investment in climate technology I&As. The event offered significant expert and stakeholder feedback for the development of the GCF RFP on I&As. Specifically, the third session provided a forum for input directly to the GCF RFP on I&As, as well as discussing the role of I&As in achieving the goals of the Paris Agreement.

96. The Board is expected to consider the terms of reference for the RFP on I&As during its twenty-first meeting.

V. Capacity-building and support

97. In decision 7/CP.20, paragraph 8, the COP requested the Board to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument.

98. Through decision 16/CP.22, paragraph 9, the COP invited “United Nations agencies, multilateral organizations and relevant admitted observer organizations engaged in providing capacity-building support to developing countries to provide information to the secretariat to be uploaded on the capacity-building portal.”

¹³ Further information on this event is available at <http://unfccc.int/ttclear/events/2018_event2>.

99. Pursuant to the same decision, the UNFCCC secretariat issued an information note inviting submission of information on capacity-building activities undertaken between 1 January and 31 December 2017. The information note was shared with the Secretariat.

100. The note requested that the information submitted be in accordance with the 15 priority areas for capacity-building identified in the framework for capacity-building in developing countries (annex to UNFCCC decision 2/CP.7), namely:

- (a) Institutional capacity-building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points;
- (b) Enhancement and/or creation of an enabling environment;
- (c) National communications;
- (d) National climate change programmes;
- (e) Greenhouse gas inventories, emission database management, and systems for collecting, managing and utilizing activity data and emission factors;
- (f) Vulnerability and adaptation assessment;
- (g) Capacity-building for implementation of adaptation measures;
- (h) Assessment for implementation of mitigation options;
- (i) Research and systematic observation, including meteorological, hydrological and climatological services;
- (j) Development and transfer of technology;
- (k) Improved decision-making, including assistance for participation in international negotiations;
- (l) Clean development mechanism;
- (m) Needs arising out of the implementation of article 4, paragraphs 8 and 9, of the Convention;
- (n) Education, training and public awareness; and
- (o) Information and networking, including the establishment of databases.

101. As requested, the Secretariat is working to provide information through the capacity-building portal under the applicable priority areas.

5.1 Capacity-building and support through the GCF Readiness Programme

102. The Readiness Programme is a strategic priority for GCF and was established to strengthen and build enabling environments to allow developing countries to access GCF resources. It provides support to NDAs and focal points to prepare their strategic frameworks, including country programmes, and to develop GCF programme pipelines on mitigation and adaptation in a coherent approach. By decision B.08/11, the Board decided to use readiness resources to develop country-specific strategic frameworks for engagement with GCF, building on existing strategies and plans (which includes nationally appropriate mitigation actions, national adaptation programmes of action, NAPs and intended nationally determined contributions), support for accreditation for direct access entities and by decision B.13/09 also decided to support the formulation of NAPs under the Readiness Programme.

103. Developing strategic frameworks for national engagement with GCF (including country programmes, in accordance with decision B.08/10 and decision B.07/03 (initial proposal approval process), building on existing strategies and plans, including low-emission development strategies, nationally appropriate mitigation actions (NAMAs), NAPS and national adaptation programmes of action.

104. In accordance with the UNFCCC classification referred to in paragraph 101 above, the areas where GCF has provided financial support to developing countries through the Readiness Programme are in the areas: (a) institutional capacity-building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points; (b) the enhancement and/or creation of an enabling environment; (d) national climate change programmes; (f) vulnerability and adaptation assessment; (g) capacity-building for the implementation of adaptation measures; (n) education, training and public awareness; and (o) information and networking, including the establishment of databases.

5.2 Capacity-building and support through projects and programmes

105. GCF has also provided extensive support for capacity-building under its adaptation and mitigation thematic windows, where such activities are identified by countries as critical steps towards enhancing the climate change adaptation and mitigation results to be achieved through the implementation of their GCF-supported projects and programmes. Typically, this has been provided as financial support for capacity-building and technical assistance components of projects and programmes approved to receive financing from GCF.

106. In accordance with the UNFCCC classification, the financial support that GCF is to provide for capacity-building and technical assistance components of GCF projects and programmes have fallen under the areas: (a) institutional capacity-building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points; (b) the enhancement and/or creation of an enabling environment; (g) capacity-building for the implementation of adaptation measures; (i) research and systematic observation, including meteorological, hydrological and climatological services; and (n) education, training and public awareness.

VI. Facilitating an increase in the amount of direct access proposals in the Green Climate Fund pipeline

107. The COP, in decision 10/CP.22, paragraph 6, requested the Board to facilitate an increase in the amount of direct access proposals in the pipeline and to report to the COP on progress made in this regard. This section hereby responds to this request, focusing on the progress achieved by GCF from 31 July 2017 (the cut-off point for reporting in the sixth report of GCF to the COP) to 30 April 2018.

108. The Governing Instrument identifies direct access as a modality through which recipient countries receive funding. The GCF Strategic Plan for 2015–2018 identifies ensuring the responsiveness of GCF to developing countries' needs and priorities by enhancing country programming and direct access as a core operational modality. By decisions B.13/20, B.13/21, B.14/07, the Board has requested the Secretariat to facilitate and enhance access to the resources of GCF by direct access entities through a number of channels, including the simplified approval process and the Readiness Programme.

109. Following guidance from the COP in decision 10/CP.22, paragraph 6, the Board by decision B.15/03, paragraph (b) requested the Secretariat to prepare a document for consideration that outlines the actions to be taken by the Board to facilitate an increase in

proposals from direct access entities in the GCF pipeline. This matter will be under consideration by the Board at B.20.

110. The Board further requested the Secretariat to include information related to approaches taken to facilitate an increase in direct access proposals in decision B.18/02, paragraph (c) in the annual report to the COP. That information is included in annex XIII.

6.1 Current engagement with accredited direct access entities

111. The Secretariat has been working with all accredited entities to update or develop draft entity work programme briefs. Aiming to strengthen the proactive and strategic approach of GCF to programming and to deliver country-owned, high-impact proposals, the entity work programme briefs include information on overall engagement with GCF envisioned by the accredited entities, focus areas, potential pipeline with GCF, as well as readiness needs. The Secretariat reported to the Board on the development of 44 entity work programme briefs (including 22 from direct access entities) at B.19.

112. The Secretariat maintains a steady dialogue with all direct access accredited entities and continues to explore opportunities to provide further technical support to NDAs and direct access entities for developing high-quality funding proposals.

113. The Secretariat organized the Empowering Direct Access Workshop on 23–25 May 2017 at its headquarters in Songdo, Incheon, Republic of Korea. The goal of the workshop was to facilitate engagement between the Secretariat and the accredited direct access entities, and build their knowledge base to improve project design. The workshop also aimed to enhance peer-to-peer knowledge exchange, strengthen the capacity of entities and countries and build partnerships to address climate change. The workshop welcomed 68 participants, of which 41 represented direct access accredited entities, 19 were NDAs and eight were development partners.

114. As a result of a range of capacity-building learning sessions that were organized, the workshop offered an opportunity for the direct access accredited entities to discuss 32 project ideas and concept notes with the Secretariat, and received immediate feedback through focused bilateral meetings. In addition, the workshop provided focused guidance on seven funding proposals put forward by direct access accredited entities, along with two enhancing direct access pilot proposals, to assist their preparation for the next or final stage of review.

115. The engagement with direct access accredited entities enabled them to identify their needs at the institutional level and/or the project level, which could then be addressed through the Readiness Programme and/or the PPF. A number of readiness proposals were also advanced during the workshop, with six coming from countries and one from a direct access accredited entity. Since this workshop in May 2017, 17 PPF requests have been received from direct access accredited entities who attended, four of which have been approved or endorsed.

116. This engagement has also led to earlier identification of potential upgrades in accreditation types for direct access accredited entities in terms of project size category, fiduciary functions, and environmental and social risk category, and potential gaps related to these.

117. The Secretariat will be hosting the next Empowering Direct Access Workshop from 29 May to 1 June 2018 at its headquarters in Songdo, Incheon, Republic of Korea.

6.2 Further efforts to increase the amount of direct access proposals in the GCF pipeline

118. Through a number of channels within the GCF modalities exist that serve to increase or facilitate an increase in the origination of funding proposals from direct access accredited entities. The Secretariat works with direct access accredited entities and provides dedicated and targeted support in translating the identified needs into readiness requests and PPF requests while ensuring alignment with the respective NDA or focal point.

119. Since 31 July 2017, five readiness proposals have been endorsed for direct access accredited entities (Agency for Agricultural Development of Morocco, Centre de Suivi Ecologique, Environmental Investment Fund of Namibia, South African National Biodiversity Institute and Unidad Para el Cambio Rural of Argentina). An additional 12 direct access accredited entities have indicated that they would need readiness support to build their institutional capacities and pipeline of projects. In addition to closing accreditation conditions and achieving upgrades in terms of fiduciary standards and environmental and social safeguards, these activities also aim to further develop the capacities of direct access accredited entities.

120. Furthermore, the Board, in decision B.13/21, decided on the operational modalities of the PPF. In line with that decision, the PPF will support project and programme preparation requests from all accredited entities, especially direct access entities, and especially for projects in the micro- to small-sized category, with a view to enhancing the balance and diversity of the project pipeline.

121. The first PPF proposal (from the Ministry of National Resources of Rwanda for USD 1.5 million) was approved at the twelfth meeting of the Board, and has now completed all activities. On 30 April 2017, the Ministry of National Resources of Rwanda submitted its funding proposal of the underlying project, the Rural Green Economy and Climate Resilient Development Project, to the Secretariat. That funding proposal was approved at B.19 on 1 March 2018.

122. As at 30 April 2018, eight PPF applications in total were approved and six were submitted by direct access entities.

123. As of the reporting date, direct access entities had submitted 23 PPF requests with Letters of No-objection and the Secretariat is working with all direct access entities to help them to develop further PPF requests. Much of the support sought in the PPF requests is to conduct feasibility studies, environmental and social impact assessments, and stakeholder consultations.

124. Figure 10 in annex VII lists PPF proposals approved as at 30 April 2018.

6.3 Expected results of funding proposals from direct access accredited entities

125. The Secretariat continues to work closely with direct access entities and NDAs/focal points in developing their pipelines of proposals to be submitted to GCF. The sector/results areas guidelines, currently in the draft stage, would enable the direct access entities and NDAs to improve the quality and number of their proposals in the GCF pipeline.

