



**GREEN
CLIMATE
FUND**

Meeting of the Board
12 – 14 October 2016
Songdo, Incheon, Republic of Korea
Provisional agenda item 5

GCF/B.14/Inf.02

11 October 2016

Report on the activities of the Co-Chairs

Summary

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

I. Introduction

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

II. Activities during the reporting period

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

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

- (a) Finalizing accreditation master agreements (AMAs) with all accredited entities, especially those with approved projects;
- (b) Updating 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, as well as developing appropriate internal policies and procedures; and
- (d) Preparing for the Executive Director transition.

3. The Co-Chairs and the Executive Director conducted fortnightly teleconferences during the reporting period in order to discuss the progress of the Secretariat's work, including in relation to the mandates from the thirteenth meeting of the Board (B.13), and preparations for the fourteenth meeting of the Board (B.14).

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.14. The Co-Chairs' advisers participated in a mission to the Secretariat at the end of August in order to discuss the preparations for B.14.

5. 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.

6. The Co-Chairs facilitated the high-level segment of the GCF Pacific regional meeting, which was attended by Pacific heads of state, ministers, high-level officials, Pacific national designated authorities, and officials from the Secretariat, accredited entities, civil society and delivery partners. The key outcome of the meeting was the GCF Pacific road map that outlines ideas, concepts and proposals from the Pacific region that may be developed into GCF funding proposals.

7. The Co-Chairs hosted round tables with civil society and private sector representatives on 4 and 5 August 2016 in Melbourne, Australia. The civil society event involved seven organizations and focused on the important role that civil society can play in supporting country ownership, and building in-country capacity. The private sector round table was attended by over 50 representatives of a diverse range of organizations, including commercial banks, pension funds, insurance companies, asset management agencies and engineering firms.

Discussions focused on how the GCF can best target its support to remove barriers to private sector climate investment in developing countries.

8. Mr. Zaheer Fakir, Co-Chair of the developing country constituency of the Board, participated in the seventy-first session of the United Nations General Assembly, in collaboration with the Executive Director, and Mr Ewen McDonald, Co-Chair of the developed country constituency of the Board, also participated in some of the meetings. Participation consisted of speaking engagements and meetings with accredited entities, including the United Nations Development Programme, Conservation International, HSBC, Deutsche Bank, Credit Agricole, the Environment Investment Fund of Namibia and the Ethiopian Ministry of Finance and Economic Development. The Co-Chair provided information on the progress of the GCF, highlighted the GCF aim to support paradigm-shifting proposals and welcomed views from accredited entities on their interactions with the GCF.

9. In addition, the Co-Chairs participated in meetings with the Rockefeller Foundation, the Danish Pension Fund, the Global Environment Facility, the Adaptation Fund, and United Nations Framework Convention for Climate Change secretariat. In the first two meetings, conversations were aimed at exploring opportunities for collaboration. With the latter organizations, conversations were consistent with B.13 decisions on complementarity and coherence, and on the GCF relationship with UNFCCC thematic bodies.

10. The Co-Chairs also participated in bilateral meetings with countries, including the respective signing ceremonies of privileges and immunities agreements with Namibia, Papua New Guinea and the Solomon Islands.

11. Mr. Fakir participated in the 2016 Annual Meetings of the World Bank Group/International Monetary Fund in Washington DC during this reporting period. During the meetings, the Co-Chair engaged with available accredited entities, including the International Finance Corporation, Profonanpe, the Inter-American Development Bank, the African Development Bank, HSBC, the World Bank, and the African Finance Corporation. The meetings served to convey developments at the GCF encouraging the development of paradigm-shifting proposals and provided the opportunity to discuss proposals, questions and recommendations to the GCF on addressing barriers that countries and entities may be facing.

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

2.2 Fourteenth meeting of the Board

13. In preparation for B.14, which will take place in Songdo, Incheon, Republic of Korea, from 12 to 14 October 2016, the Co-Chairs conducted constituency consultations in order to finalize the provisional agenda, and circulated draft documents for comment. The provisional agenda was circulated to the Board and made available as document GCF/B.14/Drf.01 on the GCF website.

14. The Co-Chairs have also prepared an agenda for the informal Board consultation, to be held on Tuesday, 11 October prior to the commencement of the fourteenth meeting of the Board.

15. The Co-Chairs have been working closely with the Secretariat in order to update the 2016 work plan of the Board so that it accurately reflects the decisions taken at B.13. 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 for the GCF.

