



**GREEN
CLIMATE
FUND**

Meeting of the Board
6 – 8 July 2019
Songdo, Incheon, Republic of Korea
Provisional agenda item 5

GCF/B.23/Inf.01
12 June 2019

Report on the activities of the Secretariat

Summary

This report provides an update on the activities of the Secretariat for the period 1 January to 30 April 2019. It summarizes progress against the overarching goals and priorities identified in the Secretariat's 2019 work programme, as well as tracking key performance indicators identified in the work programme results framework. The report includes an update on missions undertaken by the Secretariat during the reporting period, a summary report of the work carried out under the Board's mandate to clarify the nature, scope and extent of Secretariat second-level due diligence and a list of effective memorandums of understanding the Secretariat has entered into.

Table of Contents

I.	Introduction	1
1.1	Overview	1
1.2	Tracking key fund indicators	1
1.3	Progress towards goals	4
II.	Activities of the Secretariat during the reporting period	7
2.1	Supporting the Board in taking informed decisions, enhancing responsiveness to guidance from the Conference of the Parties and preparing for replenishment	7
2.2	Strengthening country ownership and the capacity of national designated authorities	11
2.3	Strengthening efforts to assess and articulate climate impact and build a paradigm-shifting portfolio	13
2.4	Operationalizing a proactive and strategic approach to programming	17
2.5	Accelerating implementation and managing results	22
2.6	Efficient and effective operational processes and systems	24
Annex I:	Secretariat missions: outcomes and lessons learned	29
Annex II:	Summary of second-level due diligence assessment	36
Annex III:	General cooperation arrangements that are in effect	39

I. Introduction

1.1 Overview

1. This report on the activities of the Secretariat provides an update on progress made by the Secretariat in implementing its work programme for 2019, approved by the Board at its twenty-first meeting (B.21). It outlines the Secretariat's progress towards the six overarching goals as well as towards the key performance indicators (KPIs) set out in the 2019 work programme and its results framework for the time frame 1 January to 30 April 2019.
2. The 2019 work programme includes six overarching Secretariat goals, which continue and expand the Secretariat's 2018 focus on raising quality, enhancing country support and strategic programming, and accelerating implementation while bringing in a strengthened focus on supporting the replenishment process, enhancing the external networks and global reach of GCF, and sharpening the approach to tracking and managing results and streamlining access modalities and processes. Attached to the 2019 work programme are goals to increase the quality of the GCF pipeline and portfolio by advancing the underlying climate rationale of proposals presented for GCF investment.
3. The overarching goals are:
 - (a) **Supporting the Board** in taking informed decisions, enhancing responsiveness to guidance from the Conference of the Parties (COP) and preparing for replenishment;
 - (b) **Strengthening country ownership and the capacity of national designated authorities (NDAs)** through enhanced delivery of readiness support and increased cross-Secretariat engagement with both NDAs and direct access entities (DAEs);
 - (c) **Strengthening efforts to assess and articulate the climate impact** of proposed GCF work in order to build a paradigm-shifting portfolio;
 - (d) **Operationalizing a proactive and strategic approach to programming**, including through the development of well-coordinated, strategic national adaptation plans (NAPs) and country and entity work programmes and the development of a framework for a more formalized annual GCF pipeline and business plan;
 - (e) **Accelerating implementation and managing results** by working to move an additional 44 approved projects and programmes into implementation, and by monitoring effectively their progress in achieving key climate results; and
 - (f) **Ensuring efficient and effective operational processes and systems for resource management and administration.**
4. The body of this report has been structured around these six main goals, and it also tracks progress towards the KPIs detailed in the work programme results framework. Reporting under these themes includes the Secretariat's reflections on where it has encountered challenges or learned lessons in implementing the related goals and meeting the KPIs.

1.2 Tracking key fund indicators

5. The tables below summarize key indicators tracking operational progress. Table 1 provides funding proposal indicators and table 2 shows other indicators.

Table 1: Summary of funding proposal indicators for the reporting period (1 January – 30 April 2019)

Funding proposals		B.21		B.22		Target December 2019	
Total number of funding proposals approved	Public: 73	Total: 93 (+40)	Public: 79 (+6)	Total: 102 (+9)	Public: + 17–22	Total: + 29–34	
	Private: 20		Private: 23 (+3)		Private: + 12		
Amount of funding approved (cumulative USD total)	Public: 2.77 billion	Total: 4.59 billion	Public: 2.94 billion	Total: 5 billion (+0.41 billion)	Public: + 0.7 -0.75 billion	Total: + 1.45 - 1.5 billion	
	Private: 1.81 billion		Private: 2.07 billion		Private: + 0.75 billion		
Simplified approval process	No. FP	4	6	8–13			
	Total USD	30 million	48 million	80–130			
Mobilizing funds at scale	No. FP	0	0	3			
	Total USD	0	0	178 million (private)			
REDD-plus approved	No. FP	0	1	2			
	Total USD	0	96 million	150 million (public)			

Abbreviations: B.21 = twenty-first meeting of the Board, B.22 = twenty-second meeting of the Board, FP = funding proposal, MSME = micro, small and medium-sized enterprises.