126. As at 30 April 2018, the GCF pipeline contains 18 funding proposals from direct access accredited entities, requesting USD 1.2 billion of GCF funding, in addition to 42 concept notes requesting USD 2 billion in GCF support.

VII. Maximizing engagement with the private sector

127. As established by the Governing Instrument, the GCF has a Private Sector Facility (PSF) that seeks to promote the participation of private sector actors in developing countries, in

particular local actors, including MSMEs and local financial intermediaries. The Governing Instrument establishes that the facility will also support activities to enable private sector involvement in SIDS and LDCs and that the operation of the PSF will be consistent with a country-driven approach.

7.1 Accreditation of private sector entities

128. By decision 7/CP.20, paragraph 9, the COP requested the Board to accelerate the operationalization of the PSF by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector were accredited in 2015.

129. As at 30 April 2018, of the 59 entities accredited to GCF, nine are accredited as private sector entities. However, many other entities accredited to GCF, including national, regional and multilateral development banks, have brought forward private sector funding proposals to GCF. In addition, it is possible for accredited entities to partner with private sector or other entities to bring forward private sector proposals.

130. With the aim of bringing forward accredited entities that fill the mandate on balance, diversity, coverage and advancing GCF objectives, the Board by decision B.14/08 decided to prioritize certain applications for accreditation, among which are applications by private sector entities, and in particular those in developing countries. (See section 2.2 above on accreditation to GCF for other applications to be prioritized for accreditation from October 2016 to the end of B.20).

131. Furthermore, through decision B.17/06, the Board requested the Secretariat to provide recommendations for modalities to fast-track the accreditation of private sector entities for consideration by the Board. At B.19 the Secretariat proposed, as a part of the initial review of the accreditation framework, a project-specific assessment approach to accreditation, which would include engagement with the private sector, as those entities that had responded to the RFP for the mobilizing funds at scale pilot programme. Other ways to engage with GCF will be presented to the Board for its consideration at B.20.

7.2 Actions to promote private sector participation in projects

132. Of the total USD 3.7 billion approved for all GCF projects, USD 1.5 billion (41 per cent) has come through the PSF in the form of 16 projects and programmes. The private sector projects also include USD 4.5 billion in co-financing. The Board has mandated actions to further promote the participation of private sector actors in developing countries and in the LDCs and SIDS in line with the Governing Instrument and guidance from the COP as follows.

7.2.1 Establishment of pilot programmes

133. In decision B.10/11, the Board established two pilots targeting the private sector, namely:

- (a) A pilot programme to support MSMEs, allocated USD 200 million; and
- (b) A pilot programme to mobilize resources at scale in addressing adaptation and mitigation, allocated USD 500 million.

(a) Pilot programme to support micro, small, and medium- sized enterprises

134. Through decision B.13/22, the Board approved the MSME pilot RFP, deciding to limit GCF participation in the first tranche at USD 100 million. Since the launch of the pilot on 8 July

2016, the Board has so far approved two funding proposals among the shortlisted concept notes. The approved projects include: (i) USD 20 million for proposal (FP028) titled “Business Loan Programme for GHG Emissions Reduction” submitted by Mongolia-based XacBank to which GCF has disbursed its total commitment of USD 20 million, and; (ii) another USD 20 million for proposal (FP048) titled “Climate-Smart Agriculture (CSA) Risk Sharing Facility for MSMEs” submitted by the Inter-American Development Bank to be implemented in Guatemala and Mexico. Board approval of the proposal (FP029) titled “SCF Capital Solutions” submitted through the Development Bank of Southern Africa (DBSA) for USD 12.2 million lapsed in October 2017 as DBSA did not wish to extend the relevant deadline to execute the related funded activity agreement.

135. Further projects stemming from the MSME pilot are expected to be brought for consideration by the Board, as is Board approval of the launch of the RFP for the second tranche of the MSME pilot.

(b) Pilot programme to mobilize resources at scale

136. In decision B.16/23, the Board approved the mobilizing funds at scale pilot programme in April 2017, allocating up to USD 500 million to innovative, high-impact projects and programmes that mobilize private sector investment in climate change activities. The RFP attracted 350 concept note submissions from over 70 countries with an estimated GCF requested financing of USD 18 billion. Following a rigorous review according to criteria set out in the RFP, a shortlist of the top 30 concepts was published in December 2017 on the GCF website.¹⁴ The concept notes target investments in 50 developing countries, and are proposed by a range of organizations.

137. The Secretariat is engaging with all proponents of shortlisted concept notes to work with them on the next steps towards developing full funding proposals for consideration by the Board. Concept notes that were not shortlisted have the opportunity to work with an accredited entity to reapply through the regular funding window. Regarding the next steps of this process, GCF will continue to provide updates on its RFP website and at each Board meeting.

7.2.2. Enabling private sector involvement in least developed countries and small island developing States and in adaptation

138. The COP in decision 10/CP.22, paragraph 11 encouraged the Board to implement decision B.04/08 to develop modalities to support activities enabling private sector involvement in LDCs and SIDS, and to seek opportunities to engage with the private sector, including local actors, on adaptation action at the national, regional and international levels.

139. The Board, in decisions B.15/03 and B.17/06, requested the PSAG to provide recommendations on opportunities to engage the private sector, including local actors, in adaptation action at the national, regional, and international level. In PSAG meetings, initial data and content from GCF-commissioned research by the World Resources Institute was reviewed by PSAG members, which helped initiate the discussion. The document will be presented to the Board for its consideration at B.20.

7.2.3. Developing a private sector outreach plan

140. In decision B.12/20, the Board approved the initial Strategic Plan for GCF. That document included findings of the analysis of the barriers to crowding-in and maximizing the engagement of the private sector. The analysis called for the development of a private sector

¹⁴ <www.greenclimate.fund/500M>

outreach plan. To support this objective, the Board requested the PSAG to provide recommendations on the development of such an outreach plan.

141. Document GCF/B.19/30 titled “PSAG recommendations on the development of a private sector outreach plan”¹⁵ was presented to the Board at B.19. The recommendations include tailoring communication to the private sector, using existing networks and communication channels, continuing targeted requests for proposals, and ensuring expedited and predictable GCF timelines.

142. In decision B.19/17, the Board requested the Secretariat to incorporate PSAG recommendations into the strategic roadmap of the Secretariat for leveraging, mobilizing, and engaging domestic and international private sector actors, the communications strategy of GCF, and other relevant policies, processes and programmes, as appropriate. The Board also requested the Secretariat to consider including a private sector outreach focus as part of the regional GCF structured dialogues.

VIII. Complementarity and coherence with other funds

8.1 Operational framework on complementarity and coherence

143. The Governing Instrument institutes that GCF “shall operate in the context of appropriate arrangements between itself and other existing funds under the Convention, and between itself and other funds, entities, and channels of climate change financing outside the Fund” (paragraph 33). The Governing Instrument, in paragraph 34, also establishes that:

“The Board will develop methods to enhance complementarity between the activities of the Fund and the activities of other relevant bilateral, regional and global funding mechanisms and institutions, to better mobilize the full range of financial and technical capacities” and that “the Fund will promote coherence in programming at the national level through appropriate mechanisms”; and will also “initiate discussions on coherence in climate finance delivery with other relevant multilateral entities.”

144. The COP has in decisions 7/CP.20, paragraph 16, 7/CP.21, paragraph 26, and 11/CP.23, paragraph 3, encouraged the Board to improve complementarity and coherence with other institutions as per paragraphs 33 and 34 of the Governing Instrument, including by engaging with relevant bodies of the Convention, such as the Standing Committee on Finance.

145. Accordingly, the Board in decision B.13/12 mandated the preparation of an operational framework on complementarity and coherence (hereafter “the framework”) that is to act as the basis for cooperation between the Board and the Standing Committee on Finance. The framework is to be built around the key elements outlined in the Governing Instrument for GCF namely:

- (a) Board-level discussions on fund-to-fund arrangements (pillar I);
- (b) Enhanced complementarity at the activity level (pillar II);
- (c) Promotion of coherence at the national programming level (pillar III); and
- (d) Complementarity at the level of delivery of climate finance through an established dialogue (pillar IV).

¹⁵ Document GCF/B.19/30.

146. The framework was adopted by the Board through decision B.17/04, paragraph (a). Following an update on the progress against the framework at B.20, the Board is to consider options for the operationalization of these key elements.

8.2 Coherence and current engagement with other climate finance delivery channels *(this section to be revised pending the update going to the Board in document GCF/B.20/05)*

147. This section provides an update on the progress made and outputs from the framework, in line with decision B.17/04, paragraph (b). In order to drive the institution-wide work on the framework, the Secretariat has set targets to achieve with respect to pillars II and III. These targets include:

- (a) The number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level;
- (b) The number of concept notes and funding proposals submitted with consideration of complementarity with other climate finance delivery channels; and
- (c) The number of country-driven readiness and other preparatory support requests with consideration of complementarity with other climate finance delivery channels as a means of benchmarking progress.

148. The Secretariat, building on agreements during the first Annual Dialogue of Climate Finance Delivery Channels held in Bonn in 2017, organized a technical working mission to Washington DC in February 2018 to work out operational details jointly and bilaterally with the Adaptation Fund (AF), the Global Environment Facility (GEF), and the Climate Investment Funds (CIFs). This mission helped define specific steps to advance the work under pillar II, and explore potential approaches to advance work related to pillar III. The working missions also provided the opportunity to advance the targets set out in the paragraph above.

8.2.1 Work to enhance complementarity at the activity level (pillar II)

149. The Secretariat has undertaken work to enhance complementarity at the activity level in the following areas:

150. **Readiness and capacity-building activities:** the Secretariat has cooperated with other funds to create a process to systematically exchange information with regard to their support and pipelines on specific activities, starting with adaptation and forests/landscapes. This information sharing arrangement consists of virtual meetings every three months and has already resulted in (a) identification of overlaps in the delivery of support; (b) inputs and feedback in the development of policies of the different funds; and (c) alignment of outreach activities and materials, including the revision of templates for GCF support.

151. **Project preparation support and funding proposals:** the Secretariat has engaged with the other funds, bilaterally and as part of the regular conference calls, on issues related to support for the preparation of projects and programmes. Additional engagement with the NAMA Facility will explore synergies in their portfolio with GCF mandates and then conduct outreach to NDAs interested in bringing the NAMAs to GCF. The Secretariat is taking steps to ensure complementarity and coherence amongst funded activities, including by identifying where parallel financing provided by the other funds can enhance the impact of similarly-aligned GCF investments.

