



GREEN
CLIMATE
FUND

Report on Activities of the Secretariat

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Meeting of the Board
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Agenda item 4 (b)

Report on Activities of the Secretariat

I. Introduction

1. This report is intended to inform the Board of the main activities undertaken by the Secretariat since the seventh meeting of the Board, held in May 2014.

II. Support to Board committees, panels and teams, and expert consultations

2. **Risk Management Committee:** Two virtual meetings of the Risk Management Committee have taken place since the May 2014 Board meeting. The purpose of these meetings was to discuss the process for determining the Green Climate Fund's risk appetite. At the second virtual meeting, the Committee agreed upon a four-step process for setting the Fund's risk appetite. This process will form the basis of the Risk Management Committee's work plan until the end of 2015. A document entitled Survey of Methodologies to Define and Set Risk Appetite was prepared by the Secretariat under Committee supervision. This document will be presented to the Board at its October 2014 meeting.

3. **Investment Committee:** Two virtual meetings of the Investment Committee have taken place since the May 2014 Board meeting. In the first meeting, the Committee offered guidance on how to address the Board request from the May 2014 Board meeting to elaborate further on the initial investment framework by defining activity-specific sub-criteria and indicators. Subsequent to the guidance offered by the Committee, public input was requested and consultation meetings were held for the purpose of input and feedback. The Secretariat also sought input from the Private Sector Advisory Group (PSAG) on behalf of the Committee as part of the consultation process.

4. A second virtual meeting was held for the purpose of feedback and further guidance on an initial draft of the initial investment framework document. The Committee reviewed the proposed activity-specific sub-criteria and illustrative assessment factors, and discussed the additional research and analysis necessary for the finalization of the draft document. The document will be presented to the Board as document GCF/B.08/20.

5. **Ethics and Audit:** The Ethics and Audit Committee met on 17 May 2014 to discuss the draft Ethics Policy for Board members and Alternates. The Secretariat will prepare a revised draft based on the discussions. The rules must also apply to active observers, external experts and advisers. A revised draft Ethics Policy will be submitted to the Board for consideration at its first meeting in 2015.

6. The Committee also held a virtual meeting on 22 July 2014 for the review of two documents prepared by the Secretariat. The first was a paper examining the selection of the most appropriate accounting standards for the Fund. The second was draft terms of reference (TOR) of the External Auditor. The Committee's work and recommendations regarding the accounting standards and the TOR have been compiled and submitted to the Board for consideration at its eighth meeting (document GCF/B.08/27).

7. **Private Sector Advisory Group:** The second in-person meeting of the PSAG took place in Cape Town, South Africa on 10–12 September 2014. The Secretariat staff assisted this meeting by providing substantive input and participating in the small group discussions. The PSAG Board members had four virtual meetings prior to the Cape Town meeting in order to discuss the in-person meeting and the status of the relevant documents that would be presented to the Board at its October 2014 meeting.

8. The Private Sector Facility (PSF) division of the Secretariat prepared three documents: (1) *Potential Approaches to Mobilizing Funds at Scale* (GCF/B.08/13); (2) *Modalities to Promote the Participation of Private Sector Actors in Developing Countries* (GCF/B.08/14), and (3) *Use of Other Financial Instruments* (GCF/B.08/12). PSAG members provided individual feedback and recommendations on the draft versions of these documents in a series of e-mail exchanges between the Secretariat and group members. The PSAG then developed its collective recommendations for these documents in working group sessions at its in-person meeting. The final recommendations are presented for the consideration of the Board as three sets of recommendation papers.

9. **Accreditation:** The Secretariat assisted the Accreditation Committee and experts nominated for the Accreditation Panel in the preparation of documents and policies related to the guiding framework for accreditation, as requested by the Board at its seventh Board meeting. Five virtual Committee meetings and six panel meetings were held between July and September. In the same period, the Secretariat contacted the Global Environment Facility (GEF), the Adaptation Fund (AF) and the EU Devco in order to analyse their accreditation process. The PSAG was also consulted to offer input and comments on private sector matters. As a result, six Board documents were finalized on the accreditation fee policy, suitable accreditation framework, fast-track approach, private sector best practice assessment and direct access modalities.

10. The Secretariat also conducted a selection process for the addition of two experts to the Accreditation Panel to join the four already selected. Following a strict, transparent process, two candidates out of thirty-seven have been selected and nominated by the Accreditation Committee with due consideration of gender, geographic location and balance of expertise.

11. Finally, the Secretariat held a virtual meeting with civil society and private sector observers on 16 September to receive their input on the Accreditation framework. The meeting, attended by seven organizations, was an opportunity to answer their questions and update them on the progress made on the Fund. A similar conference call was organized on 22 September to discuss the readiness support programme.

12. **Country Ownership:** The Secretariat worked with the Small Group on Country Ownership and organized two conferences on 7 August and 17 September 2014 to discuss the no-objection procedure and best practices for the establishment of National Designated Authorities and country coordination.

III. Outreach activities

13. The Secretariat continued to reach out to developing countries, resulting in more than 50 National Designated Authorities and focal points being nominated as to September 1, 2014. Furthermore, 20 of these countries have sent readiness support requests to the Fund. This effort will be intensified and extended to prospective implementation entities following approval of the accreditation policies by the Board.

