

Green Climate Fund

Report on Activities of the Secretariat

GCF/B.06/Inf.02

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Meeting of the Board

19-21 February 2014

Bali, Indonesia

Agenda item 4

Report on Activities of the Secretariat

I. Introduction

1. This report covers the activities undertaken by the Secretariat since the October 2013 Board meeting and was prepared for the information of, and guidance by, the Board.

II. New Fund headquarters in Songdo, Republic of Korea

2.1 Opening ceremony

2. In collaboration with various entities of the Government of the Republic of Korea and Incheon Metropolitan City, the Fund headquarters in Songdo were successfully inaugurated on 4 December 2013. The opening ceremony was officiated by the President of the Republic of Korea, and was attended by several ministers, ambassadors, heads of international organizations and four Board members, including the two Co-Chairs.

3. During the inauguration week, the Co-Chairs and the Executive Director took the opportunity to meet and conduct consultations with various national and international officials. They also engaged in a number of public speaking and media activities with national and international audiences. In order to prepare the opening ceremony and related high-profile events, the Secretariat team closely cooperated with their counterparts in the Ministry of Finance and Strategy of the Republic of Korea. The Secretariat team also liaised with the World Resources Institute (WRI) and the United Nations Development Programme (UNDP) to support the success of the "Climate Finance Week," organized by the Government of the Republic of Korea.

2.2 Offices and working space

4. In accordance with the Headquarters Agreement, the host Government has provided, as a first stage, four floors of office space in the G-Tower in Songdo. The partitioning and internal design were closely supervised by the Secretariat. The twelfth floor was selected as the representation office, due to its access to the atrium. The Executive Director, her immediate support team and the Board room are located on the same floor. The initial Secretariat team has been using the rest of the office space, beginning with the eleventh floor, with future expansion to the tenth and ninth floors, in a phased manner, when more space is required.

5. It is estimated that the office space released so far can comfortably accommodate between 90 to 100 staff and consultants. Although it is envisaged that the Government would release three more floors by 31 December 2014, given the number of established posts (48) approved for 2014, there is no urgent need to request the Government to prepare the next three floors until the 2015 budget is approved and the number of additional positions is determined.

6. At the same time, the Government will soon begin preparing two additional rooms on the eighth floor to accommodate observers during Board meetings. The larger room will accommodate 124 people, arranged in a classroom style. The smaller room will be arranged in a different set-up for smaller meetings of up to 50 to 70 participants. A work plan was drawn up to enable work on the two observers' rooms to begin immediately. Both rooms are expected to be finalized by the beginning of May 2014, in time for the seventh Board meeting.

2.3 Services

7. In connection to the physical move of the Secretariat to the new headquarters, providers of goods and services were identified and selected through competitive processes. Upon issuance of the request for proposals and quotations, four companies showed interest and submitted their proposals to supply office and Board room furniture. Seven companies competed to provide information and communication technology (ICT) services, and five banks expressed interest in providing the Fund with banking services. Selection committees were established to consider the proposals. After carefully evaluating their technical and commercial proposals, three companies (namely Noece for office furniture, U-City for IC--related goods and services, and NongHyup Bank (NH) for banking services) were selected.

8. To date, the Board room, fourteen enclosed offices, eighteen open offices, three meeting rooms and additional open areas have been furnished. The rest of the floors will be appropriately furnished as and when more staff and consultants join the Secretariat. The cost of furniture and equipment will be covered by the special contribution made by the Government of the Republic of Korea for this purpose.

9. Implementation of ICT services was launched, which enabled the Secretariat to be operational at the new headquarters from early January 2014. Internet connection and e-mail functionality were established by the time the Secretariat team arrived in Songdo, and each member of the Secretariat's team was allocated all essential equipment required to start work immediately. The Secretariat is also equipped with state-of-the-art audio and visual communication facilities. A secure virtual meeting platform was established, which will enable the Secretariat to host multiple platform video and audio conferences and which should enhance its meeting capabilities, minimize communication costs and reduce the need for travel.