Table 2: Summary of core indicators for reporting period (1 January – 30 April 2019) ^a

Core indicators	2019 work programme baseline	B.22	30 April 2019	Target Dec. 2019 ^b
AMAs signed	45	55	56	59
FAAs signed ^c	41	55 ^d	65 ^e	76 (17 private, 59 public)
No. FPs under implementation ^f and value ^g (USD)	31 ^h (1,429 million)	40 (1,786 million)	51 (2,184 million)	74 (3,585 million)
No. FPs under disbursement and total disbursed ⁱ (USD)	26 ⁱ (389 million)	32 (449 million)	46 (565 million)	51-55 (900 –1400 million)



Core indicators		2019 work programme baseline		B.22		30 April 2019		Target Dec. 2019 ^b	
Readiness Programme	Proposals approved and approved amount (USD millions)	NAP: 18 (49.54)	Total: 206 (106.79)	NAP: 23 (62.27)	Total: 238 (132.26)	NAP: +8 (+19.51)	Total: +54 (+38.36)	NAP: +25 (+62.5)	Total: +95 (+107.5)
		Non-NAP: 188 (57.25)		Non-NAP: 215 (69.99)		Non-NAP: +45 (+18.89)		Non-NAP: +70 (+45)	
Readiness Programme	Proposals disbursed & total amount disbursed (USD millions)	NAP: 16 (11.83)	Total: 175 (45.34)	NAP: 19 (12.99)	Total: 192 (48.6)	NAP: 22 (14.11)	Total: 222 (54.58)	NAP: 45 (37)	Total: 235 (117)
		Non-NAP: 159 (33.51)		Non-NAP: 173 (35.61)		Non-NAP: 200 (40.47)		Non-NAP: 190 (80)	
PPF requests	Number of high-impact CNs & PPF applications developed	5		8		12		25	
	No. requests approved, approved amount (USD) & distribution per AE	12 8.8 million (8 DAEs, 4 IAEs)		16 10.83 million (10 DAEs, 6 IAEs)		20 13.35 million (13 DAEs, 7 IAEs)		32 16.8 million (22 DAEs, 10 IAEs)	
	No. requests receiving disbursement and amount disbursed (USD)	6 4.8 million (4 DAEs, 2 IAEs)		7 5.02 million (4 DAEs, 3 IAEs)		9 5.99 million (6 DAEs, 3 IAEs)		20 10 million (12 DAEs, 8 IAEs)	

Abbreviations: AE = accredited entity, AMA = accreditation master agreement, B.22 = twenty-second meeting of the Board; CN = concept note, DAE = direct access entity, FAA = funded activity agreement, FP = funding proposal, IAE = international access entity, NAP = national adaptation plan, PPF = Project Preparation Facility.

^a All figures in table 2 have been updated to reflect correct figures as at 31 August 2018, when the 2019 work programme baselines were set, as well as at 31 December 2018 for reporting for the twenty-second meeting of the Board.

^b Targets may indicate cumulative amounts as well as additional numbers to the 2019 work programme baselines.

^c One funding proposal (FP028) has two FAAs, so the number of signed FAAs is one number higher than the projects with signed FAAs. Another funding proposal (FP026) has two FAAs corresponding to two AEs attached to the project; only one of the two FAAs has been signed.

^d One funding proposal (FP078) has two FAAs.

^e One funding proposal (SAP004) has two FAAs.

^f This refers to projects that have reached FAA effectiveness.

^g Value refers to the GCF-funded amount.

^h This figure excludes FP026, which has two AEs, because part of this project has not yet started implementation

pending AMA effectiveness (but the other part is under implementation and USD 0.8 million was disbursed). It should be noted that the value in brackets includes the portion of GCF funding (USD 18.5 million) for which the FAA has been signed. The number of FAAs signed (41) also includes the FAA mentioned in the previous sentence. This project will be fully considered as being under implementation once both parts of the project start implementation.

¹The amounts include AE fees.