16. The Co-Chairs have been engaging closely with the Board's committees on the agenda items for B.14 in order to keep abreast of progress, including with the Accreditation Committee, the Risk Management Committee and the Budget Committee.
17. The Co-Chairs led the Executive Director Selection Committee (EDSC) process, in line with decision B.13/15 (limited distribution), and chaired four meetings of EDSC and the interviews with the shortlisted candidates for the Executive Director role. The Co-Chairs, on behalf of EDSC, submitted the limited distribution EDSC report to members of the Board (hereinafter referred to as Board members) ahead of B.14.
18. The Co-Chairs have been working with the Secretariat and the Board in order to determine how best to conclude work on developing some indicators for the GCF performance measurement frameworks. Discussions are ongoing.
19. The Co-Chairs have been in close consultation with the Secretariat on the conclusion of AMAs between the GCF and a range of international organizations.
20. The Co-Chairs' advisers on behalf of the Co-Chairs have carried out consultations with their respective constituencies, the Secretariat and the Interim Trustee regarding the review of the Interim Trustee and the competitive process for the selection of a Permanent Trustee.
21. The Co-Chairs have been in close consultation with the Secretariat in order to seek regular updates and to address considerations relating to the conclusion of AMAs between the GCF and a range of international organizations.
22. The Co-Chairs have also requested the Secretariat to undertake a review and assessment of the implementation of the Headquarters Agreement, including the Supplemental Agreement, and to present a report to the Co-Chairs for consideration by the Board at its fifteenth session.

2.3 Documents and draft decisions between meetings

23. In accordance with the Rules of Procedure of the Board, the Co-Chairs identified the items to be addressed between B.13 and B.14 as contained in document GCF/B.14/Inf.01 titled "Decisions taken between the thirteenth and fourteenth meetings of the Board".

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

24. As part of their engagement with the United Nations Framework Convention on Climate Change (UNFCCC) thematic bodies, the Co-Chairs held calls with the Chairs of the Technology Executive Committee and the Climate Technology Centre and Network Advisory Board, and the Co-Chairs of the Standing Committee on Finance.
25. The Co-Chairs used the calls to introduce the B.14 decision on relationships with the UNFCCC thematic bodies (decision B.13/11), including the annual meeting with representatives of the UNFCCC thematic bodies that will be held in conjunction with the Conference of the Parties to the UNFCCC, and the decision on complementarity and coherence with other funds (decision B.13/12), including the annual dialogue with climate finance delivery channels.
26. The Co-Chairs also informed the Chairs of the Technology Executive Committee and the Climate Technology Centre and Network Advisory Board that they would be invited to present to the Board during its consideration of technology matters at B.14, and informed the Co-Chairs of the Standing Committee on Finance of the Board's decision to prepare an operational framework on complementarity and coherence for consideration by the Board at B.15.

2.5 Report on the consultations of the Co-Chairs

27. 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.

28. In accordance with decision B.12/09, the Co-Chairs' advisers, on behalf of the Co-Chairs, undertook consultations with the Board on the formal replenishment process of the GCF. The consultations involved circulating a questionnaire to the Board on various aspects of the replenishment process and follow-up bilateral consultations. The Co-Chairs will present to the Board, at B.14, a report outlining the outcomes of the consultations.

29. In accordance with decision B.12/13, the Co-Chairs' advisers, on behalf of the Co-Chairs, carried out consultations with their respective constituencies on the Travel policy on the basis of a draft document provided by the Secretariat. The consultations did not produce consensus, particularly with regard to the eligibility of travel support for Board members, alternate members and advisers. The Co-Chairs will continue these consultations between the fourteenth and fifteenth meetings of the Board.

30. In accordance with B.12 decisions, the Co-Chairs commenced consultations on decisions taken between meetings and on decision-making in the absence of consensus with a view to carrying out further consultations and presenting the outcome of the consultations at B.15.

2.5.1 Reducing emissions from deforestation and forest degradation in developing countries

31. The Co-Chairs' advisers, on behalf of the Co-Chairs, held further discussions with advisers, Board members and alternate members, 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 discussions, and consistent with decision B.12/07, the Secretariat has prepared document GCF/B.14/03 titled "Initial operationalization of results-based finance for REDD+" for consideration by the Board at B.15.

2.5.2 Observers – fourteenth meeting of the Board

32. The Co-Chairs' advisers on behalf of the Co-Chairs engaged with the Secretariat on the Secretariat's consultations with accredited observers, in line with decision B.BM-2016/11, with a view to identifying existing gaps and needed improvements to observer participation and presenting a report with recommendations on the outcomes of the review for consideration by the Board no later than B.15.

2.5.3 Co-financing

33. The Co-Chairs and the Secretariat have been working on a draft Board document on co-financing guidelines, in accordance with the strategic plan for the GCF, 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".