10. Following the decision to select NH as the local bank of the Fund in the Republic of Korea, separate US dollar and Korean won accounts were opened in December 2013. Authorized signatories were appointed, corporate credit cards were issued and Internet banking facilities were installed. This enabled the Secretariat to receive funds from the City of Incheon to furnish and equip its offices and provide secure ICT services in time for the seamless launch of work in Songdo in January 2014. With these administrative services in place, the Secretariat was able to begin engaging in contracting and effecting payments, within days of its move.

11. The selection process of a health insurance provider was initiated and technical evaluation was completed. After a thorough analysis of commercial quotations, a recommendation and subsequent appointment of a reputable provider with proven international experience will be made. The contract will be consistent with the Administrative Policies and relevant administrative guidelines. Similarly, the selection process of the Secretariat's travel services provider will begin as soon as the Board approves the Travel Policy.

12. The Interim Trustee and the Executive Director executed in October 2013 the legal agreement that was approved by the Board at its October 2013 meeting. With this legal agreement in place, the Interim Trustee and the Secretariat are able to enter into new contribution agreements and have agreed the procedures for transfer of funds from the Interim Trustee to the Fund's bank account upon request for the execution of approved administrative expenditures.

III. Secretariat staff

3.1 Progress on the administrative framework

13. Document GCF/BM-2014/01 *Administrative Policies of the Fund* was finalized and circulated to the Board for a decision between meetings on a no-objection basis. The Travel Policy document will be submitted for consideration by the Board at its February 2014 meeting. The various administrative guidelines are under preparation. To date, the draft administrative guidelines on human resources and procurement have been developed, and they will be submitted for Board endorsement as soon as the Board approves the Fund's Administrative Policies. In the meantime, the Secretariat is using guidelines and templates that are based on those of the Asian Development Bank (ADB) to proceed with contracts for consultants and service providers and to issue purchase orders.

3.2 Secretariat staff

14. Following the approval of 48 positions by the Board, the Secretariat engaged SRI Executive Search to fill key positions of the Secretariat. The selection and contracting process of SRI was completed on 13 December 2013. In the initial recruitment phase, 20 key role profiles were developed with the help of SRI. The firm published vacancy announcements on its website and in selected climate-related and financial media in order to solicit applications from interested and qualified candidates. A global search was conducted by the firm for exceptional candidates, including with respect to both gender and diversity. A total of 530 applications were submitted for the first 10 positions (including the most senior positions of four Division directors, Chief Financial Officer (CFO) and General Counsel) for which the application deadline was 31 January 2014. The other ten positions in the initial recruitment phase have been advertised with an application deadline in late February 2014.

15. Review and signoff of the long lists for the first 10 positions is planned for the second week of February 2014. It is expected that face-to-face interviews will be conducted in March 2014. The review and signoff of the long lists for the other ten positions would happen in March 2014 as well.

16. In spite of the challenges in finding highly-qualified candidates prepared to leave their current positions to a new organization and location, the Secretariat and SRI have successfully engaged to ensure a steady progress. A number of workshops, conference calls and feedback sessions were held so far, and will continue to take place as necessary. It is expected that the initial 6 most senior staff members should assume their duties by early May 2014. The other 14 experts should assume their duties by early June 2014. The process for the additional 18 approved professional staff and 10 support staff will gradually start during March 2014, with a target to have the final staff members assume their duties no later than by early September 2014.

3.3 Temporary team

17. In the meantime, while the recruitment process is on-going, a temporary team of senior advisers, experts and assistants are engaged to ensure the continuation of work and preparation for the sixth meeting of the Board. Of these, nine are located in Songdo, twenty work remotely and three short-term experts and assistants have been hired locally.

18. Members of the team were engaged using a standard Fund's consultant contract, which was developed by the Legal Counsel and the administrative team, based on the ADB template

for consultant contracts. The selection was based on the principles of ensuring necessary continuity and seeking relevant expertise.