²This figure excludes FP026, but the value includes USD 0.8 million for the part of FP026 which has commenced disbursement.

1.3 Progress towards goals

1.3.1 Supporting the Board in taking informed decisions, enhancing responsiveness to the guidance of the Conference of the Parties and preparing for replenishment

6. The Secretariat kick-started 2019 with an onboarding programme for new Board members, providing an introduction to the GCF's structure, work programme and priorities for the year. Parallel consultation processes between the Secretariat and Board members supported the development of over 45 documents for consideration at the twenty-second meeting of the Board (B.22), with another round of consultations undertaken in April to support document preparation for the Board's twenty-third meeting (B.23). To better support the GCF policy agenda, the Secretariat also set up an internal policy working group to coordinate cross-Secretariat policy reviews, consider policy implementation matters and ensure coherence with strategic direction-setting.

7. Advancing the GCF's first replenishment process has been a key priority for early 2019. The Secretariat worked with host Norway to arrange a first replenishment consultation meeting in early April, which gathered 27 potential contributors alongside representatives of the Board and observers and was the first official meeting attended by the Secretariat's new Executive Director. A number of key documents were prepared for this meeting, including on Strategic Programming and an updated Policy for Contributions and the meeting successfully shaped the forward replenishment process. Throughout the year to date, the Executive Director and other senior Secretariat staff have also conducted outreach dedicated to raising the global profile of GCF and building support for a successful and ambitious replenishment.

8. The Secretariat responded to COP guidance by establishing an internal action plan to track key items of guidance, alongside commencing preparation of the Fund's 8th annual report to the UNFCCC COP. In line with decision B.22/06, which initiated the process of updating the initial Strategic Plan for the GCF, the Secretariat also led consultations on this matter, gathering inputs and submissions from stakeholder groups to inform a draft to be presented at the twenty-fourth meeting of the Board (B.24). The Secretariat also advanced work to build complementarity and coherence through collaboration on an analysis exploring the drivers and challenges to synergies between climate funds, which will be completed by mid-2019.

1.3.2 Strengthening country ownership and the capacity of national designated authorities

9. Work to develop a second phase of the Readiness and Preparatory Support Programme (Readiness Programme) resulted in Board approval of an updated 2019 work programme, readiness strategy and additional budget of USD 122.5 million at B.22, which the Secretariat is now implementing. In response to requests from countries and entities for GCF to be closer to its stakeholders and communicate in other languages than English, a number of improvements have been made to consolidate knowledge and understanding of the Readiness Programme, with five training workshops rolled out for NDAs in English, French and Spanish in Addis Ababa (Ethiopia), Bangkok (Thailand), Bogota (Colombia), Marrakech (Morocco) and Tbilisi (Georgia).

The Secretariat has also begun translating the revised Readiness Programme into a “Readiness guidebook”, required legal frameworks and operational procedures.

10. Cross-Secretariat outreach and missions have continued to support national consultation processes and building the capacity of DAEs, as part of a strategic engagement plan for countries in 2019. Approvals of readiness grants have continued at a steady pace, while the pace of implementation has picked up, with the average number of days spent from approval to implementation decreasing from 280 in 2015 to 50 by 2018. The Secretariat is also actively facilitating disbursements for NAPs. Learning is now being collected from a growing number of progress and completion reports, which will help to inform future readiness activities.

1.3.3. Strengthening efforts to assess and articulate the climate impact of proposed GCF work in order to build a paradigm-shifting portfolio

11. Under the leadership of the Executive Director, the Secretariat has developed a GCF Theory of Change (ToC) to better explain the Fund’s vision for achieving paradigm shift and how it can achieve key outcomes relating to transformational programming, innovative and catalytic investment and knowledge generation. This is intended to help guide GCF activities and operations, as well as facilitate a better understanding among stakeholders of the GCF operating logic. It is anticipated that the ToC will inform more detailed programming and operational guidance to be developed by the Secretariat later in 2019, with a focus on helping countries deliver transformational climate impact. This has been conducted in parallel with an exercise to map the second-level due diligence process and clarify the scope and objectives of Secretariat due diligence relative to those of accredited entities (AEs), as well as work to clarify the Secretariat’s internal committee structure, pipeline management and clearance processes.

12. Further work towards strengthening the climate rationale of GCF investments has been done through the advancement of relevant Board documents, policy guidance and work on methodologies in collaboration with the World Meteorological Organization. In addition, agreements have been finalized with a network of partners to evolve GCF communities of practice, which will support work to develop sectoral programming guidance and drive knowledge development and sharing.

