



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
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Provisional Agenda Item 06

**GCF/B.16/Inf. 03**

14 March 2017

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# Report on the activities of the Secretariat

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## **Summary**

This report provides an update on the progress made with regard to the mandates received by the Secretariat from the Board. The reporting period is from 1 December 2016 to 28 February 2017. The document summarizes the reporting activities of the Secretariat by the division.

## I. Introduction

1. This report informs the Board on the progress made by the Secretariat on mandates given to it by the Board since its first meeting. The reporting period covers 1 December 2016 to 28 February 2017, and provides an update on those mandates on which the Secretariat has been requested to report

## II. Activities of the Secretariat

### 2.1 Progress on matters related to country programming

2. **Accreditation.** The status of accreditation master agreements, an overview of the pipeline of applicant entities with information on support to direct access entities, and an overview of portfolio of accredited entities, including the status of accredited entities addressing accreditation conditions is presented in document titled “Status update on accreditation master agreements”.

3. **Enhanced direct access.** The Board requested the Secretariat to prepare and launch a request for proposals on enhanced direct access in consultation with the Accreditation Committee and the independent Technical Advisory Panel.<sup>1</sup> One funding proposal, developed from a previously submitted concept note, was approved by the Board at its fourteenth meeting. Since the fifteenth meeting of the Board (B.15) and as of 28 February 2017, one concept note has been received, leading to a total of 13 concept notes in the enhanced direct access pipeline.

4. **Gender.** The Board requested the Secretariat to implement the strategic plan for the in a gender-sensitive manner and to report at each Board meeting on progress achieved. The Secretariat continues to proactively review concept notes and funding proposals from a gender perspective, which results in gender assessments and project-level gender action plans being developed in line with the GCF Gender policy and the Gender action plan by all accredited entities as part of their appraisal of projects. In terms of readiness and project development, gender-related activities continue to be integrated into the Readiness and Preparatory Support Programme with resources dedicated to national designated authorities:

- (a) Developing participatory and inclusive strategies;
- (b) Enhancing multi-stakeholder engagement processes especially at the grass-roots;
- (c) Ensuring the involvement of women-led organizations and representatives from indigenous peoples’ and minority people’s groups in consultations;
- (d) Conducting gender-sensitive analysis; and
- (e) Developing gender-responsive a socially inclusive country programmes.

5. Gender mainstreaming features continue to be incorporated in the micro-, small and medium-sized enterprise pilot programme.

6. In partnership with United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the Secretariat developed a training manual on gender and climate change. The manual has now been finalized and is expected to be published on GCF’s website shortly. More information on gender considerations with regards to the implementation of the strategic plan can be found in document GCF/B.16/04 titled “Implementation of the initial strategic plan for the GCF: annual report”.

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<sup>1</sup> Decision B.10/04.

7. **Country programming and structured dialogues.** The Board requested the Secretariat in its progress report to the Board, to include updates on the regional workshops to be organized on the development of regional hubs, on strengthening expertise in regions to support countries and to provide an overview of activities being undertaken by readiness partners.<sup>2</sup> The GCF is planning on organizing regional meetings in all regions, targeting the Caribbean, Asia, Eastern Europe and Central Asia, the Pacific, Latin America and Africa, with the Asia and Caribbean structured dialogues to be organized in the first half of 2017. A detailed update on these events is provided in document GCF/B.16/Inf.05 titled “Progress report on the Readiness and Preparatory Support Programme”.

8. The Secretariat presented an information document at B.15 with a compilation of country and entity work programmes.<sup>3</sup> Following B.15, one African country has officially submitted their country programme to the GCF for the 16<sup>th</sup> Meeting of the Board. Overall, as of B.16, 23 countries have vetted their country programme briefs and 43 entities have presented their entity work programmes. A compilation of these programmes can be found in Addendum I, II and III of the document GCF/B.16/04 titled “Implementation of the initial strategic plan of the GCF: annual report”.

9. Regarding the activities being undertaken by readiness partners, the Secretariat continues to coordinate the activities of the Readiness Coordination Mechanism to strengthen cooperation among the readiness partners. The Readiness Coordination Mechanism will be holding a meeting at the margins of the sixteenth meeting of the Board (B.16).