19. The work of the temporary team has been organized as shown in the Annex. With this team and its structured working arrangement, the Secretariat has managed to transition successfully from the interim arrangements. It is in the process of building the essential blocks necessary to operate as a permanent and independent entity.

20. Following its establishment, the Secretariat has also temporarily availed itself of some administrative services by the United Nations Framework Convention on Climate Change (UNFCCC) secretariat. This includes travel arrangements and DSA payments for Board members, alternate members, and advisers in relation to the February 2014 Board meeting as well as for Secretariat team supporting and servicing the meeting. Payments for some contracts issued by the UNFCCC secretariat last year are also still made by the UNFCCC secretariat, with a view to clearing the accounts by the end of March 2014.

3.4 Additional sources of staff

21. As part of its offer to host the Fund, the Government of the Republic of Korea is considering the possibility of seconding four experts to support the Secretariat in developing capacity in its support services and overcoming the language barrier in its cooperation with Government entities and local service suppliers and vendors. Other Governments have expressed interest in similar programmes, which can be an alternate source of expert support. Consideration is also under way to obtain secondees from relevant organizations. Secondment guidelines and agreement templates were drafted by the Secretariat, based on those of ADB.

22. The Secretariat will soon start to develop its own Junior Professional Officer (JPO) programme. Pending such development, it submitted a request for a JPO from Germany through the United Nations JPO programme. An internship programme may also be considered in due course.

IV. Implementation of the Headquarters Agreement

4.1 Protocol and visa matters

23. Since the selection process and the assumption of duties by the staff will take longer than 31 March 2014, arrangements have been made, in close cooperation with the Ministry of Foreign Affairs and the Immigration Office of Incheon City, to extend the visas of the members of the temporary team. The necessary background work was done and a general understanding has been reached at all levels that appropriate visas and permits will be issued to the staff as they join the Secretariat in Songdo.

24. The Fund has been provided with the required registration number to formalize its legal status in the Republic of Korea for easier facilitation of its contracts and financial transactions and to benefit from its tax exemption and other privileges and immunities in dealing with various vendors and Government offices.

4.2 Welcome package

25. The supplementary Headquarters Agreement stipulates a welcome package to be provided by the City of Incheon to the Secretariat and its members in various forms. So far, a car and a driver, Korean language classes, informal interpretation and the organization of cultural

and recreational visits have been identified as services that can be offered within the welcome package.

26. During a regular meeting, it was agreed that a representative of the City and a representative of the Secretariat will identify and determine additional useful and practical services that could be included in the package. This collaborative approach will maximize the effective utilization of the resources allocated by the Government for this purpose.

V. Support to Board committees, panels and team, and expert consultations

27. The Secretariat provided support to the work of the following committees, panels and team of Board members and alternate members and expert consultations:

- (a) **Board committees:** The Board established three committees so far: the Ethics and Audit Committee, the Risk Management Committee and the Investment Committee. The first held a virtual meeting in January 2014. The members of the second and third were appointed in February 2014. All committees will hold a meeting at the margins of the February 2014 Board meeting;
- (b) **Private Sector Advisory Group:** The Secretariat issued an open call for proposals for experts from the private sector and civil society to participate in the Private Sector Advisory Group (PSAG). Over 150 applications were received by the 2 December 2013 deadline. The Secretariat assisted the four PSAG members with the screening and short-listing process. The recommendations of the PSAG members were submitted to the Co-Chairs for approval;
- (c) **Logo Selection Panel:** Following a decision by the Board at its October 2013 meeting, requesting the Secretariat to contract a professional designer to design the logo of the Fund, the Secretariat competitively recruited and hired a professional designer. Under the guidance of the Panel Chair and with support from the Secretariat, the designer initiated a creative process in three phases that included primary and secondary research, development of five logo options and design revision on two of the logo options. On 10 December 2013, the designer presented the two final logo concepts to members of the Panel. The Panel members by consensus selected a dynamic logo that conveys essential qualities of the Fund, including its global, multifaceted and multi-stakeholder attributes. The report on the progress made will be presented to the Board for its information and guidance at its February 2014 meeting;
- (d) **Team on accreditation:** The Secretariat issued an open call for proposals for senior international experts to assist the Board's team on accreditation. A total of 117 applications were received by the 17 November 2013 deadline. The Secretariat conducted the short-listing and selection process. The final selection of four experts was concluded in January 2014. Two virtual meetings and one conference call were organized in December 2013 and January 2014. The Board team will also meet at the margins of the February 2014 Board meeting;
- (e) **Consultations on a Fund-wide gender-sensitive approach:** In order to support the preparation of the document on gender-sensitive approach (document GCF/B.06/13) and as requested by the Board, the Secretariat engaged with a group of nine external gender and climate experts to consult on a draft document. The experts were drawn from observer organizations and partner institutions. Two consultation tele-conferences were held with experts on 29 January 2014, led by the Secretariat's gender specialist. Participating experts submitted written comments on the draft, which informed the final document. The consultation process also enhanced stakeholder input and participation, and set a positive tone for future collaboration on gender and other topics.

VI. Implementation of Board decisions

28. Following the October 2013 Board meeting, the Secretariat, worked with the previous Co-Chairs and issued the draft report of the meeting (document GCF/B.05/Drf. 02), which was circulated to Board members. As no comments were received from Board members, it will be presented to the Board at its sixth meeting for adoption.

29. The Secretariat carried out extensive work on the preparation of documents as requested by the Board for its February 2014 meeting. The Secretariat hosted the Co-Chairs and their advisers at the Fund's headquarters on 8-10 January 2014, and received their guidance on the annotated outlines of documents and on the provisional agenda. Draft documents were sent for comments by the Co-Chairs, and submitted again for their clearance. The Secretariat also sought input from relevant third parties, including the Climate Investment Funds (CIF), the Global Environment Facility (GEF) and the Adaptation Fund, and conducted a video-conference with experts from think-tanks to solicit input on modalities for enhancing direct access.

30. The Secretariat has worked with Indonesian authorities to finalize the Memorandum of Understanding and to ensure that meeting facilities for the Board meeting to be held in Bali in February 2014 are in line with the Board's requirements. Invitations and details about the venue and other logistic arrangements were issued on 23 January 2014 and published on the Fund's website.

VII. Outreach activities

31. Immediately following the October 2013 Board meeting, the Secretariat undertook a series of outreach activities in order to raise awareness of the progress made by the Fund:

- (a) **“Pre-COP 19” (Warsaw, Poland, 2 October 2013):** The Executive Director, supported by a programme officer, participated in the open meeting of the “Pre-COP 19”, following the invitation by the Conference of the Parties (COP) Presidency. The meeting included 40 ministers and senior negotiators, high-level officials from the UNFCCC secretariat, the Chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technical Advice (SBSTA), and representatives of the business sector. The meeting provided an opportunity for the Executive Director to provide an update on the progress and activities of the Fund, in preparation for the negotiations in the context of the UNFCCC COP 19. The meeting also provided an opportunity for the Executive Director to reach out to senior representatives of developing and developed countries and discuss potential needs and priorities relating to readiness and preparatory support;
- (b) **Washington, DC, USA mission (12-18 October 2013):** The Executive Director, supported by a senior member of the Secretariat and the communication and stakeholder outreach officer, participated in the International Monetary Fund (IMF)/World Bank annual meetings, related events and high-level Government meetings in Washington, DC.
 - (i) In addition to presenting at a session on mobilizing private climate finance through multilateral institutions organized by the US Treasury, the Executive Director held bilateral meetings with senior staff of organizations including the White House, US State Department, US Treasury Department, Inter-American Development Bank, World Bank, IMF, Adaptation Fund, CIF, GEF, WRI and the Center for Global Development;
 - (ii) Key outcomes included strengthening of political support for the Fund, with a focus on cooperation for future resource mobilization; engagement with important future partners and stakeholders of the Fund; and the initiation of

positive relationships and dialogue important to the Fund's capitalization success;