152. **Accreditation process and accredited entities:** the Secretariat is looking to build on the fast-track accreditation process and previous knowledge sharing between funds. As a part of

the review of the accreditation framework, consultations with other institutions, such as the GEF and AF to further learn from their accreditation processes, are being undertaken. In addition, the Secretariat and the other funds will identify opportunities to align activities with common entities. Trilateral cooperation between funds and common entities is an important element of this work.

153. **Private sector engagement:** the exchange of information between the funds so far has focused on how to best position the funds so that private sector actors can easily engage with one or multiple funds. The Secretariat has conducted extensive outreach and exchanged information with other funds regarding the private sector when further developing GCF policies and procedures. Future work in this area will include catalysing private sector investment in adaptation and better understanding risk appetite for the private sector actors.

154. **Monitoring and evaluation approaches and methodologies:** the Secretariat conducted a comparative analysis of KPIs and methodologies for mitigation and adaptation across major climate finance mechanisms. As a result, GCF and GEF agreed to establish a platform to exchange ideas and best practices in the areas of results management, performance indicators, and methodologies for measuring impact, effectiveness and operational efficiency of the organizations. In addition, lessons learnt from the experiences of other climate finance entities are regularly incorporated into the evaluation activities of the IEU through benchmarking exercises and peer reviews. The IEU is also collaborating with the CIF Evaluation and Learning Initiative and is a member of the CIFs Transformational Change Learning Partnership.

8.2.2. **Promotion of coherence at the national programming level (pillar III)**

155. The Secretariat has undertaken work to promote coherence at the national programming level in the following areas:

156. **Country programmes and engagement:** The funds have prioritized country programming, investment planning and pipeline development to maximize synergies between funds. The Secretariat is collaborating with the GEF on developing an initiative to invite countries interested in exploring options for collaborative programming with the two funds in a manner that ultimately maximizes the benefit and impact of those resources.

157. **National climate change action plans:** The Secretariat is cooperating with climate finance delivery channels to coordinate financing of national adaptation plans, technology needs assessments, nationally appropriate mitigation actions, and measurement, reporting and verification, in a country-driven manner. The Secretariat is also exchanging best practices and coordinating in the application of GCF country ownership guidelines in this regard.

158. **Country-driven coordination:** The Secretariat is working with the other funds to enhance channels for communication between different focal points (NDAs and other respective focal points under the different funds within the country), where applicable. The funds will further identify issues that may arise where enhanced coordination between NDAs, focal points and accredited entities can be beneficial to support countries' low-emission and climate-resilient development.

8.2.3. **Complementarity at the level of delivery of climate finance through an established dialogue (pillar IV)**

159. In the margins of COP 23, the governing body representatives of the funds met in the first annual dialogue of climate finance delivery channels moderated by the GCF Executive Director. This marked the first opportunity for a formal yet frank discussion of the core issues regarding fund-to-fund interaction. Participants included the chairs of the GEF, GCF, and AF, as

well as the manager of the CIFs; they were accompanied by secretariat staff to ensure operational details could also be discussed.

160. The event was split into two sessions: the first session focused on issues of fund governance, including the specific policies and procedures in need of alignment. The second session scrutinized the national and activity levels, and participants had the opportunity to discuss enhancing country ownership and access to finance as well as identifying efforts to move from pilot to scale effectively and strategically.

161. Participants agreed that making concrete progress in 2018 on complementarity and coherence remains a priority, recognizing that each institution has different strengths, ranging from risk appetite, innovation, and predictability, among other considerations. Participants agreed on the usefulness of the exchange and welcomed the organization of the second annual dialogue to be held in the second half of 2018, for which a concept note is under development in consultation with the other funds.

IX. Strengthening linkages with the Technology Mechanism

162. In decision 14/CP.22, paragraph 9, the COP invited the operating entities of the Financial Mechanism to provide information on their actions in strengthening the linkages between the Technology Mechanism and the Financial Mechanism in their annual reports to the COP. This section addresses these mandates.

163. By decision B.14/02, paragraph (d), the Board requested the Secretariat to provide recommendations on further steps to enhance cooperation and coherence for consideration by the Board, and in the context of the GCF operational framework on complementarity and coherence and the annual event with the thematic bodies of the UNFCCC. (See annex III on the Second Annual Meeting of Thematic Bodies)

164. In line with decision B.18/03, the Secretariat collaborated with the TEC and the CTCN in the organization of a thematic dialogue on technology I&As held in conjunction with the sixteenth meeting of the TEC in Bonn, Germany in March 2018. The event provided expert commentary and inputs for the Secretariat's ongoing development of an RFP on technology I&As mandated by the Board (B.18/03). The Secretariat continues to seek technical feedback and inputs of the TEC and CTCN in the development of the RFP.

165. Additionally, the Secretariat has collaborated with the CTCN in the organization of events to enhance coordination between NDAs and NDEs to the Technology Mechanism as part of the GCF structured dialogues with regions, as well as information materials going to the NDAs with information on collaboration between CTCN and GCF.

166. Finally, at COP 23, the Executive Directors of GCF and the United Nations Environment Programme (UNEP) exchanged letters to formalize the linkages between GCF and CTCN on technology-related matters, including the CTCN as a readiness delivery partner.

X. Gender, social, and environmental considerations in the work of the Green Climate Fund

10.1 Gender considerations in the work of GCF

167. In decision 21/CP.22, para. 21, the COP requested the Financial Mechanism and its operating entities to include in their respective annual reports to the Conference of the Parties information on the integration of gender considerations in all aspects of their work. In response

to this guidance, the Board through decision B.15/03 decided to include, where feasible, gender considerations in all the activities of GCF and requested the Secretariat to include such information in its annual report to the COP. Information on actions taken on gender is hereby provided.

168. The Board adopted the Gender Policy and Action Plan of the GCF in March 2015 by decision B.09/11 in seeking to enhance a gender-sensitive approach in GCF processes and operations as embedded in the Governing Instrument. An overview of actions taken to integrate gender considerations in the work of GCF guided by the gender policy and action plan and of other additional actions is outlined below.

10.1.1. Enhancing gender considerations in readiness activities

169. To strengthen gender-related actions in activities implemented under the Readiness Programme activities, dedicated resources are being provided to NDAs for specific activities, such as participatory planning and inclusive strategies, enhancing stakeholder engagement and ensuring participation of women-led organizations and indigenous peoples organizations, and conducting gender-sensitive stakeholder consultation and analyses. The update of the Readiness Programme Guidebook has been reviewed incorporating gender-related actions.

170. This targeted support is expected to enhance the gender responsiveness of country programmes as well as gender inclusiveness in other activities supported by the Readiness Programme.

171. Gender-informed indicators and gender considerations have been incorporated in the templates of country programmes and entity work programmes. In this context, the Secretariat is working to advance gender-responsive actions, and to monitor progress on gender actions in the country programmes and work programmes of accredited entities.

172. The NAP development processes followed by countries when developing NAP proposals for submission to GCF have been reviewed from a gender perspective. PPF proposals submitted to the Secretariat are also reviewed from a gender perspective.

10.1.2. Gender considerations in projects and programmes

173. The Secretariat has proactively reviewed concept notes and funding proposals from a gender perspective, and ensures that gender assessments are undertaken by accredited entities as part of project appraisals, in line with the GCF Gender Policy and Action Plan. Gender mainstreaming design features, such as project-level gender action plans, have also been introduced and are submitted together with funding proposals. The gender assessments and project-level gender action plans submitted by accredited entities are now disclosed as part of the funding proposal packages considered by the Board.

174. As per the strategies outlined in the GCF Gender Policy and Action Plan, gender assessments at the project/programme level have been undertaken by accredited entities. The majority of funding proposals considered by the Board therefore contain gender assessments (92 per cent). This has helped to identify specific gender elements that should be included in project and programme activities, and to determine how the project or programme can respond to the needs of women and men also from vulnerable communities in view of the specific climate change issue to be addressed. As a result, the majority of funding proposals considered by the Board contain project-level gender action plans (83 per cent).

175. Gender mainstreaming features were also incorporated in funding proposals submitted under the SAP pilot scheme.

10.1.3. Review of the Gender Policy and Action Plan

176. The Secretariat received inputs in November 2017 on the review and update of the Gender Policy and Action Plan following a second call for public inputs. An updated Gender Policy and Action Plan was presented to the Board for consideration at B.19 in February 2018. The Secretariat continues to further develop the Policy for consideration by the Board at B.20 in July 2018.

10.2 Environmental and social policy of the GCF

177. By decision B.07/02, paragraph (c), the Board adopted on an interim basis the Performance Standards of the International Finance Corporation with regard to environmental and social safeguards. Paragraph (d) of the same decision resolved to develop environmental and social safeguards for GCF within three years of becoming operational. The COP has issued guidance to GCF with regard to the development of environmental and social safeguards (decision 9/CP.20, annex, paragraph 21).

178. The Board in decision B.19/10 adopted the Environmental and Social Policy of the GCF. The Environmental and Social Policy forms an integral component of the Environmental and Social Management System, a broad operational framework for achieving improvements in environmental and social outcomes while addressing any unintended adverse impacts of GCF-financed activities. In the same decision, the Board requested the Secretariat to present the proposed approach to developing GCF environmental and social safeguards standards, taking into account input from stakeholders, for its consideration at its twenty-first meeting.

10.3 Indigenous Peoples Policy of the GCF

179. In decision 4/CP.20, the COP requested operating entities of the Financial Mechanism to consider the recommendation of the Adaptation Committee, which encouraged GCF, GEF, and AF to enhance consideration of local, indigenous and traditional knowledge and practices and their integration into relevant aspects of GCF operations.

180. In its decision B.19/11, the Board has adopted the GCF Indigenous Peoples Policy. The policy aims to assist GCF in incorporating considerations related to indigenous peoples into its decision-making while working towards the goals of climate change mitigation and adaptation. The policy allows GCF to examine, control, eliminate and reduce the adverse impacts of its activities on indigenous peoples in a consistent way and to improve outcomes over time. These elements of the policy will be integrated with other policies and frameworks, particularly the Environmental and Social Management System, and will be utilized across the organization of GCF.

XI. Further development of the Green Climate Fund investment and operational frameworks

181. By UNFCCC decision 7/CP.20, paragraph 10, the COP requested the Board to complete its work related to policies and procedures. Work continues to further strengthen the GCF investment framework and operational framework, much of which is detailed in other sections throughout this report.