13. In line with the 2019 work programmes for both the Secretariat and the Board, the Secretariat also advanced its review of private sector facility modalities. This work underpins a private sector strategy to be considered at B.23, to maximize private sector reach and leverage and pursue innovative practices in working with the private sector, particularly in least developed countries (LDCs), small island developing States (SIDS) and Africa.

1.3.4. Operationalizing a proactive and strategic approach to programming, including through the development of well-coordinated, strategic national adaptation plans and country and entity work programmes, and the development of a framework for a more formalized annual GCF pipeline and business plan

14. Engagement to drive country programming and support national consultations has advanced, with 5 more countries bringing their country programmes to the GCF; this brings the total number of country programmes to 21. Separately, work with recently accredited entities has led to the update of their respective entity work programmes. Work is underway to establish processes and methodologies for more formal analysis and interpretation of country and entity work programmes, so as to fully utilize their potential as a source for defining transformational, country-driven investment proposals.

15. During the reporting period, the Secretariat also undertook focused efforts to improve guidance on the preparation of funding proposals: with a revised funding proposal template

published in March 2019 and a “GCF Funding Proposal Manual: A Practical Guide on How to Prepare Funding Proposals for the Green Climate Fund” under development. SAP funding proposal guidelines were published in Spanish and French, as well as specific SAP-sector guidance on activities eligible under SAP proposals. The Secretariat has also been examining ways to further streamline SAP reviews and is developing SAP standard operating procedures.

16. The Secretariat continued to implement a financial planning approach through regular pipeline screenings, which in parallel served to promote quality pipeline development. Further work will be done over coming months to formalize modalities and processes for regular business planning and pipeline management, including establishing an internal climate investment committee to oversee these activities. There remains limited progress in the uptake of proposals under existing requests for proposals, with barriers persisting around existing access modalities and little success in matching project proponents with existing AEs.

1.3.5. Accelerating implementation and managing results

17. As at 30 April 2019, 44 per cent of GCF funding was under implementation. While the Secretariat is continuing to focus efforts on moving projects towards implementation, negotiations with AEs have uncovered difficulties. This includes delays arising from policies recently adopted by the Board that become effective for AEs on the date of adoption, which have led to delays in the conclusion of accreditation master agreements (AMAs) and funded activity agreements (FAAs) as contractual provisions need to be modified. Increasing the pace of progress towards implementation will require balancing the GCF’s high standards with a flexibility that enables effective action on the ground, informed by a deeper analysis of:

- (a) The capacity constraints of DAEs that are unable to apply GCF policies immediately;
- (b) The means to address institutional bottlenecks in the case of entities that require approval from their internal governance structure; and
- (c) A longer-term approach that synchronizes all GCF requirements to AEs and partners.

18. In anticipation of a growing project portfolio under implementation, the Secretariat is also working to respond to the evaluation by the Independent Evaluation Unit of the results management framework. External support has been contracted to assist with the development of an updated and fit-for-purpose results and performance management framework in time for B.24. The second GCF portfolio performance report will be prepared over the course of 2019 for presentation to the Board.

1.3.6. Efficient and effective operational processes and systems

19. The Secretariat’s new Executive Director commenced his appointment in April 2019, kick-starting an effort to refine the Secretariat’s organizational design to better define and streamline the internal division of roles and responsibilities and clarify Fund functions on origination, appraisal and implementation of projects and programmes. The process of finalizing these updated institutional arrangements is expected to continue in coming months, in parallel with efforts to map out and streamline operational, policy and programming cycles.

20. In addition, improvements have been made across various internal systems: including negotiations to improve Trustee functions further to the Trustee agreement signed in April; further simplification of information communication technology (ICT) systems; and processes being put in place for financial planning and compliance functions.

21. Communication efforts have also been heightened in support of replenishment, resulting in an increase in the audiences for GCF across its website and social media outlets. Work to

develop a comprehensive knowledge management system that will enable the Fund to position as thought leader on climate investment has also begun.

22. Progress to secure privileges and immunities for the Fund remains slow, with further high-level impetus likely needed to achieve meaningful progress in this area and to ensure that GCF and its staff are covered by the privileges and immunities necessary to operate independently and efficiently.