- (c) **Ministerial climate finance meeting (Copenhagen, Denmark, 23 October 2013):** Following an invitation by H.E. Mr. Martin Lidegaard, Minister of Climate, Energy and Building of Denmark, the Executive Director and a programme officer participated in the Ministerial climate finance meeting and made an intervention in the session of the meeting "The global climate finance architecture". This participation also gave the Executive Director the opportunity to meet with the United Nations Secretary-General, Mr. Ban Ki-Moon, and senior staff from his climate change team. It also allowed for bilateral conversations with representatives of various government ministries, international organizations and financial institutions;
- (d) **Second donor consultation meeting (Copenhagen, 24 October 2013):** Taking advantage of the participation at the Ministerial climate finance meeting in Copenhagen, and in response to an invitation by the US delegation, the Co-Chair Mr. Manfred Konukiewicz and the Executive Director participated at the Second donors consultation meeting. The meeting gathered ministers and senior officials from developed countries and some international organizations, who met for the second time in 2013 to discuss how to coordinate efforts to scale up climate finance. The Co-Chair was invited to brief the participants on the progress of the Fund and the Executive Director intervened during the discussion;
- (e) **COP 19 mission (Warsaw, 11-22 November 2013):** The Executive Director and three members of the Secretariat participated in the COP:
- (i) The Secretariat prepared the Report of the Green Climate Fund to the COP, documents FCCC/CP/2013/6 and Add.1. Former Co-Chair Mr. Zaheer Fakir officially presented a summary of the report to the COP. Guidance to the Fund was received from the COP in decision 4/CP.19;
 - (ii) During the high-level segment of the COP, the Executive Director addressed ministers at the High-level dialogue on climate finance. She also presented the Fund to the climate investment community at a number of COP events and, together with the Co-Chair Mr. Konukiewicz, held bilateral meetings with ministers and representatives of regional groups. Mr. Konukiewicz and the Executive Director jointly held a press conference, successfully delivering key messages that the Fund is now open for business and that steps are being taken for an initial capitalization in 2014.

VIII. Communication and media activities

32. **Communication:** In accordance with decision B.04/14, the Secretariat continued the work on the development of a draft communication strategy of the Fund, in coordination with two consultants previously engaged in this capacity. Research, including an audit of stakeholder perceptions of the Fund, was completed. Based on this research and workshops with the Secretariat, strategic objectives for the Fund's communication strategy were developed. The final draft communication strategy of the Fund will be presented to the Board at its May 2014 meeting.

33. **Media:** The Secretariat communication team continued and intensified its media outreach by responding to media inquiries, providing factual information about the Fund, distributing press releases, organizing press conferences and strengthening relationships with key financial journalists who report on the Fund. As part of its COP activities, the Secretariat issued a press release to the media pool, and cooperated with the Communications and Media Unit of the UNFCCC secretariat.

IX. Observer accreditation

34. As at 24 January 2014, 191 observer organisations have been accredited with the Fund. They include civil society organizations (CSOs), private sector organizations (PSOs) and international entities (IEs). A third round of observer organization accreditation was held in late 2013. The Secretariat announced the new accreditation round according to standard practice, screened all received applications and created portfolios of application material for review by Board members.

35. Under the guidance of the Co-Chairs, the Secretariat forwarded its accreditation recommendations to Board members for approval on a no-objection basis. Updated lists of accredited observer organizations are available on the Fund's website at: <http://gcfund.net/partnerships/observers.html>.

Annex: Temporary team of the Secretariat (as of February 2014)

Notes:

Titles of temporary team members are not indicative of the levels or titles of the established permanent positions.
Some team members are on part-time contracts, or for a specific output.