182. By decision B.18/10, the Board adopted the Anti-Money Laundering and Countering the Financing of Terrorism Policy for GCF as developed by the Independent Integrity Unit. The Board further requested the Head of the Independent Integrity Unit to develop standards for the

implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy for consideration by the Board at B.20, during which time a set of integrity policies including the Whistle-blower and Witness Protection Policy and Prohibited Practices Policy (updated from the Interim Policy on Prohibited Practices) will be considered. Additionally, the Board will consider for adoption the Integrity Due Diligence Policy for Private Sector Operations and the Guidelines on Financial Disclosure and Declaration of Conflict of Interest.

183. In decision 6/CP.18, paragraph 7(e), the COP requested the Board to select the GCF Trustee through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services.

184. In decision B.19/03, the Board affirmed that there should not be a discontinuity in the service of the Trustee and confirmed that the selection of the Permanent Trustee of GCF shall be undertaken through an open, transparent and competitive bidding. The Board also adopted the terms of reference of the Permanent Trustee, a selection process and a time frame for the selection process. The ad-hoc Trustee Selection Committee will report to the Board on the implementation of this decision at the twenty-first meeting.

XII. Privileges and immunities with regard to the operational activities of the Green Climate Fund

185. In decision 9/CP.23, paragraphs 12, the COP expressed concern with the low level of bilateral agreements related to the privileges and immunities of GCF concluded between GCF and Parties. The COP further encouraged Parties to enter into such bilateral agreements with GCF and encouraged the Board to intensify its efforts to ensure that GCF enjoys such privileges and immunities as are necessary for the fulfilment of its purposes.

186. In light of this guidance, the Secretariat has continued to conclude as many bilateral agreements related to the privileges and immunities of GCF as possible. As at 30 April 2018, GCF has entered into bilateral agreements on privileges and immunities with 17 countries, namely: Antigua and Barbuda; Belize; Cook Islands; Georgia; Honduras, Kiribati, Micronesia (Federated States of); Montenegro; Namibia; Papua New Guinea; Saint Vincent and the Grenadines; Samoa; Solomon Islands; Tonga; Uruguay; Vanuatu; and Zambia.

187. In addition, the Co-Chairs of GCF intend to present a proposal to the Board on options for intensifying efforts to obtaining the necessary privileges and immunities at the twenty-first meeting of the Board in October. The outcomes of such deliberations will be made available to the COP.

XIII. Actions taken by the Green Climate Fund pursuant to guidance received from the Conference of Parties

188. This section provides an overview of actions taken by GCF pursuant to individual guidance received from the COP. It is organized in three sub-sections as follows:

- (a) Actions taken by GCF in response to guidance received from COP 23 (presented in table 3;
- (b) Actions taken by GCF in response to guidance received from the seventeenth to the twenty-second sessions of the COP that is still relevant for action and reporting (presented in table 4); and
- (c) Report on the implementation of arrangements between the COP and GCF (presented in table 5).

13.1 Actions taken in response to guidance from the twenty-third session of the Conference of the Parties

189. The COP in UNFCCC decision 9/CP.23 requested GCF, as an operating entity of the Financial Mechanism, to include in its annual report to the Conference of the Parties information on the steps it has taken and the timeline for implementation of the guidance provided in the decision.

190. The progress in implementing guidance contained in UNFCCC decision 9/CP.23 and other COP 23 guidance is provided in table 3 below.

Table 3: Update on progress in addressing guidance received from the twenty-third session of the Conference of the Parties

COP guidance		Progress in responding to the guidance	
Accreditation			
Notes that accreditation is pending for a significant number of entities <i>Decision 9/CP.23, para. 4</i>		The Board is scheduled to consider a proposal under the review of the accreditation framework in accordance with decision B.18/04. The Board will also consider additional accreditation applications at B.20.	
Welcomes the Board's decision to trigger the review of the accreditation framework and its fit for purpose approach, and urges the Board to swiftly adopt and implement the revised framework with a view to simplifying and facilitating access to the Green Climate Fund, including for direct access entities and private sector actors <i>Decision 9/CP.23, para. 5</i>			
Access to resources			
Notes with concern the challenges in accessing financial resources for climate action in developing country Parties, especially in relation to funding for adaptation <i>Decision 9/CP.23, para. 6</i>		Under the guidance of the Board, the Secretariat conducted research, consultation and analysis related to guidance and scope for providing support for adaptation activities, including for engaging the private sector in adaptation action, scheduled for Board consideration at B.20.	
Requests the Board to ensure that all developing country Parties have access to all the financial instruments available through the Green Climate Fund, in line with the eligibility criteria referred to in the governing instrument and relevant decisions of the Conference of the Parties and to ensure application of the agreed policies of the Green Climate Fund <i>Decision 9/CP.23, para. 7</i>		The Board is guided by the provisions of the Governing Instrument for the Green Climate Fund, specifically: <ul style="list-style-type: none">Paragraph 35: "All developing country Parties to the Convention are eligible to receive resources from the Fund. The Fund will finance agreed full and agreed incremental costs for activities to enable and support enhanced action...";Paragraph 54: "The Fund will provide financing in the form of grants and concessional lending, and through other modalities, instruments or facilities as may be approved by the Board. Financing will be tailored to	

COP guidance	Progress in responding to the guidance
	<p>cover the identifiable additional costs of the investment necessary to make the project viable...".</p> <p>The Board will consider an integrated policy approach to further develop the investment framework, including further guidance on concessionality, indicative minimum benchmarks, and guidance and scope for providing support to adaptation activities in 2018.</p>
Proposal approval process	
<p>Welcomes the launch of the Simplified Approval Process Pilot Scheme and urges its implementation in line with Green Climate Fund Board decision B.18/06</p> <p><i>Decision 9/CP.23, para. 9</i></p> <p><i>Linked with decision 7/CP.21, para. 4</i></p>	<p>See section 2.4 on "Simplified approvals process"</p>
Readiness and Preparatory Support Programme	
<p>Encourages the Board to continue improving the process to review and approve readiness and preparatory support requests, including requests for support to prepare national adaptation plans and voluntary adaptation planning processes, including the timely disbursement for approved programmes</p> <p><i>Decision 9/CP.23, para. 10</i></p>	<p>See section 2.1 for the update on the Readiness and Preparatory Support Programme, including subsections 2.1.2 on support for national adaptation plans and/or other adaptation planning processes and 2.1.4 on the evaluation of the Readiness and Preparatory Support Programme.</p>
Access to information	
<p>Invites the Board to consider ways to improve the availability of information on accessing funding from the Green Climate Fund, as appropriate</p> <p><i>Decision 9/CP.23, para. 11</i></p>	<p>The Board will consider a communications strategy for GCF at B.20.</p>
Privileges and immunities	

COP guidance	Progress in responding to the guidance
Takes note of the biennial report on the status of privileges and immunities and expresses concern with the low level of bilateral arrangements concluded between the Green Climate Fund and Parties <i>Decision 9/CP.23, para. 12</i>	As agreed under decision B.19/02, the Board requested the Co-Chairs to develop a proposal for consideration of the Board in response to the guidance from the Conference of the Parties. See section XII “Privileges and immunities with regard to the operational activities of the Green Climate Fund”.
Encourages Parties to enter into agreements to grant the privileges and immunities needed for the effective and efficient operationalization of the Green Climate Fund in accordance with national legislation and circumstances and Board decision B.10/12, as appropriate <i>Decision 9/CP.23, para. 13</i>	
Also encourages the Board to intensify its efforts to ensure that the Green Climate Fund will enjoy such privileges and immunities as are necessary for the fulfilment of its purposes <i>Decision 9/CP.23, para. 14</i>	
Formal replenishment of GCF	
Encourages the Board to launch the first replenishment process of the Green Climate Fund in accordance with previous decisions of the Conference of the Parties and the Board <i>Decision 9/CP.23, para. 17</i>	By decision B.19/05, para (a), the Board decided to advance work under its 2018 work programme to conclude the essential preparatory arrangements for the first formal replenishment process of GCF, noting this is without prejudice to the timing of a decision to initiate replenishment in line with decision B.08/13. By decision B.19/05, para (b), the Board further requested the Co-Chairs, with the support of the Secretariat, and in consultation with members of the Board, to oversee the preparation of necessary policies and procedures for the formal replenishment process. See section 2.7 “Status of resources and arrangements for the formal replenishment process for the GCF” for further information
Support for technology	
Encourages the Board to include in its annual report to the Conference of the Parties information on projects approved by the Board that support the innovation and/or scaling-up of climate technologies with a view to informing	See section IV on “Support for technology”

COP guidance	Progress in responding to the guidance
the Technology Mechanism as it undertakes further work on climate technology innovation <i>Decision 9/CP.23, para. 18</i> <i>Linked with decision 14/CP.22, para. 3, 8, 9</i>	
Decision 11/CP.23 Sixth Review of the Financial Mechanism	
Requests the operating entities of the Financial Mechanism to continue to enhance complementarity and coherence <i>Decision 11/CP.23, para. 3</i>	See section VIII on “Complementarity and coherence with other funds” The Board will consider an update on implementation of the operational framework, including a report on the progress made and outputs from the operational framework on complementarity and coherence at B.20. The report on progress is contained in this document, including as input for the Standing Committee on Finance, as mandated by decision B.17/04.

13.2 Overview of guidance from the Conference of the Parties from the seventeenth to the twenty-second sessions that is still relevant for action and reporting

191. The guidance provided to GCF at COP 17 through to COP 22 that is still relevant has been consolidated in table 4. Similar guidance from these six sessions has been grouped together.