II. Activities of the Secretariat during the reporting period

2.1 Supporting the Board in taking informed decisions, enhancing responsiveness to guidance from the Conference of the Parties and preparing for replenishment

2.1.1. Providing effective support for Board decision-making, including on closing policy gaps

23. During the reporting period, the Secretariat, led by the Office of Governance Affairs (OGA), provided support to the Co-Chairs in the preparation and running of B.22 as well as for the preparation of the twenty-third meeting of the Board (B.23). The Secretariat continued its efforts to provide high-quality support for meetings of the Board, including through regular coordination calls with the Co-Chairs, agenda preparation and issuance, ensuring the timeliness of Board document preparation and publication, facilitating the issuance of decisions, and post-meeting reporting. Work also included facilitating consultations with the Board on key documents and other tasks. Further information on these efforts is provided in document GCF/B.23/XX titled “Report on the activities of the Co-Chairs” (to be published).

24. Following the issuance of Drf.01 of the B.22 provisional agenda, the Secretariat produced more than 45 documents for the consideration of the Board at B.22, along with eight funding proposals and two simplified approval process (SAP) proposals. One funding proposal was later withdrawn by the AE.

25. In accordance with decision B.20/04 regarding the review of the effectiveness, including the continued necessity, of the committees, panels and group established by the Board, OGA continued to assist the consulting firm conducting the various aspects of the review, including coordinating with the Board, the Secretariat and independent units with respect to the online survey, onsite and remote interviews, and data requests.

26. The Secretariat welcomed new Board and alternate members at the beginning of the year through an induction programme to assist with onboarding. The induction programme included the creation of a dedicated web page with important materials for Board members, a day-long introduction session ahead of B.22 on key aspects of GCF led by the Secretariat.

27. Between B.22 and B.23, the Secretariat supported Board consultations on certain documents scheduled for B.23 and beyond. Following B.22, OGA provided support to the small groups of Board members tasked by the Co-Chairs with leading consultations on various items. Additionally, in line with the Co-Chairs’ guidance, the Board was invited to provide comments on several B.23 draft documents, and the feedback was taken into account by the Secretariat prior to the publication of the final drafts.

2.1.2. Enhance accountability to the Conference of the Parties

28. The Secretariat supported the Board Co-Chairs to review the guidance of the COP at its twenty-first session (COP 21) issued to GCF and incorporate this into GCF operations. Document GCF/B.23/XX titled “Eighth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change” (to be published), provides an update on progress in response to guidance received from the COP as well as on the implementation of the arrangements between the COP and GCF.

29. In line with the arrangements between the COP and GCF, the Secretariat continued to strengthen the relationship between GCF and the constituted bodies of the United Nations Framework Convention on Climate Change (UNFCCC). The Secretariat participated in the meetings of the Adaptation Committee and the Standing Committee on Finance, both held in Bonn, Germany, from 19 to 21 March 2019 and 20 to 22 March 2019, respectively. In the same context, and in line with strengthening linkages between the Technology Mechanism and Financial Mechanism of the UNFCCC, the Secretariat participated in the meetings of the Technology Executive Committee and the Climate Technology Centre and Network, both held in Copenhagen, Denmark, from 25 to 27 March 2019 and 27 to 29 March 2019, respectively.

2.1.3. Supporting the Board to conduct the first formal replenishment

30. Following decision B.21/18, the GCF launched its first formal replenishment. Since the initial organizational meeting on 22–23 November 2018, the Secretariat has further progressed work to facilitate the replenishment process. Based on discussions at the initial organizational meeting, the Secretariat supported the Co-Chairs in their consultation with Board members to appoint Mr. Johannes F. Linn as Global Facilitator for the first formal replenishment process of the GCF, by decision B.BM-2019/07.

31. The first consultation meeting of the first formal replenishment of the GCF was convened on 4 and 5 April 2019 in Oslo, Norway, chaired by the Global Facilitator. Participants comprised 27 potential contributors, a GCF Board Co-Chair and eight GCF Board members, one observer each from the UNFCCC, Global Environment Facility (GEF) and civil society organizations, the GCF Executive Director, and the Trustee. The meeting considered: (i) the “Report on the implementation of the initial Strategic Plan for the GCF 2015–2018”; (ii) the “Initial findings of the performance review of GCF” by the Independent Evaluation Unit, and the Secretariat management response; (iii) strategic programming for the GCF first replenishment; (iv) updates on policies for contributions; (v) reference exchange rates; and (vi) organizational matters (namely, the second replenishment consultation meeting and the Pledging Conference).

32. The summary report on the first consultation meeting, by the Global Facilitator, was shared with the members and alternate members of the Board on 10 April 2019.