14. In reaching out to eligible recipient countries, the Secretariat noted that there is a need for further clarity in the understanding of developing countries to the Convention as a criteria for eligibility. Following an email exchange on this matter with the Co-Chairs, the Secretariat requested advice from the UNFCCC secretariat. The UNFCCC secretariat indicated that there is no specific definition of developing country Parties to the Convention, and suggested that further guidance from the COP on this matter would have to be requested should the Fund require clarification. The Secretariat will also be guided by the list of beneficiary countries of the global environment facility.

15. In connection with the work of thematic bodies of the UNFCCC, the Secretariat represented the Fund at the fifth meeting of the Adaptation Committee (AC); the meetings of the Standing Committee on Finance (SCF); the National Adaptation Plan (NAP) Expo organized by the Least Developed Countries Group (LEG); the first meeting of the Executive Committee of the Warsaw International Mechanism for Loss and Damage; the sessions of the subsidiary bodies of the UNFCCC; and at those of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). The Secretariat was also able to participate remotely at the TEC thematic dialogue on climate technology financing.

16. Following the May 2014 Board meeting, the Executive Director and/or Initial Resource Mobilization (IRM) process facilitator, Ambassador Lennart Båge went on several missions abroad during the June–September period in order to update government representatives on progress made to date by the Fund, strengthen bilateral government relations and discuss IRM-related matters, boost partnerships with like-minded organizations, and increase the Fund’s visibility through activities such as media interviews and think tank events. A mission to New York in August also helped prepare the UN Climate Summit and explore how the Fund may acquire privileges and immunities. Missions were conducted in Tokyo (June 17 and September 17), Washington and New York (August 19-22), Paris and London (September 4), Rome (September 5) and Berlin (September 10).

17. A Fund team also attended the United Nations Climate Summit in New York (September 22–24), using the mission as an opportunity to meet with governmental delegations concerned with matters related to climate change, potential contributors and private sector stakeholders.

IV. Observer Accreditation

18. To date, 183 observer organizations have been accredited with the Fund. They include 117 civil society organizations, 29 private sector organizations and 37 international entities.

19. 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>.

V. Institutional and Administrative matters

5.1 Progress on the administrative framework

20. Work relating to Human Resources and Procurement guidelines has progressed and the documents have been submitted for endorsement by the Board. Both sets of guidelines are scheduled to be reviewed and approved at the eighth Board meeting.

21. In the meantime, the internal capacity of the Secretariat has been further strengthened following the recruitment of new staff members, who have been fully briefed and empowered. Administrative work relating to financial management, staff recruitment, travel and procurement are thus handled by the Secretariat.

22. A contract has been negotiated and agreed with an international firm to provide health insurance coverage to staff and their dependants. Significant advances have also been made to identify travel and tax advice. Work has started on an Enterprise Resource Planning (ERP) system that will effectively facilitate work relating to project management, accounting, human resources, procurement, travel, etc.

5.2 Secretariat staff

23. The key positions of the Secretariat have now been filled. Most of the 23 international staff members have come on board since the seventh Board meeting, while almost all ten Administrative Staff members have been hired or are currently in the final stages of the recruitment process. Details on recruitment and staffing status are reported in document GCF/B.08/Inf. 05.

24. Handover of the main functions from the initial team to the division directors and heads of offices was carried out in August and September, culminating in the staff retreat on 29-30 September. The two-day retreat targets team building and programme planning.

25. New staff members were provided with practical assistance to help them settle in at their new duty station. The City of Incheon seconded a full-time staff member to facilitate such assistance as required by offering practical help to those seeking visas, schools and housing.

5.3 Other logistical and administrative work

26. **Eighth board meeting:** In collaboration with the Government of Barbados, arrangements have been made to prepare for and service the eighth Board meeting. A technical mission by the Secretariat was undertaken to assist the Government in identifying an appropriate venue and to clarify the list of requirements. Following such consultations, the Hilton Hotel was selected as the venue of the eighth meeting.

27. **Initial Resource Mobilization (IRM) meetings:** As indicated in the substantive reports, (GCF/B.0816) to date, two IRM meetings have been held with the support of the Secretariat. The first meeting took place on 30 June and 1 July in Oslo. The meeting was hosted with the generous support of Norway which covered all logistical costs. The Secretariat prepared background papers and facilitated the meeting by providing the required substantive and administrative support.

28. The second meeting was held on 8–9 September in Bonn, Germany on the United Nations Premises with the cooperation of UNFCCC. While the venue was provided by the United Nations free of charge, the Fund covered other logistical expenses including hospitality. The Secretariat prepared background papers that proved effective in the advancement of discussions.

29. Following the launch of the new logo, the landing page and some important information and navigational elements of the Secretariat's website have been revamped to enhance their appeal. This is part of a series of site changes scheduled for the final part of this year, targeting a modern and efficient multi-purpose environment for the Fund's work with web content, documents, records and social media channels.

30. A gap analysis has been conducted on key information systems and essential information handling tools required to facilitate the Fund's mandate in 2015. Phased implementation of time sensitive area systems (the Online Accreditation System for example) has already begun. The Secretariat will provide an update on these initiatives at future Board meetings.