Table 4: Overview of actions taken pursuant to guidance received from COP 22, COP 21, COP 20, COP 19, COP 18 and COP 17 that is still relevant for reporting

Guidance received from the Conference of the Parties	Action by GCF
National adaptation planning	
<u>National adaptation plans</u> Further requests the Green Climate Fund to expedite support for the least developed countries and other developing country Parties for the formulation of national adaptation plans, consistent with decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of policies, projects and programmes identified by them <i>Decision 1/CP.21, paragraph 46</i> <i>Linked with decision 4/CP.21, para. 6</i>	See Section 2.1.2 on “Support for national adaptation planning”

Guidance received from the Conference of the Parties	Action by GCF
<p><u>Adaptation planning</u> Invites the Board of the Green Climate Fund to take into account in its programmatic priorities the Cancun Adaptation Framework, in particular the principles referred to in decision 1/CP.16, paragraph 12, and the activities referred to in decision 1/CP.16, paragraph 14 <i>Decision 7/CP.21, para. 21</i></p>	
Guidance on REDD-plus	
<p>Urges the Board to finalize in a timely manner its work related to the guidance of the Conference of the Parties on financing for forests as mandated by decision 7/CP.21, paragraphs 23–25 <i>Decision 10/CP.22, para. 4</i></p> <p><i>Linked with</i> <i>Decision 1/CP.21, para. 54</i> <i>Decision 7/CP.20, para. 18</i> <i>Decision 9/CP.19, para. 8</i> <i>Decision 7/CP.21, para. 23</i> <i>Decision 7/CP.21, para. 24</i> <i>Decision 7/CP.21, para. 25</i></p>	<p>See section III on “Support for forest-related actions”</p>
Consideration of gender in the activities of GCF	
<p>Requests the Financial Mechanism and its operating entities to include in their respective annual reports to the Conference of the Parties information on the integration of gender considerations in all aspects of their work <i>Decision 21/CP.22, para. 21^a</i></p>	<p>Action taken to integrate gender consideration in various aspects of the work of GCF is provided in section 10.1 “Gender considerations in the work of the Green Climate Fund”</p>
Readiness and preparatory support	
<p><u>Disbursement of readiness resources</u> Takes note of the progress achieved to date in the implementation of the readiness and preparatory support programme of the Green Climate Fund and stresses the importance of improving the approval process and timely disbursement of readiness resources to facilitate readiness programme implementation pursuant to Green Climate Fund Board decision B.11/04 <i>Decision 7/CP.21, para. 17</i></p>	<p>In decision B.11/04, the Board requested the Secretariat’s proposal to simplify the process to access funds for country programming and readiness and preparatory support. Consequently, the Board in decision B.13/27 welcomed the simplification of the readiness support template; encouraged the Secretariat to continue to expedite the approval and disbursement of readiness and preparatory support resources; and agreed to simplify the readiness grant agreement with a view to developing an arrangement for country programme</p>

Guidance received from the Conference of the Parties	Action by GCF
<p><i>Linked with decision 7/CP.20, para. 12</i></p>	<p>framework agreements in order to expedite the disbursement of readiness resources.</p> <p>Section 2.1 on “Readiness and preparatory support” provides an overview of progress achieved by GCF Readiness and Preparatory Support Programme, including progress in disbursement of readiness and preparatory support resources and the evaluation of the Readiness Programme.</p>
Accreditation	
<p>Urges the Board of the Green Climate Fund to streamline the accreditation modalities and to seek a balance of diversity in accredited entities</p> <p><i>Decision 7/CP.21, para. 16</i></p>	<p>See section 2.2 on “Accreditation to the GCF”</p> <p>The latest status of the accreditation state of play including the accredited entities’ composition is available on the GCF website.¹</p>
<p>Encourages the timely implementation of the accreditation framework and <i>requests</i> the Board of the Green Climate Fund, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including the least developed countries, small island developing States and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast tracking that request it</p> <p><i>Decision 7/CP.20, para. 13</i></p>	<p>See section 2.1 on “Readiness and preparatory support” and section 2.2 on “Accreditation to the GCF”</p>
Proposal approval process	
<p><u>Initial proposal approval process</u></p> <p>Requests the Board of the Green Climate Fund to ensure that the revised funding proposal template and concept note template are designed to facilitate the application process</p> <p><i>Decision 7/CP.21, para. 13</i></p>	<p>Beginning at the seventeenth meeting of the Board (B.17), and aiming to enhance accessibility and predictability in line with the GCF Strategic Plan and decision B.11/11, is the review of the initial proposal approval process. Furthermore, following the mandate of the Board mandate in decision B.11/11, paragraph (o), a simplified funding proposal template was published to the GCF website on [XX Month] 2018.</p>
<p><u>Simplified approvals process for small-scale activities</u></p> <p>Also requests the Board of the Green Climate Fund to adopt a simplified process for approval of proposals for certain activities, in particular for small-scale activities, as soon as possible in 2016, to reduce complexities and costs involved in project proposal development</p> <p><i>Decision 7/CP.21, para. 14</i></p>	<p>See section 2.4 on “Simplified approvals process”</p>
Facilitating increase in proposals from direct access entities	

¹ Available at <<http://www.greenclimate.fund/partners/accredited-entities/ae-composition>>.

Guidance received from the Conference of the Parties	Action by GCF
<p>Requests the Board to facilitate an increase in the amount of direct access proposals in the pipeline and to report to the Conference of the Parties on progress made in this regard</p> <p><i>Decision 10/CP.22, para. 6</i></p>	<p>See section VI on “Facilitating an increase of direct access proposals in the pipeline”</p>
Delivery of resources	
<p>Also requests the Board to take into account decision 1/CP.21, paragraph 64, to enhance the coordination and delivery of resources to support country-driven strategies through simplified and efficient application and approval procedures, and through continued readiness support to developing country Parties, including the least developed countries and small island developing States, as appropriate, and in accordance with Board decisions</p> <p><i>Decision 10/CP.22, para. 7</i> <i>Linked with decision 1/CP.21, para. 64</i></p>	<p>Enhancing coordination in delivery of resources See section VIII on “Complementarity and coherence with other funds”</p> <p>Simplified and efficient application and approval procedures In decision B.13/32, the Board welcomed the simplification of the Readiness and Preparatory Support Programme template and agreed to simplify the readiness grant agreement with a view to developing an arrangement for country programme framework agreements in order to expedite the disbursement of readiness resources.</p> <p>In decision B.18/06, the Board approved the Simplified Approval Process Pilot Scheme (SAP) with an allocation of up to USD 80 million in GCF financing, and requested the Secretariat to operationalize the pilot. See section 2.4 on “Simplified approval process” for more information.</p> <p>Continued readiness support See section 2.1 on “Readiness and preparatory support”</p> <p>Enhancing delivery of resources See section 2.6 on “Disbursement of resources for the implementation of approved projects and programmes”</p>
<p>Requests the Board to enhance the delivery of resources by addressing those measures that are delaying the implementation of projects that have been approved by the Board, including the conclusion of pending accreditation master agreements and funded activity agreements</p> <p><i>Decision 10/CP.22, para. 10</i></p>	
Resource mobilization and replenishment	
<p><u>Initial resource mobilization</u></p> <p>Also urges Parties that made pledges under the initial resource mobilization process of the Green Climate Fund but have not yet confirmed them through fully executed contribution arrangements or agreements to do so as a matter of high priority</p> <p><i>Decision 10/CP.22, para. 5</i></p>	<p>See section 2.7 on “Status of resources and arrangements for the formal replenishment process for the GCF”</p>

Guidance received from the Conference of the Parties	Action by GCF
<i>Linked with decision 7/CP.21, para. 8</i>	
<p><u>Financial inputs to GCF</u> Reiterates the invitation for financial inputs from a variety of sources, public and private, including alternative sources, throughout the initial resource mobilization process <i>Decision 7/CP.21, para. 9</i></p>	<p>Pursuant to decisions B.05/04, B.11/05 and B.14/01 policies and procedures for contributions from philanthropic foundations and other non-public and alternative sources are in the pipeline for consideration by the Board.</p>
<p><u>Fund Replenishment</u> Reiterates its request to the Board to agree on the arrangements for the first formal replenishment process of the Green Climate Fund <i>Decision 10/CP.22, para. 13</i></p> <p><i>Linked with decision 7/CP.21, para. 10</i></p>	<p>In decision B.12/09, the Board requested the Co-Chairs to undertake consultations with the Board on the first formal replenishment process of GCF, and present a report on the outcomes of these consultations to the Board. The Board also requested the Secretariat to support the Co-Chairs to prepare documentation related to the design and development of the first formal replenishment process of GCF .</p> <p>In decision B.19/05, the Board decided to advance work under its 2018 work programme to conclude the essential preparatory arrangements for the first formal replenishment process of GCF, noting this is without prejudice to the timing of a decision to initiate replenishment in line with decision B.08/13. See section 2.7 on “Status of resources and arrangements for the formal replenishment process for the GCF” for more information.</p>
Risk management framework	
<p><u>Risk Management</u> Requests the Board of the Green Climate Fund to prioritize the development of its initial risk management framework <i>Decision 7/CP.21, para. 18</i></p>	<p>The Board adopted (B.17/11) the first set of components of the risk management framework. This decision replaced the interim versions of certain components such as the initial risk register, dashboard and risk guidelines for the public and private sectors which were adopted pursuant to past Board decisions (B.10/08; B.12/34; B.13/36). The Board adopted (B.19/04) three risk policies and the update to the risk dashboard with the revised approach to reporting on concentration and requested the Secretariat to publish the updated risk dashboard every quarter. See section 2.5.3 on “Update to the risk management framework of the Green Climate Fund”</p>
GCF accountability units	
<p>Urges the Board of the Green Climate Fund to operationalize the Independent Evaluation Unit, Independent Redress Mechanism and Independent Integrity Unit as a matter of urgency and to make public the procedures Parties and affected individuals should follow when seeking redress until the Independent Redress Mechanism is operationalized</p>	<p>The Board, through decisions B.BM-2016/09, B.13/17 and B.13/18 appointed the heads of the Independent Redress Mechanism (IRM), Independent Evaluation Unit (IEU) and Independent Integrity Unit (IIU). The heads of the accountability units, are in the process of setting up the GCF accountability units.</p>

Guidance received from the Conference of the Parties	Action by GCF
<p><i>Decision 7/CP.21, para. 20</i></p>	<p>IRM The Board approved the work plan and budget of the IRM by decision B.19/19.</p> <p>IEU The Board (B.19/21) approved the three-year rolling work plan of the IEU and requested the Independent Evaluation Unit to amend it once the evaluation policy of GCF has been adopted. By the same decision, the Board approved the IEU budget. Decision B.19/16 approved the terms of reference for the independent evaluation of the Readiness Programme to be undertaken by IEU.</p> <p>IIU The Board approved the work plan and budget of the IIU by decision B.19/20. The IIU has developed a suite of fiduciary compliance and integrity policies and guidelines designed to prevent and remediate the occurrence of integrity violations in GCF operations. These include the Anti-Money Laundering and Combating the Financing of Terrorism Policy that was approved by decision B.18/10; Policy on Prohibited Practices; Whistle-blower and Witness Protection Policy; and the Integrity Due Diligence Policy for Private Sector Operations, all of which are set for consideration by the Board in 2018. Further work is taking place on the Administrative Guidelines on Financial Disclosure and Guidelines on Declaration of Conflict of Interests for various groups. To enhance transparency, all these policies, in addition to guidance on how to report integrity violations, are easily accessible on the IIU website.²</p>
Engagement with UNFCCC thematic bodies	
<p><u>Technical examination process</u> Encourages the operating entities of the Financial Mechanism of the Convention to engage in the technical expert meetings and to inform participants of their contribution to facilitating progress in the implementation of policies, practices and actions identified during the technical examination process <i>Decision 1/CP.21, para 110</i></p>	<p>During SB48, the Secretariat participated in the technical expert meetings (TEMs) on adaptation. The secretariat delivered a presentation during the TEMs on adaptation focusing on adaptation planning support to catalyse action and investment, especially at the local level. The Secretariat also made an intervention during the TEMs on mitigation. GCF will continue engaging in the TEMs and incorporate emerging lessons learned into its work, where appropriate.</p>
<p><u>Support for technology</u></p>	<p>The GCF Strategic Plan identifies the ability to take on risks that other funds/institutions are not able or willing to take, including risks associated with</p>

² Available at <<https://www.greenclimate.fund/independent-integrity-unit>>.