33. As requested by the Board in decision B.21/18, the Secretariat prepared a report on the initial Strategic Plan for the GCF, a strategic programming document for replenishment and an analysis of potential updates required to the policies for contributions. A report on the initial Strategic Plan and a strategic programming document were presented at B.22 and at the first consultation meeting. The “Updates to policies for contributions” paper was presented and discussed at the first consultation meeting. Based on the comments received from the Board and the participants of the first consultation meeting, the Secretariat is preparing updated versions for B.23. The Secretariat is supporting the Co-Chairs and Global Facilitator to prepare for the second consultation meeting, which will be held from 29 to 30 August 2019.

2.1.4. Driving the update of the initial Strategic Plan for the GCF

34. Following on from decision B.22/06, which kick-started the process of updating the initial Strategic Plan for the GCF, for presentation to the Board at B.24, the Secretariat initiated a

wide consultation process with key stakeholders. The Secretariat updated NDAs and focal points, AEs, observers and members of the Private Sector Advisory Group on the status of the update of the initial Strategic Plan and requested their inputs so that these could be considered in the process. The Secretariat is taking stock of submissions received to date and is working, under the Co-Chairs' advice, on developing a draft of the updated Strategic Plan for consultation with the Board. Additional consultations with the Board, country and entity representatives, and observers are planned throughout the year.

2.1.5. Enhance complementarity and coherence with other climate finance delivery channels

35. In line with KPI 1.4, the Secretariat has continued to advance implementation of the operational framework on complementarity and coherence, particularly on promoting synergies between GCF programming with countries and advancing knowledge management.

36. The Secretariat has also continued to engage and promote learning across different climate funds. The Secretariat is currently working with other climate funds on a multilevel analysis of synergies and complementarities to understand drivers of and challenges to synergies, and to give recommendations for further optimization. The study is to be completed in the second half of 2019. Additionally, the Secretariat is liaising with the Adaptation Fund to explore options for supporting South-South learning between DAEs of the two funds and is currently collaborating in the organization of a meeting of DAEs to promote learning regarding experiences when engaging with the two funds and to identify options for modalities for systematically promoting such learning. It is also following up with GEF and interested countries on opportunities for joint programming.

37. In response to decision B.20/05, the Secretariat, in collaboration with the administration unit of the Climate Investment Funds (CIF), has reached out to NDAs, focal points of the CIF and AEs to discuss synergies in programming. Discussions were held on the nine unfunded investment plans of the CIF. Concept notes (CNs) are currently expected for two countries; meanwhile, some countries have or are turning the priorities identified in their CIF investment plans into funding proposals for GCF with different AEs, while other countries are considering internally how they will be taking their investment plans forward. Although progress is under way with interested countries and entities, in some instances the investment plans have been superseded by the new priorities of countries and entities, or the process of developing the investment plan into projects is no longer active. Additionally, conversations are under way with countries interested in building in their funded CIF investment plans for scaling up and/replicating experiences. The Secretariat intends to present a full update as part of the "Annual update on complementarity and coherence" later this year.

38. The Secretariat participated in the ten-year anniversary summit of the CIF and Trust Fund Committee held in Morocco in late January 2019. The meeting was intended to take stock of the work of CIF since its inception, including knowledge management and learning. The Secretariat proactively engaged in the proceedings, including with regard to lessons learned on programmatic approaches. The Secretariat continues to inform countries and entities that GCF welcomes opportunities for unfunded investment plans from the CIF to be brought to GCF at the relevant programming stage in a country-driven manner. In instances where investment plan concepts may be in the early stages, inputs can be incorporated as part of the GCF country programmes. Concepts that might be in later stages but not ready as funding proposals can be taken through any AE, including the multilateral development banks involved, and can be eligible for project preparation support. Country priorities from investment plans already at the funding proposal stage can be brought forward and the Secretariat will facilitate in setting a Board target date.

39. The outcomes of dedicated missions to advance joint programming with GEF and CIF are further outlined in Annex I: “Secretariat missions: outcomes and lessons learned”.

2.1.6. Raising the profile of GCF through coordinated outreach

40. During the reporting period the Secretariat continued its outreach efforts under the leadership of the Executive Director, the Deputy Executive Director and the Senior Management Team. Guided by the Division of External Affairs, GCF outreach focused on leveraging high-level support from the Secretary-General and Deputy Secretary-General of the United Nations, key contributing countries and developing countries for a successful and ambitious replenishment and to advance efforts to contribute to the Climate Summit in September 2019.

41. In addition, the Secretariat conducted a significant amount of outreach to developed and developing countries, chief executive officers and representatives of multilateral development banks, international organizations, civil society organizations and AEs in the margins of the spring meetings of the World Bank Group and the International Monetary Fund.

