



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
28 - 30 June 2016  
Songdo, Incheon, Republic of Korea  
Provisional agenda item 5

**GCF/B.13/Inf.01**

27 June 2016

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# Report on activities of the Co-Chairs

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## **Summary**

This report informs the Board on the main activities undertaken by the Co-Chairs from late-March to early June 2016.

## I. Introduction

1. This report informs the Board of the main activities undertaken by the Co-Chairs from late March to early June 2016. Linkages with other documents

## II. Activities during the reporting period

### 2.1 Work of the Co-Chairs between the twelfth and thirteenth meetings of the Board

2. In accordance with decision B.12/22, the Co-Chairs and Executive Director agreed to a set of objectives to cover the period of her term at the Secretariat. These objectives are:

- (a) Finalizing accreditation master agreements (AMAs) with all accredited entities, especially those with approved projects;
- (b) Updating of the portfolio development of the GCF, including the project pipeline and progress on approved projects;
- (c) Increasing institutional capacity, including staffing in line with guidance from the Board and the Co-Chairs' e-mail on senior staffing appointments, and developing internal policies and procedures; and
- (d) Preparing for the Executive Director transition.

3. The Co-Chairs and the Executive Director of the Secretariat have conducted fortnightly teleconferences during the reporting period to discuss the progress of the Secretariat's work, including in relation to the mandates from the twelfth meeting of the Board (B.12), and preparations for the thirteenth meeting of the Board (B.13).

4. The Co-Chairs' advisers, on behalf of the Co-Chairs, have conducted weekly teleconferences with Secretariat officials from all line areas during the reporting period in order to provide guidance on the Secretariat's work, including the preparations for B.13. The Co-Chairs' advisers participated in a mission to the Secretariat at the end of April in order to discuss the preparations for B.12. Based on their visit, the advisers proposed a set of 10 priority issues for consideration by the Co-Chairs. These objectives are contained in annex I. The Co-Chairs' teams also participated in the activities of the Secretariat's readiness week and interacted with national designated authorities/focal points and a number of the direct access accredited entities.

5. The Co-Chairs held two meetings with accredited entities in the margins of the World Bank spring meetings in April 2016; one meeting was with direct access accredited entities, and the other was with international accredited entities. The Secretariat facilitated these meetings, which aimed to encourage accredited entities to work with the Secretariat and the Board to develop its GCF pipeline, allow the Co-Chairs the opportunity to provide clarity on GCF policies and processes, and to seek information on the needs of accredited entities.

6. In the reporting period, the Co-Chairs have held a series of consultations with their respective constituencies, to apprise them of the progress of the Secretariat's work, and to seek views on issues.

7. In the reporting period, the Co-Chairs have also organized regular telephone calls with members of committees and panels to keep them informed on the progress of the work being carried out by the Board's committees and panels.

## 2.2 Thirteenth meeting of the Board

8. In preparation for B.13, which will take place in Songdo, Incheon, Republic of Korea, from 28 to 30 June 2016, the Co-Chairs conducted constituency consultations to finalize the provisional agenda, and circulated draft documents for comment. The provisional agenda was circulated to the Board on 25 March 2016 and made available as document GCF/B.13/Drf.01 on the GCF website.

9. The Co-Chairs have also prepared an agenda for the informal Board consultation, to be held on Monday, 27 June, prior to the commencement of the thirteenth meeting of the Board.

10. The Co-Chairs have been working closely with the Secretariat to update the 2016 work plan of the Board so that it accurately reflects the decisions taken at B.12. The Co-Chairs and the Secretariat have also been working to ensure that the items in the work plan will facilitate the Board's work on achieving the elements of the strategic plan of the GCF.

11. The Co-Chairs have been engaging closely with the Board's committees on the agenda items for B.13 to keep abreast of progress, including with the Accreditation Committee, the Risk Management Committee, and the Executive Director Selection Committee.

## 2.3 Documents and draft decisions between meetings

12. In accordance with the Rules of Procedure of the Board, the Co-Chairs identified the items to be addressed between B.12 and B.13 as per document GCF/B.13/Inf.04.