Guidance received from the Conference of the Parties	Action by GCF
<p>Also invites the Board of the Green Climate Fund, in line with paragraph 38 of the governing instrument of the Green Climate Fund, to consider ways to provide support, pursuant to the modalities of the Green Climate Fund, for facilitating access to environmentally sound technologies in developing country Parties, and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action</p> <p><i>Decision 7/CP.21, para. 22</i></p>	<p>deploying innovative climate technologies as key for GCF to achieve maximum impact.</p> <p>As per decision B.14/02, the Board acknowledged that current GCF modalities enable support for technology development and transfer, including for facilitating access to environmentally sound technologies and for collaborative research and development.</p> <p>The Board also encouraged national designated authorities and focal points to access readiness support directly, or to collaborate with readiness delivery partners and accredited entities to submit readiness requests, concept notes, funding proposals and Project Preparation Facility proposals that will facilitate access to environmentally sound technologies, consistent with a country-driven approach and will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects.</p> <p>By decision B.19/02, the Board requested the Secretariat to include in its annual report to the Conference of the Parties information on projects approved by the Board that support the innovation and/or scaling up of climate technologies.</p> <p>See section IV on “Support for technology”</p>
<p><u>Capacity-building and technology development and transfer</u></p> <p>Requests the Board of the Green Climate Fund [...] to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument (annex to decision 3/CP.17)</p> <p><i>Decision 7/CP.20, para. 8</i></p> <p><i>Linked with decision 13/CP.21, para. 10</i></p>	<p><u>Capacity-building</u></p> <p>See section V on “Capacity-building and support”</p> <p><u>Technology development and transfer</u></p> <p>As per decision B.14/02, the Board acknowledged that current GCF modalities enable support for technology development and transfer.</p> <p>By decision B.18/03, the Board requested the Secretariat to develop for consideration by the Board at its twentieth meeting the terms of reference for a request for proposals to support climate technology incubators and accelerators.</p> <p>See section IV on “Support for technology”</p>
Linkages between the Technology Mechanism and GCF	
<p>Encourages the Board of the Green Climate Fund to continue to invite the Chairs of the Technology Executive Committee and the Advisory Board of the</p>	<p>By decision B.15/03, the Board decided to invite the Chairs of the Technology Executive Committee (TEC) and the Advisory Board of the Climate Technology</p>

Guidance received from the Conference of the Parties	Action by GCF
Climate Technology Centre and Network to future meetings of the Board of Green Climate Fund on issues of common interest in order to strengthen the existing linkages between the Technology Mechanism and Financial Mechanism <i>Decision 14/CP.22, para. 3</i>	Centre and Network (CTCN) to present to the Board during its consideration of options for supporting collaborative research and development, in accordance with paragraph 38 of the Rules of Procedure of the Board. The agenda item “options for supporting collaborative research and development” was discussed at the eighteenth meeting of the Board, and the Chairs of the TEC and the Advisory Board of the CTCN were invited and presented to the Board on this agenda item.
Encourages the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to enhance the involvement of relevant stakeholders as they undertake actions to strengthen the linkages between the Technology Mechanism and the Financial Mechanism <i>Decision 14/CP.22, para. 8^a</i>	See section IX on “Strengthening linkages with the Technology Mechanism”
Invites the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to provide information on their actions in strengthening the linkages between the Technology Mechanism and the Financial Mechanism in their annual reports to the Conference of the Parties for guidance on further actions if needed <i>Decision 14/CP.22, para. 9^a</i>	
Linkages with the Financial Mechanism of the UNFCCC	
<u>Linkages with the Technology Mechanism</u> Invites the Board of the Green Climate Fund to provide its recommendations, in accordance with decision 1/CP.18, paragraph 62, for consideration by the Conference of the Parties at its twenty-second session (November 2016) <i>Decision 13/CP.21, para. 4</i>	By its decision B.13/06, the Board agreed to strengthen the relationship with the thematic bodies of the Convention through holding an annual meeting between the Co-Chairs of the Board and the Chairs of the thematic bodies. The first annual meeting was held during the twenty-second session of the Conference of the Parties in Marrakech, Morocco, on 9 November 2016. The meeting was attended by the Co-Chairs of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN). During the meeting the Chair of the Advisory Board of the CTCN noted that he sees the areas of collaboration between the CTCN and GCF in the Readiness and Preparatory Support Programme, the Project Preparation Facility and direct access areas as well as in enabling technical experts, national designated authorities, national designated entities and collaboration between the thematic
<u>Relationship with Thematic bodies</u> To initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate <i>Decision 6/CP.18, para. 7(f)</i> <i>Linked with decision 3/CP.17, para. 17</i>	

Guidance received from the Conference of the Parties	Action by GCF
<p><u>Linkages with the Technology Mechanism</u></p> <p>Requests the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to continue to consult on and further elaborate, including through an in-session workshop at the forty-fourth sessions of the subsidiary bodies (May 2016), the linkages between the Technology Mechanism and the Financial Mechanism</p> <p><i>Decision 13/CP.21, para. 8</i></p>	<p>bodies. The Chair of the TEC noted that the attendance at the fourteenth meeting of the Board (B.14) in Songdo was very useful and that both organizations will benefit from such collaboration in the future. The full report of the annual meeting with the thematic bodies is contained in annex III.</p> <p>Furthermore, the Board in decision B.13/11 requested the Secretariat to strengthen its current approach to engaging with thematic bodies, including through: (i) exchanging information; (ii) participating in relevant meetings; and (iii) identifying components of programmes and work plans of thematic bodies and incorporated into the relevant parts of the work programme of the Secretariat (in Board decision). The Secretariat continued to participate in meetings and provided information and input into the activities of the TEC and the CTCN throughout the reporting period.</p> <p>Paragraph (f)(iii) of decision B.13/11 specifies “Identifying components of the programmes and work-plans of the thematic bodies that are related to the GCF, and, where appropriate, updating the work programme of the Secretariat” as means to improve coordination. The GCF structured dialogue for Asia held on 26– 29 April 2017 in Bali, Indonesia demonstrated such collaboration in action with the CTCN, having engaged with GCF so that CTCN’s Regional Forum for Asia was held alongside the GCF structured dialogue. By scheduling the structured dialogue and the CTCN Regional Forum in parallel and complementary schedules, the GCF national designated authorities and the CTCN national designated entities benefitted from a mutual exchange of updates and knowledge sharing through cross-presentations and discussions.</p> <p>By decision B.14/02, paragraph (d), the Board also decided to request the Secretariat to provide recommendations on further steps to enhance cooperation and coherence for consideration by the Board by B.17 and in the context of the GCF operational framework on complementarity and coherence and the annual event with the thematic bodies of the UNFCCC. As such, aspects related to technology have been included in thematic cooperation with other Funds.</p>

Guidance received from the Conference of the Parties	Action by GCF
	Decision 13/CP.21, paragraph 4; decision 6/CP.18, paragraph 7(f), decision 3/CP.17, paragraph 17; and decision 13/CP.21, paragraph 8 have now been addressed. Linkage with the Technology Mechanism will continue to be a part of the GCF report to COP under “Strengthening linkages with the Technology Mechanism”.
<p><u>Response to the recommendations of the Adaptation Committee</u></p> <p>Requests Parties, operating entities of the Financial Mechanism and other relevant entities working on adaptation to consider the recommendations contained in chapter V of the report of the Adaptation Committee, as included in the annex <i>Decision 4/CP.20, para, 4</i></p>	<p>By its decision B.13/06, the Board agreed to strengthen the relationship with the thematic bodies of the Convention through holding an annual meeting between the Co-Chairs of the Board and the Chairs of the thematic bodies. The first annual meeting was held during the twenty-second session of the Conference of the Parties in Marrakech, Morocco, on 9 November 2016. The meeting was attended by the Co-Chair of the Adaptation Committee. She noted that the following activities are very closely related to GCF: the preparation of an information document on the experience of countries in accessing GCF finances through readiness support, in particular for national adaptation plans and adaptation planning processes; the organization of a workshop in the first half of 2017 on challenges in accessing funding, in particular for national adaptation plans and national planning processes.</p> <p>Furthermore, the Board has requested the Secretariat to strengthen its current approach to engaging with thematic bodies, including through: (i) exchanging information; (ii) participating in relevant meetings; and (iii) identifying components of programmes and work plans of thematic bodies and incorporated into the relevant parts of the work programme of the Secretariat.</p> <p>The Secretariat continued to participate in meetings and provided information and input into the activities of the Adaptation Committee throughout the reporting period.</p> <p>The Board adopted the Indigenous Peoples Policy by decision B.19/11.</p>
Complementarity and coherence with other funds	
<p><u>Complementarity and coherence with other funds</u></p> <p>Encourages the Board of the Green Climate Fund to improve complementarity and coherence with other institutions, per paragraphs 33 and 34 of the</p>	See section VIII on “Complementarity and coherence with other funds”