10. **Project Preparation Facility.** The Board decided that the Secretariat “will report at each Board meeting on the pipeline of Project Preparation Facility requests received, approved and under implementation”.<sup>4</sup> The Secretariat has received a total of 13 Project Preparation Facility (PPF) requests and approved one PPF proposal from the Ministry of National Resources of Rwanda (twelfth meeting of the Board, USD 1,498,841).<sup>5</sup> Activities are under implementation, and the first disbursement request (USD 500,000) was processed in November 2016. Since the last reporting period, the Secretariat has received an additional nine PPF requests and has been supporting one direct access entity to develop a PPF request (Agency for Agricultural Development of Morocco, Morocco). The Secretariat is currently working on the process of due diligence of those requests and has also been having discussions related to the PPF with other accredited entities (both direct access and international) in the context of their entity work programmes.

11. **Monitoring and evaluation.** The Board has requested the Secretariat to report annually on the progress made with regard to the operationalization of the monitoring and accountability framework for accredited entities, including the Secretariat’s staffing requirements and budgetary implications.<sup>6</sup> Currently, the Secretariat has posted a vacancy position for a Monitoring and Evaluation Specialist and has started the recruitment process.

12. **Environmental and social management system.** The Secretariat continues to work on the environmental and social management system, with a view to presenting the environmental and social management system structure and the environmental and social policy of the GCF for the Board’s consideration at its seventeenth meeting. A call for public inputs was published in December 2016. A total of 21 submissions from 34 organisations were received from Board members, Alternate Board members, national designated authorities, accredited entities, civil

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<sup>2</sup> Decision B.12/32, paragraph (j).

<sup>3</sup> GCF/B.15/Inf.09.

<sup>4</sup> Decision B.13/21, paragraph (d)(ix).

<sup>5</sup> Decision B.12/24, paragraph (c).

<sup>6</sup> Decision B.11/10, paragraph (c).

society organisations, private sectors organisations and other organisations, including academic institutions.

## 2.2 Progress on matters related to mitigation and adaptation

13. **Portfolio.** The Board requested the Secretariat to report on the following:

- (a) The amount of GCF funding approved;
- (b) The amount of GCF funding approved plus the submitted amount for approval at the specific Board meeting;
- (c) The accumulated fund disbursed by each accredited entity, country and result area; and
- (d) Any changes in the priorities of the risk register.

14. To date, the GCF has approved a total of USD 1.5 billion. Moreover, the GCF has disbursed a total of USD 5,493,913 to the Acumen Fund to Rwanda and Kenya under the “Energy generation and access programme”. There were no changes to the priorities of the risk register.

15. The Board also requested the Secretariat to specifically report to the Board on the status of fulfilment of all conditions at each Board meeting.<sup>7</sup> Information on the pipeline of projects, the status of conditions, and the list of concept notes and funding proposals received is provided in section V of document GCF/B.16/Inf.06 titled “Status of the GCF portfolio: pipeline and approved projects” and document GCF/B.16/Inf.07 titled “Status of the fulfilment of conditions on relevant approved projects”.

## 2.3 Progress on matters related to the Private Sector Facility

16. **Overall Private Sector Facility (PSF) activities.** The Board, in decision B.09/09, paragraph (e), requested the Secretariat to produce a regular update report to the Board on PSF activities. The PSF continues to review concept notes and funding proposals from private sector entities, as well as those from the micro-, small- and medium-sized enterprise pilot programme. In addition, the PSF has conducted a survey of private sector entities on the barriers to engagement of the private sector, and has supported the work of the Private Sector Advisory Group in its meeting from 20 to 22 February, in Cape Town, South Africa.

17. **Micro-, small- and medium-sized enterprise pilot programme.** The Board requested the Secretariat to issue the request for proposals to solicit responses from accredited entities and potential accredited entities in order to establish and manage the pilot projects/programmes, and decided to limit the participation of the GCF in the first pilot programme to USD 100 million. The Board also requested the Secretariat to prepare the terms of reference for one or more request(s) for proposals for the remaining programme, taking into account lessons learned, and present this for the Board’s consideration. Two funding proposals were approved at B.15 and the Secretariat is presenting one funding proposal for the Board’s consideration at B.16.

## 2.4 Progress on matters related to support services and other administrative matters

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<sup>7</sup> Decision B.14/07, paragraph (j).

18. **Policies related to administrative matters.** The following policies will be revised and further discussed by the Board:

- (a) The administrative guidelines for information and communication technology;
- (b) The travel policy;
- (c) The revised administrative guidelines on human resources; and
- (d) The revised procurement guidelines.