## 2.4 Engagement with the United Nations Framework Convention on Climate Change and its thematic bodies

### 2.4.1 Participation in the forty-fourth sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice, as well as the first session of the Ad Hoc Working Group on the Paris Agreement

13. Mr. Zaheer Fakir, Co-Chair of the developing country constituency of the Board, represented the Board at various events, workshops and bilateral consultations that took place in Bonn, Germany, during the forty-fourth sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice, and the first session of the Ad Hoc Working Group on the Paris Agreement.

- (a) **GCF side event:** Mr. Fakir gave the opening address at the GCF side event "From ambition to action", which was attended by over 100 participants. Mr. Fakir also answered questions from the floor, along with members of the GCF Secretariat;
- (b) **Stocktaking event:** Mr. Fakir addressed a stocktaking event hosted by the Presidency of the Conference of the Parties (France) on ensuring coherence and assessing progress on the implementation of the post-Paris work programme. The full text of Mr. Fakir's intervention was posted on the UNFCCC website;<sup>1</sup>
- (c) **In-session workshops:** Mr. Fakir participated in two in-session workshops: "Financing the CDM through international climate financing institutions", and "In-session workshop on linkages between the Technology Mechanism and the Financial Mechanism",

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<sup>1</sup> See <[https://unfccc.int/files/bodies/apa/application/pdf/gcf\\_zuheer-stocktake-21may.pdf](https://unfccc.int/files/bodies/apa/application/pdf/gcf_zuheer-stocktake-21may.pdf)>.

providing overarching comments on the mandate of the GCF, and fielding questions from the floor; and

- (d) **Bilateral consultations:** Mr. Fakir represented the Board in a number of bilateral consultations, including with the Chairs of the Technology Executive Committee and Climate Technology Centre and Network Advisory Board, the Adaptation Fund Board, and representatives from Tebtebba (Indigenous Peoples' Centre for Policy Research and Education), where he provided advice on how these institutions can best engage with the GCF.

## 2.5 Report on the consultations of the Co-Chairs

14. The Co-Chairs hosted a lunch event with GCF accredited entities in the margins of the spring meetings of the World Bank, which was divided into two sessions for direct access accredited entities and international accredited entities, respectively. This event facilitated an informal dialogue between the Co-Chairs and accredited entities, and allowed the Co-Chairs to provide clarity on GCF objectives and processes, while gaining further information on the different experiences, priorities, expectations and interests of the accredited entities.

15. At B.12, the Board mandated the Co-Chairs to undertake consultations on a number of agenda items for B.13. Among these, the Co-Chairs undertook consultation on the simplified proposal approval process for certain activities, including small-scale activities as contained in document GCF/B.13/13 titled "Simplified processes for approval of proposals for certain activities, in particular small-scale activities: recommendations from the Co-Chairs". The Co-Chairs also undertook consultations with observers on the terms of reference for the review of the observer guidelines, which was adopted in a decision in between meetings (decision B.BM-2016/08).

16. Consultations are still ongoing on matters related to the GCF Readiness and Preparatory Support Programme and will continue throughout B.13, including a discussion by the Board at the informal consultations of the Co-Chairs on Monday, 27 June. The Co-Chairs will undertake further consultations on those matters for the fourteenth meeting of the Board.

17. The Co-Chairs carried out a number of consultations between the Board's twelfth and thirteenth meetings, in line with decisions taken by the Board at its twelfth meeting, including the simplified proposal approval process for certain activities, including small-scale activities.

18. In mid-April 2016, the Co-Chairs issued a Co-Chairs' note on "Consultations on simplified processes for approval of proposals for certain activities, in particular for small-scale activities". This note proposed a principles-based approach on the way forward on this item.

19. On the basis of the Co-Chairs' note, the Co-Chairs' advisers carried out consultations with advisers in their respective constituencies before holding a Board-wide consultation conference call in mid-May 2016.

20. Based on the issues raised during the Board-wide consultation, the approach outlined in the Co-Chairs' proposal was modified and transmitted to all advisers.

### 2.5.1 Reducing emissions from deforestation and forest degradation in developing countries

21. The Co-Chairs' advisers, on behalf of the Co-Chairs, held initial discussions with advisers, Secretariat officials, interested countries and non-government organizations on options for the operationalization of results-based payments for REDD-plus, including the possible development of a results-based payments framework for REDD-plus and the potential use of

requests for proposals. On the basis of these initial discussions and consistent with decision B.12/07, Co-Chairs' consultations are ongoing with a view to presenting a document for consideration by the Board at its fourteenth meeting.