42. The outcomes of dedicated missions are further outlined in Annex I: Secretariat missions: outcomes and lessons learned.

2.1.7. Supporting the engagement of observer organizations with GCF

43. The Secretariat opened the nineteenth round of applications for the accreditation of observer organizations. Based on the review of the applications received, recommendations are scheduled to be presented by the Secretariat to the Board for accrediting additional observer organizations through a decision proposed between B.22 and B.23. The Secretariat also managed correspondence with observers and will coordinate the observer registration process to enable their participation in B.23.

2.1.8. Facilitating and monitoring the implementation of the Information Disclosure Policy

44. The Secretariat reviewed forms submitted by AEs covering their disclosure of environmental and social safeguards (ESS) reports for funding proposals for the Board’s consideration in accordance with the Information Disclosure Policy and ESS requirements, and facilitated the timely disclosure of such forms to the Board members and active observers and to the public through the GCF website. Nine reports were submitted to Board members and active observers during the reporting period. The Secretariat also facilitated the disclosure of an ESS report for a subproject of a programme that was approved at B.21, in accordance with the condition set out by the Board. OGA coordinated the Secretariat’s responses to information requests under the Information Disclosure Policy.

45. In response to the recommendations of the Information Appeals Panel (IAP) dated 8 November 2018, approved by the Ethics and Audit Committee and circulated for information to the Board on 12 December 2018, the Secretariat has taken the necessary steps to address the IAP’s recommendation that the Secretariat upload the documentation of the appeal on the GCF website. The Secretariat has concerns with the implementation of the recommendations of the IAP in relation to disclosing Environmental and Social Safeguards (ESS) documents of Multilateral Development Banks (MDBs) to Board members and observers for the requisite time stated in paragraph 17 of the Information Disclosure Policy as this is contrary to the exemptions under existing AMAs with MDBs which allows them to follow their own policy with respect to ESS disclosure. The matter is likely to require Board attention and the Secretariat will pursue the matter further so as to receive appropriate guidance on how to implement the IAP’s recommendations.

2.2 Strengthening country ownership and the capacity of national designated authorities

2.2.1 Enhanced delivery and improved quality of readiness support

46. Improvements have been noticed over time in moving towards a faster delivery of the Readiness Programme, with the average number of days spent from approval to implementation steadily decreasing, from 280 in 2015 to 50 in 2018, by approval year. The Secretariat has so far approved 259 readiness requests worth total funding of USD 145.18 million. During the reporting period approved an additional 21 readiness requests, with total funding amounting to USD 12.92 million (18 non-NAP requests amounting to USD 6.14 million and 3 NAP requests for USD 6.78 million).

47. By 30 April 2019, 39 readiness grants have been completed. However, the implementation of readiness activities is slow, and the Secretariat received 15 requests for no-cost extensions during the first four months of 2019 and approved 9 of them. Of the 259 approved requests, 220 are receiving disbursements amounting to USD 55.33 million by 30 April 2019, comprising USD 14.11 million for NAPs and USD 41.22 million for non-NAP grants. The Secretariat began discussions with delivery partners regarding the support needed by the countries to deliver the readiness activities on time and with quality, and more means will be deployed in the coming months.

48. In partnership with GIZ and Frankfurt Management School, the Secretariat organized five training workshops for NDAs in English, French and Spanish, attended by 89 people from 84 countries. These workshops enabled the participants to gain a much better understanding of the strategic roles of NDAs.

49. The Secretariat is currently revising many documents in relation to the revised strategy for the Readiness Programme, as adopted by decision B.22/11. The scope of this work covers the internal legal frameworks, the “Readiness guidebook”, the readiness templates and the development of a standard operating procedure.

2.2.2 Providing strategic support for national adaptation planning

50. The Secretariat has continued to support countries that are formulating their NAPs and other adaptation planning processes. Since the last reporting period, three additional proposals worth USD 6.78 million have been approved. The Secretariat has also been actively facilitating disbursements for adaptation planning proposals, which resulted in the first disbursement for three additional proposals during this reporting period along with the second disbursement for three other proposals. The Secretariat has also provided technical assistance for the NDAs/focal points on the development of their adaptation planning proposals when they choose to work with national/regional delivery partners. During this reporting period, three countries benefited from such support. Additionally, the Secretariat continues to work on reducing the processing time and improving the clarity of comments. The latter now includes a conference call with NDAs and delivery partners on comments generated by the first submission.