19. The revised administrative guidelines on human resources and revised procurement guidelines will be considered by the Board in 2017. Regarding Travel policy, the Secretariat is consulting further with the Co-Chairs on this matter and a policy paper on this matter is scheduled to also be considered in 2017. In addition, the Board requested the Secretariat “to implement measures such as insurance, indemnification, or other liability protection to assure that Secretariat staff, Board members and alternates are protected, as appropriate, including while on mission”.<sup>8</sup> The Secretariat procured insurance policies in January 2016 with the aim of protecting staff and members of the Board while on mission. It is currently exploring additional insurance policies for its staff and the Board during travel. In addition, the Secretariat continues to collaborate with the United Nations Department of Safety and Security on issues related to staff security and safety.

20. **Resource mobilization.** An update on the Initial Resource Mobilization is incorporated into the report on the activities of the Secretariat since the fourteenth meeting of the Board. As at 31 December 2016, a total of approximately USD 9.9 billion equivalent of contributions, USD 3.4 billion equivalent is available, of which USD 1.8 billion equivalent had been received as cash and USD 1.6 billion equivalent as promissory notes. Cumulative funding decisions as at 31 December 2016 (net of cancellations for administrative budget under expenditures in prior years) amounted to USD 1.5 billion. As at 31 December 2016, the total balances available for future commitments amounted to USD 1.9 billion. More detailed information on the status of resource mobilization is provided in document GCF/B.16/Inf.10 titled “Status of the resources of the Initial Resource Mobilization”.

21. **Permanent Trustee.** Following the decision on the competitive selection process for the Permanent Trustee,<sup>9</sup> the Secretariat has been working on the terms of reference for the competitive selection process. More information on this is provided in document GCF/B.16/12 titled “Competitive process for the selection of the Permanent Trustee”.

22. **Human resources and staffing of the Secretariat.** Since B.15, the Secretariat has filled 53 of its advertised positions, and reached number of permanent staff of 90. More detailed information on the staffing of the Secretariat is presented in document GCF/B.16/11 titled “Status of the staffing of the Secretariat”.

## 2.5 Progress on matters related to legal affairs

23. **Status of the accreditation master agreements.** The Board requested the Secretariat to inform the Board regularly on progress made in the implementation of legal and formal arrangements with accredited entities.<sup>10</sup> The update from the Secretariat on this mandate is presented under the relevant agenda item and further information on this matter is included in document titled “Status update on accreditation master agreements”. To date, the GCF has signed a total of 19 AMAs with the accredited entities.

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<sup>8</sup> Decision B.10/12, paragraph (d).

<sup>9</sup> Decision 15/08.

<sup>10</sup> Decision B.09/08, paragraph (c).

24. **Agreements on privileges and immunities.** The Board also requested the Secretariat “to report at each meeting of the Board as part of the Secretariat’s activities on any agreements or other appropriate arrangements which have been concluded or implemented”.<sup>11</sup>

25. The Secretariat is actively pursuing negotiations both with developed and developing countries, namely officials of Parties to the United Nations Framework Convention on Climate Change (UNFCCC), during meetings and conferences. To date, the Secretariat has sent draft agreements on the privileges and immunities (P&Is) of the GCF to a cumulative total of 120 countries. In total, 10 agreements have been signed as at 28 February 2017 with Antigua and Barbuda, Belize, the Cook Islands, Honduras, Micronesia (Federated States of), Namibia, Papua New Guinea, Samoa, Solomon Islands and Zambia.

26. While progress has been made, the Secretariat notes with serious concern that further and sustained efforts are required to ensure that the GCF is covered by privileges and immunities. Negotiations on bilateral agreements with Parties to the UNFCCC will continue. However, in addition, the Secretariat intends to propose offering to Parties to the UNFCCC to adhere, as an alternative, to a multilateral agreement on the privileges and immunities of the GCF, which has been developed by the Secretariat.

27. The Secretariat wishes to renew its request for the support and cooperation of all Parties to the UNFCCC in order to adhere as quickly as possible either to the multilateral agreement or to a bilateral agreement on the privileges and immunities of the GCF. The Secretariat wishes to stress in this context that unless quick and decisive efforts are undertaken to ensure that the GCF is covered by privileges and immunities, the GCF will be seriously exposed to litigation which would have many adverse effects on the ability of the GCF to perform its functions and to operationalize its activities in an effective manner.