Guidance received from the Conference of the Parties	Action by GCF
<p>governing instrument of the Green Climate Fund, including by engaging with relevant bodies of the Convention, such as the Standing Committee on Finance <i>Decision 7/CP.21, para. 26</i> <i>Linked with decision 7/CP.20, para. 16</i></p>	
<p><u>Coherence and coordination</u> Requests the Board of the Green Climate Fund, when deciding its policies and programme priorities, to consider the information and lessons learned through engagement with other relevant bodies under the Convention, and other relevant international institutions <i>Decision 7/CP.20, para. 15</i></p>	<p>GCF has been continuously conducting consultations and engagement with existing funds such as the Adaptation Fund, the Global Environment Facility and the Multilateral Fund to learn from their country-driven approach when developing and implementing all key operational areas of GCF, covering accreditation, readiness and project development. The Secretariat has been participating in various meetings, events and workshops held by existing funds to actively learn from the existing lessons. See section VIII on “Complementarity and coherence with other funds”</p>
<p><u>Incorporating lessons learned on country-driven processes</u> Requests the Board of the Green Climate Fund: (a) To consider important lessons learned on country-driven processes from other existing funds <i>Decision 4/CP.19, para. 16(a)</i></p>	<p>In its decision B.08/10 the Board has endorsed the initial best-practice options for country coordination and multi-stakeholder engagement as part of its decision on country ownership. It has also decided that only those funding proposals that have a letter of No-objection will be considered by the Board. The Board through its decision B.10/10 re-affirmed that it will pursue the country driven approach.</p> <p>In addition, the Board approved through decision B.17/21 the guidelines for enhanced country ownership and country drivenness. The Board further requested the Secretariat to assess annually the experiences gathered from the application of these guidelines and to continue to improve the guidelines based on lessons learned and observations from current best practices.</p>
Engagement with the private sector	
<p>Encourages the Board to implement its decision B.04/08 to develop modalities to support activities enabling private sector involvement in the least developed countries and small island developing States, and to seek opportunities to engage with the private sector, including local actors, on adaptation action at the national, regional and international levels <i>Decision 10/CP.22, para. 11</i></p>	<p>See section VII on “Maximizing engagement with the private sector”</p> <p>The Board through decision B.15/03, paragraph (i), requested the Private Sector Advisory Group (PSAG) to provide recommendations to the Board at its seventeenth meeting on: (i) The development of modalities to support activities enabling private sector involvement in the least developed countries (LDCs) and small island developing States (SIDS); and</p>

Guidance received from the Conference of the Parties	Action by GCF
	<p>(ii) Opportunities to engage the private sector, including local actors, in adaptation action at the national, regional and international levels.</p> <p>The Board decided to co-opt a Board representative from the LDCs and another from SIDS to assist the PSAG to develop its recommendations.</p> <p>In addition, pursuant to decision B.13/05, paragraphs (c) and (d), the Board is scheduled to consider an analysis of barriers to crowding-in and maximizing the engagement of the private sector, and PSAG recommendations on the same.</p> <p>The Board also mandated the development of a private sector outreach plan.</p> <p>The Secretariat carried out a survey of private sector actors and an analysis of barriers to crowding-in the private sector, which was presented to the PSAG, and these items are subsequently planned for presentation to the Board for its consideration, in driving towards the development of the private sector outreach plan.</p> <p>The Board, in decision B.17/06, requested the PSAG to provide recommendations on opportunities to engage the private sector, including local actors, in adaptation action at the national, regional, and international level. In PSAG meetings, initial data and content from a GCF-commissioned research by the World Resources Institute was reviewed by PSAG members, which helped initiate the discussion. The document will be presented to the Board for its consideration at its twentieth meeting.</p>
<p>Requests the Board of the Green Climate Fund to accelerate the operationalization of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015, expediting action to engage local private sector actors in developing country Parties, including small- and medium-sized enterprises in the least developed countries, small island developing States and African States, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector;</p> <p><i>Decision 7/CP.20, para. 9</i></p>	<p>See section VII on “Maximizing engagement with the private sector”</p>
Privileges and immunities for GCF	
<p>Requests the Board of the Green Climate Fund to report biennially to the Conference of the Parties on the status of existing privileges and immunities</p>	<p>See section XII on “Privileges and immunities with regard to the operational activities of the Green Climate Fund”</p>

Guidance received from the Conference of the Parties	Action by GCF
<p>with regard to its operational activities, starting at the twenty-first session of the Conference of the Parties <i>Decision 7/CP.20, para. 22</i></p>	
<p>Notes with concern the lack of signed bilateral agreements related to privileges and immunities in order for the Green Climate Fund to undertake its activities <i>Decision 10/CP.22, para. 8</i> <i>Linked with decision 7/CP.20, para. 21 and decision 7/CP.20, para. 21</i></p>	
<p>Looks forward to the biennial report on the matter referred to in paragraph 8 above, in accordance with decision 7/CP.20, paragraph 20, and Board decision B.08/24 <i>Decision 10/CP.22, para. 9</i></p>	
Results management framework	
<p><u>Monitoring and evaluation</u> In supporting the monitoring and evaluation of adaptation, the AC recommends that the COP invite Parties, operating entities of the Financial Mechanism and relevant entities working on adaptation to take into account the following recommendations:</p> <ul style="list-style-type: none"> (b) Monitoring and evaluation frameworks need to be appropriate, relevant to needs and tailored to country circumstances. A common set of global indicators is not useful, owing to the context-specific nature of adaptation; (c) National-level assessments can play a different role in measuring adaptive capacity from subnational or project-based assessments. National-level assessments could, for example, measure the degree of coordination and integration of adaptation in national priorities; (d) A positive learning environment, which encourages formal and informal learning, including peer-to-peer learning, and which encourages learning from negative as well as positive experiences, is important; (e) Planning and allocation of resources, both technical and financial, are key for effective monitoring and evaluation systems <p><i>Decision 4/CP.20, annex, para. 3</i></p>	<p>Each project proposal includes indicators that are unique to each project but based on the core indicators of the results management framework and relevant indicators from the GCF performance measurement framework (decision B.05/03). Relevant performance indicators at the impact and outcome level are assessed in each funding proposal for future monitoring and evaluation. Productive communication with accredited entities is encouraged for better understanding their current monitoring and evaluation practices. National assessments are funded through the GCF readiness programme including inter alia country programmes and national adaptation plans, and institutional strengthening of national and direct access entities which affords coordination and integration of adaptation of national priorities. Monitoring and evaluation systems are also developed through readiness programmes and are included in funded activities. Workshops organized by GCF to empower direct access entities and national designated authorities and focal points help enhance South-South knowledge exchange and learning from peers as to how to effectively engage with GCF and access necessary funding.</p>
<p><u>Results management framework</u></p>	<p>There are four core indicators of the results management framework (decision B.08/07), three for mitigation (emissions reductions) and one for adaptation</p>

<p>In the context of the monitoring and evaluation of adaptation, the AC also recommends that the COP invite the Board of the GCF, with respect to its Results Management Framework, to consider:</p> <ul style="list-style-type: none"> (f) Keeping indicators simple; (g) Designing indicators that are qualitative as well as quantitative; (h) Designing indicators in such a way as to capture the progress that countries are able to make in integrating adaptation into their development and sectoral planning, policies and actions; (i) Giving countries sufficient flexibility to define their indicators in line with their national and local planning, strategies and priorities <p><i>Decision 4/CP.20, annex, para. 4</i></p>	<p>(populations affected). The indicators are used to measure the impacts of projects and programmes. Progress reports contain both quantitative and qualitative progress of relevant indicators for each funding proposal. Additionally, constant improvement of the adaptation and mitigation performance management framework indicators is envisaged. Additionally, narrative reports including qualitative elements on the implementation progress of each project will provide additional information for assessing the performance of GCF-funded projects.</p> <p>Pursuant to the Board request contained in decision B.08/07(b), the Secretariat is in the process of developing indicators for the performance measurement framework, including indicators for NAPs. This work has taken into account the report of the Adaptation Committee to COP at its twenty-first session (COP 21). Several refinements to the proposed indicators were developed informed by the Adaptation Committee recommendations. The additional work that has been carried out to further refine the indicators are scheduled for consideration by the Board.</p>
<p>Selection of the Permanent Trustee</p>	
<p>[...] To select the trustee of the Green Climate Fund through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services</p> <p><i>Decision 6/CP.18, para. 7(e)</i> <i>Linked with decision 3/CP.17, para. 16</i></p>	<p>In decision B.12/36, the Board mandated the commissioning of a third party to implement the review of the Interim Trustee of GCF as set out in the Governing Instrument.</p> <p>By decision B.16/05, the Board established the ad hoc Trustee Selection Committee and adopted the terms of reference of the ad hoc Committee; appointed four members of the Board to Committee; and requested the ad hoc Trustee Selection Committee, with the support of the Secretariat, to convene immediately to begin its work, and to recommend the final nominee to the Board for its decision no later than its eighteenth meeting.</p> <p>In decision B.19/03, the Board affirmed that there should not be a discontinuity in the service of the Trustee and confirmed that the selection of the Permanent Trustee of GCF shall be undertaken through an open, transparent and competitive bidding. The Board also adopted the terms of reference of the Permanent Trustee, a selection process and a time frame for the selection process. The ad hoc Trustee Selection Committee will report to the Board on the implementation of this decision at the twenty-first meeting.</p>
<p>Decision 9/CP.20 Fifth review of the Financial Mechanism</p>	

<p><u>Stakeholder engagement in the development of policy documents</u></p> <p>The GCF could build on the experience of and lessons learned from the GEF in terms of stakeholder involvement. In this regard, the GCF may consider establishing a robust consultative process with its observers in order to ensure that adequate and timely consultation is undertaken with respect to the development of its policies, procedures, guidelines, and, later on, during the implementation of programmes and projects of the Fund</p> <p><i>Decision 9/CP.20, annex, para. 14</i></p>	<p>GCF has continually conducted consultations with stakeholders through calls for inputs, workshops, webinars and conference calls.</p> <p>During this reporting period, stakeholder consultations were carried out as follows:</p> <ul style="list-style-type: none"> i) In decision B.15/12, the Board authorizes the Head of the Independent Redress Mechanism Unit (IRM) to undertake consultations on the revised terms of reference (TORs) for the IRM. On 21 December 2016, GCF called for submission of inputs on the revised TORs for the IRM. Consultations were also carried out with a wide range of stakeholders through a series of webinars. The Board is scheduled to consider the revised TORs of the IRM; ii) GCF launched consultations with members of the Board and global REDD-plus stakeholders in February 2017 and organized an expert workshop in Bali, Indonesia in April 2017. Both the submissions from the consultations and the outcomes of the expert workshop will serve as the basis for the development of an RFP for results-based payments that is scheduled for consideration by the Board; iii) GCF, on 24 May 2017, invited public inputs for the development of its Whistle-blower and Witness Protection Policy; iv) GCF, on 20 April 2017, launched a call for public inputs to the review and update of the GCF Gender Policy and Action Plan posted on the GCF website; and v) On 15 December 2016, GCF launched a call for inputs for the development of its environment and social management system to be developed pursuant to decision B.07/02. <p>Public calls for inputs with respect to the development of GCF policies, procedures and guidelines launched to date are available on the GCF website.³</p> <p>Following decision B.12/14, the process to conduct a comprehensive review of the participation of observers in activities of the Board/GCF is ongoing, and is in the pipeline for consideration by the Board.</p>
<p><u>Gender</u></p>	<p>See section 10.1 on “Gender considerations in the work of the GCF”</p>

³ Available at <http://www.greenclimate.fund/boardroom/board-meetings/documents?p_p_id=122_INSTANCE_8e72dTqCP5qa&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=_118_INSTANCE_jUGwSITWV8c5_column-2&p_p_col_count=1&p_r_p_564233524_resetCur=true&p_r_p_564233524_categoryId=23991#nav-category>.