#### 2.5.2 Observers – thirteenth meeting of the Board

22. The Co-Chairs worked with the Secretariat to undertake consultations with members of the Board (hereinafter referred to as Board members) and alternate members of the Board (hereinafter referred to as alternate members), active observers and accredited observer organizations on the terms of reference for the comprehensive review of the participation of observers in the activities of the Board, in accordance with decision B.12/14.

23. The Secretariat issued an invitation for views by 10 April 2016 in relation to the comprehensive review of the participation of observers in the activities of the Board. This deadline for views was extended to 15 April 2016. The Secretariat compiled the three submissions received into a document,<sup>2</sup> which was circulated to Board members, alternate members and active observers.

24. The Co-Chairs also requested the Secretariat to consult with GCF accredited observer organizations during the forty-fourth sessions of the SBI and the SBSTA, and the first session of the Ad Hoc Working Group on the Paris Agreement. Following this, the Secretariat circulated, for comment, the draft terms of reference for the comprehensive review of the participation of observers. On 3 June, the Co-Chairs provided the Board with a draft decision for intersessional agreement with a three week no-objection period (ending 24 June).

#### 2.5.3 Co-financing

25. The Co-Chairs and the Secretariat had initial discussions on developing a Board paper on co-financing guidelines, in accordance with the strategic plan of the Board, which outlines that the Board intends to prioritize the development of its proposal pipeline by “identifying opportunities for the GCF to add value by co-financing projects and programmes together with the GEF, the Adaptation Fund or Multilateral Development Banks”.<sup>3</sup>

#### 2.5.4 Request for proposals

26. The Co-Chairs have been working with the Secretariat to implement the Board's decisions on the request for proposals on:

- (a) A pilot programme to support micro-, small- and medium-sized enterprises, in accordance with decision B.10/11;
- (b) A pilot programme to mobilize resources at scale in order to address adaptation and mitigation, in accordance with decision B.10/11; and
- (c) A pilot phase enhancing direct access to the GCF, in accordance with decision B.10/04.

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<sup>2</sup> Document GCF/B.12/34.

<sup>3</sup> Annex I to decision B.12/20.

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## Annex I: Interim measures to increase GCF programming and approvals

- (a) Agree to amend the readiness grant agreements in favour of a simplified contractual agreement between the GCF and entities in order to expedite disbursements;
  - (b) Immediately launch the requests for the proposals (RFPs), as requested at the ninth meeting of the Board, to the value of USD 900 million (micro-, small-, and medium- sized enterprises – USD 200 million, enhanced direct access – USD 200 million, mobilizing sources at scale – USD 500 million);
  - (c) Commence urgent work on addressing the challenges with the Private Sector Facility pipeline and related pipeline development matters, including resolving and directing the Secretariat in relation to pari passu and other related financial risk and considerations, to unblock some of the projects in the pipeline;
  - (d) Complete negotiations on the accreditation master agreements (AMAs) and the funded activity agreement (FAA);
  - (e) Operationalize the Project Preparation Facility (PPF), including addressing where it will be positioned within the Secretariat, staffing issues and guidelines regarding decision-making procedures on PPF proposals;
  - (f) Identify areas in relation to the review of the initial proposal approvals process review that could be brought forward to thirteenth meeting, such as matters related to enhancing the transparency of the pipeline and approvals process;
  - (g) Addressing the immediate staffing and human resources issues related to current staff, many of whom are still on probationary contracts, and expedite the approval of the terms of reference for new staff positions;
  - (h) Expedite the structured dialogues, including through readiness support, between accredited entities and national designated authorities/focal points at the regional level (Africa, Asia-Pacific, Latin America and the Caribbean, Eastern Europe) in accordance with the strategic plan for the GCF; structured dialogues with the small island developing States and the least developed countries should also be considered; the outcome of these structured dialogues should be the generation of country-driven regional programmes and/or programmatic approaches that could be submitted as concept notes or PPF requests before the fifteenth meeting of the Board;
  - (i) Launch an initiative to enhance the engagement of the local private sector actors in the least developed countries and small island developing States with the Private Sector Advisory Group, in accordance with its mandate and the Governing Instrument for the GCF; and
  - (j) Address and/or clarify a number of operational matters where there have been substantive deviations from Board-approved procedures, such as the timing of the no-objection letters/procedure.
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