28. More broadly, as per guidance from the recently established Independent Redress Mechanism and the Independent Integrity Unit (IIU), the Secretariat reiterates the existential risks that are associated with the absence of universal coverage on P&Is. In the case of IIU, the GCF would not be able to legally conduct an investigation in relation to the work of the GCF in a sovereign state should there not be a functional immunity conferred by a P&I agreement. Neither the Independent Redress Mechanism nor IIU will be in a position to undertake an investigation or redress related work in countries not covered by P&Is as such matters will be fraught with significant risks. Thus, in order to facilitate extending privileges and immunities to the GCF and to achieve progress commensurate with GCF exposure (i.e. the number of partner countries), the GCF may adopt a strategic approach, whereby it would offer Parties the opportunity to become party to a multilateral agreement that would provide for P&Is in line with the template used for bilateral agreements.

29. **Communications and outreach.** The Board decided that the Secretariat’s capacity for strategic communication and outreach shall be further developed;<sup>12</sup> and that the Secretariat as a matter of urgency and in consultation with the Budget Committee, in considering the structure of the Secretariat, presented for consideration by the Board at its fourteenth meeting a proposal on Secretariat staffing for communications and outreach; and that the Secretariat prioritize the development of a GCF communications strategy for presentation to the Board no later than its seventeenth meeting.<sup>13</sup> The Secretariat is currently working on the strategy with a view of presenting the document for the Board’s consideration at its seventeenth meeting. Moreover, the Secretariat observes recent Board guidance to closely coordinate its outreach and communications activities with the Co-Chairs<sup>14</sup>.

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<sup>11</sup> Decision B.10/12, paragraph (c).

<sup>12</sup> Decision B.13/25 paragraph (d).

<sup>13</sup> Decision B.13/25 paragraphs (c) and (f).

<sup>14</sup> Decision B.13/25 paragraph (h).

## 2.6 Progress on matters related to risk

30. **Update on the activities of the Risk Office.** The Board requested the Secretariat “to develop the necessary methodologies and internal procedures, hire a permanent Risk Manager and additional staff to enhance the Secretariat’s risk management capacity as a matter of urgency, and report to the Board, as part of the report on the activities of the Secretariat at each meeting, on the status of this process”.<sup>15</sup>

31. The Secretariat has successfully recruited two additional Credit Risk Specialists; one of whom reported for duty on 1 February 2017. The recruitment process to enhance the Secretariat’s risk management capacity is still ongoing. Offers of employment are expected to be made to two Specialists, while interviews will be held for another Specialist position within the Office of Risk Management.

32. With regards to the development of the risk policies, guidelines and methodologies, the Secretariat will be hiring an external consultancy firm to undertake this assignment. The Secretariat expects to complete the hiring of the external consultancy firm by the end of February.

33. During the reporting period, the Office of Risk Management has provided risk assessments for 13 funding proposals, AMAs and other risk related matters.

## 2.7 Progress on matters related to the work of the Secretary to the Board

34. **Engagement with thematic bodies of the United Nations Convention on Climate Change.** The Board requested the Secretariat “to strengthen its current approach to engaging with thematic bodies, including through several proposed measures and requested to report the outcome of the Secretariat’s engagement with the thematic bodies to the Board in the report on the activities of the Secretariat<sup>16</sup>. The Secretariat has engaged/will engage in:

- (a) The fifteenth meeting of the Standing Committee on Finance held in Bonn, Germany, from 6 to 9 March 2017;
- (b) The eleventh meeting of the Adaptation Committee held in Bonn from 7 to 10 March 2017;
- (c) The thirty-first meeting of the Least Developed Country Expert Group held in Bonn from 7 to 10 March 2017;
- (d) The twenty-ninth meeting of the Adaptation Fund Board held in Bonn from 14 to 17 March 2017; and
- (e) The Secretariat will also contribute remotely to the ninth meeting of the Climate Technology Centre and Network Advisory Board held in Bonn from 3 to 5 April 2017.

35. The Secretariat is also preparing to engage with thematic bodies of the UNFCCC for 2017, including by providing input and collaborating in flagship activities, such as the National Adaptation Plan Expo and other regional meetings. The Financial Mechanism will be reviewed during 2017 and the Secretariat stands ready to collaborate with the UNFCCC secretariat, as appropriate. Furthermore, the Secretariat will also continue to organize the annual meeting of the GCF and the thematic bodies of the UNFCCC.

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<sup>15</sup> Decision B.13/36, paragraph (d).

<sup>16</sup> Decision B.13/11