<p>In developing its own approach to gender mainstreaming, the GCF could build on the experience of the GEF. It is recommended that gender equality be integrated in the structure and organization of the GCF itself, and that gender-sensitive criteria be taken into account in funding approvals of the Fund</p> <p><i>Decision 9/CP.20, annex, para. 18</i></p>	
<p><u>Environment and social safeguards</u></p> <p>As the GCF is developing its own environment and social safeguards, it should consider consistency with the safeguards of the GEF</p> <p><i>Decision 9/CP.20, annex, para. 21</i></p>	<p>See section 10.2 on “Environmental and Social Policy of the Green Climate Fund”</p>
<p><u>Fiduciary standards</u></p> <p>As it monitors the use of its initial fiduciary standards and reviews those standards within the next three years, the GCF should consider maintaining consistency with the standards of the GEF</p> <p><i>Decision 9/CP.20, annex, para 25</i></p>	<p>Pursuant to decision B.07/02, GCF adopted its initial fiduciary standards, which include basic fiduciary standards and three specialized fiduciary standards for project management, grant award and/or funding allocation mechanisms, and on-lending and/or blending. In decision B.08/03 and related decisions, the GCF accreditation process allows for entities that have undergone an accreditation process at the GEF (as well as the Adaptation Fund and the European Commission's Directorate-General for International Cooperation and Development) and are in full compliance with their requirements to be fast-tracked in the GCF accreditation process.</p> <p>This recommendation will be taken into consideration when the initial fiduciary standards are reviewed.</p>
<p><u>Coherence and coordination</u></p> <p>The GEF and the GCF may consider collaborating in the use of funding pathways that may include the LDCF and the SCCF</p> <p><i>Decision 9/CP.20, annex, para. 51</i></p>	<p>Pursuant to decision B.13/12, work to develop an overarching operational framework on complementarity and coherence with other funds is ongoing.</p> <p>See section VII on “Complementarity and coherence with other funds” which also reports on coherence and current engagement with other climate finance delivery channels while work to develop the overarching complementarity and coherence framework is ongoing.</p>
<p><u>Indicators</u></p> <p>The GEF and the GCF may consider collaborating to harmonize impact indicators and set new norms around reporting practice, especially in the context of adaptation finance. Furthermore, the operationalization of the GCF results-based management framework presents an opportunity to make progress in this regard</p> <p><i>Decision 9/CP.20, annex, para. 76</i></p>	<p>Pursuant to the Board request contained in decision B.08/07(b), the Secretariat has further developed the GCF performance measurement frameworks (PMFs), which set the indicators that GCF and its accredited entities are to use to measure the climate results envisaged in the initial results-based management framework. The draft PMFs were developed in consultation with 35 institutions, including the GEF. The proposed PMFs are in the pipeline for consideration by the Board.</p>

13.3 Report on the implementation of arrangements between the Conference of the Parties and GCF

192. Through UNFCCC decision 5/CP.19, the COP adopted the arrangements between the COP and GCF, in with article 11 of the Convention, to ensure that GCF as an operating entity of the Financial Mechanism of the UNFCCC, is accountable to and functions under the guidance of the COP.

193. The arrangements specify elements to be included in the annual report of GCF to the COP starting from COP 20. Table 5 responds to these requirements, or maps out where in the report the information requested is provided.

Table 5: Arrangements between the Conference of the Parties and GCF: Overview of reports on actions taken by GCF

Guidance received from the Conference of the Parties	Actions taken by GCF
<u>Arrangements with the COP</u> Requests the Board of the Green Climate Fund to report on the implementation of the arrangements referred to in paragraph 4 above in its annual reports to the Conference of the Parties, starting at the twentieth session of the Conference of the Parties (December 2014) <i>Decision 5/CP.19, para. 5</i>	This report addresses this request.
<u>Recommendations of the Independent Redress Mechanism Unit</u> The GCF will include in its annual reports to the COP the recommendations of its independent redress mechanism, and any action taken by the Board of the GCF in response to those recommendations <i>Decision 5/CP.19, annex, para. 9</i> <i>Linked with decision 7/CP.20, para. 24</i>	<p>The Board through its decision B.BM-2016/09 appointed the Head of Independent Redress Mechanism (IRM).</p> <p>Work to revise the terms of reference for IRM to be approved by the Board is ongoing. The Board is also to consider the detailed guidelines and procedures for the independent redress mechanism, which are to be prepared in consultations with the similar or equivalent mechanisms of accredited entities and other stakeholders.</p> <p>By decision B.19/19, the Board approved the work plan and budget of the IRM. Recommendations of the IRM will be included in subsequent annual reports of GCF to the COP.</p>
<u>GCF reports to the COP</u> The GCF is to submit annual reports to the COP for its consideration. Such annual reports shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which the COP guidance has been adhered to by the Board of the GCF <i>Decision 5/CP.19, annex, para. 11</i> <i>Linked with decision 6/CP.18, para. 5</i>	This report addresses this request.
<u>Information on activities approved to receive GCF funding</u>	

Guidance received from the Conference of the Parties	Actions taken by GCF
<p>The GCF will include in its reports a synthesis of the different activities under implementation and a listing of the activities approved, as well as a financial report <i>Decision 5/CP.19, annex, para. 12</i></p>	<p>Annex VII lists the activities approved to receive GCF funding as at 30 April 2018 under:</p> <ul style="list-style-type: none"> • The Readiness and Preparatory Support Programme (table 11); • The Project Preparation Facility (table 12); • Projects and programmes under the adaptation and mitigation thematic windows of GCF (table 13).
<p>The GCF will also include in its reports information on all activities financed by the GCF <i>Decision 5/CP.19, annex, para. 13</i></p> <p><u>Resource allocation</u></p> <p>The GCF will indicate in its reports actions it has undertaken to balance the allocation of resources between adaptation and mitigation activities under the Fund <i>Decision 5/CP.19, annex, para. 14</i></p> <p><i>Linked with:</i> <i>Decision 4/CP.19, para. 9(a)</i> <i>Decision 6/CP.18, para. 7(b)</i> <i>Decision 3/CP.17, para. 8</i></p>	<p>Annex X contains the financial report and audited financial statements for 2017. Of the USD 3.7 billion approved for the implementation of 76 projects, USD 1.07 billion is allocated to adaptation projects; USD 1.61 billion to mitigation; and USD 1.04 billion to crosscutting projects and programmes.</p> <p>In decision B.09/02, the Board requested the Secretariat “to monitor the portfolio, report to the Board, and recommend needed actions, in order to align the portfolio composition with the initial results management framework as contained in decision B.07/04 when the portfolio reaches USD 2 billion, but no later than two years after the first funding decision.”</p> <p>See section 2.3.1 on “Alignment of the GCF portfolio with the initial results management framework”</p>
<p><u>Mechanisms to draw on expert and technical advice from UNFCCC thematic bodies</u></p> <p>The GCF will also include information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate <i>Decision 5/CP.19, annex, para. 15</i></p> <p><i>Linked with decision 7/CP.21, para. 27</i></p>	<p>See section IX on “Support for technology strengthening linkages with the Technology Mechanism”, and responses to:</p> <ul style="list-style-type: none"> • UNFCCC decision 1/CP.21, para. 110 • UNFCCC decision 7/CP.21, para. 22 • UNFCCC decision 7/CP.20, para. 8 • UNFCCC decision 13/CP.21, para. 4 • UNFCCC decision 6/CP.18, para. 7(f) • UNFCCC decision 13/CP.21, para. 8 • UNFCCC decision 4/CP.20, para. 4
<p><u>Resource mobilization</u></p> <p>The GCF is to provide information on resource mobilization and the available financial resources, including any replenishment processes, in its annual reports to the COP <i>Decision 5/CP.19, annex, para. 17(b)</i></p>	<p>See section 2.7 on “Status of resources and arrangements for the formal replenishment process for the GCF” and annex IV to see the pledge tracker.</p>

Guidance received from the Conference of the Parties	Actions taken by GCF
<p><i>Linked with:</i> <i>Decision 7/CP.20, para. 5</i> <i>Decision 4/CP.19, para. 9(a)</i> <i>Decision 6/CP.18, para. 7(c)</i></p>	<p>See status on available financial resources in annex IX which contains the “Audited financial statements 2017/Statements of financial position and of comprehensive income”.</p>
<p><u>Independent evaluation</u> The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention <i>Decision 5/CP.19, annex, para. 20</i></p>	<p>At the thirteenth meeting of the Board (B.13), the Board appointed the head of the Independent Evaluation Unit (IEU) and through decision B.16/07 approved an interim work plan and interim budget of the IEU, and authorized the Head of the IEU to undertake consultations to inform the outline of the independent evaluation policy and undertake processes to set up the IEU. By decision B.19/21, the Board approved the initial work plan and budget of the IEU. It also approved in decision B.19/16, the first evaluation to be undertaken by the IEU of the Readiness Preparatory and Support Programme. See section 2.1.4 on “Evaluation of the Readiness Programme” for more details.</p> <p>Reports of the IEU, including for the purposes of the periodic reviews of the Financial Mechanism of the UNFCCC, will be included in subsequent annual GCF reports to the COP.</p>