2.2.3 Support for accreditation, upgrading and accelerating direct access entities

51. The Secretariat is continuing to support subnational, national and regional public and private sector entities seeking, or in the process of seeking, accreditation in order to ensure a balance of diversity, in accordance with decision B.09/07, paragraphs (d) and (g), and decision B.10/06, paragraph (h). This support includes in-kind support, providing institutional gap

assessments and action plans, the online accreditation self-assessment tool¹ and engaging a roster of institutions that will provide technical and capacity-building support to both applicant and accredited DAEs in environmental, social and gender aspects of the proposed projects/programmes.

52. As of 30 April 2019, 39 DAEs in the accreditation pipeline and 10 accredited DAEs have received readiness support from GCF to meet the accreditation standards and to further strengthen their institutional capacities to develop a pipeline of projects/programmes for GCF. The Secretariat is discussing potential readiness support with an additional 11 DAEs.

53. Since 31 December 2018, six additional readiness proposals from DAEs in the accreditation pipeline have been approved and are now under implementation. Beyond addressing accreditation conditions and achieving upgrades in the scope of the accreditation of DAEs, these support activities also aim to further develop the capacities of DAEs to develop good-quality funding proposals. Further details are contained in an upcoming Readiness and Preparatory Support Programme progress report and document GCF/B.23/04 titled “Consideration of accreditation proposals”.

2.2.4. Monitoring and sharing readiness outcomes

54. Progress on the implementation of readiness activities is monitored through the review of reports submitted by the grant recipients. The number of reports received has shown considerable growth, with a total 222 interim progress reports received to date, which increased by 75 per cent since B.22, and 19 completion reports received as at 30 April 2019. Also, no-cost extensions for 48 grants had been processed and approved as at 30 April 2019.

55. The Secretariat has started an analysis of targeted outcomes and completed achievements reported in the readiness proposals and project completion reports submitted by end of 2018 as an initial outcome analysis of the first phase of readiness support. Results and findings will be included in the second “Portfolio performance report” in 2019.

56. A readiness knowledge bank was launched in early April 2019 with the aim to promote Secretariat-wide learning, seeking to further derive knowledge products from the deliverables submitted in the Readiness Programme in collaboration with the Secretariat’s Knowledge Management Team.

2.2.5. Strengthening country engagement and promoting information-sharing, experience exchange and learning

57. The Secretariat has continued to conduct strategic country missions to ensure progress on: (i) identification of priority areas for GCF investment; (ii) GCF pipeline development; (iii) complementarity with other climate funds, as applicable; (iv) GCF readiness plans; (v) accreditation of DAEs; and (vi) privileges and immunities agreements, as applicable.

58. As of 30 April 2019, the Secretariat carried out missions to Armenia, the Cook Islands and the Lao People’s Democratic Republic, and has confirmed similar missions in May 2019 to Belize and Serbia. It has also strengthened engagement at the country level through dedicated events such as: (i) visits of the delegations of Thailand and Kazakhstan (February 2019) and of Nepal (March 2019) to the GCF Headquarters in Songdo to discuss project pipeline, country programme, and readiness and accreditation matters; (ii) the Regional Dialogue of the Indigenous Peoples of Latin America and the Caribbean organized by the NDA in Panama (February 2019); (iii) Africa Climate Week, in Ghana (March 2019); (iv) NDA Workshop

¹ The tool, developed with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH and the World Resources Institute, is available at <<https://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool>>.

organized by the Secretariat of the Pacific Regional Environment Programme, in Samoa (March 2019); (v) a private sector workshop organized by the NDA in Jamaica (March 2019); (vi) the Western Balkans Meeting in Albania (April 2019); and (vii) Korea Global Adaptation Week in the Republic of Korea (April 2019).

59. The details of dedicated country engagement missions are further outlined in annex I: Secretariat missions: outcomes and lessons learned.

60. Over the last few years, several stakeholders have called on the GCF to establish and strengthen its regional presence. Some countries and stakeholders have also made formal offers, including at the highest levels of government, such as Namibia and Samoa. As the portfolio and pipeline of the GCF grows, managing country and entity relations, as well as the risks associated with a complex and diverse portfolio, may not be feasible through a centralized structure at the GCF Headquarters alone.

61. The Secretariat is taking steps to respond to the demands and needs of GCF by undertaking the groundwork considering operational needs as well as the standards and processes by which any decentralization, even if in a limited way, may be undertaken. Among these are issues related to human resources, finances, suitability of locations, necessary physical or technological infrastructure, and legal considerations.

62. The Secretariat recognizes the importance of ensuring that the foundations and systems at the GCF Headquarters are strong before any decentralization is undertaken. Towards that end, the Secretariat is systematically capturing lessons from the pilot currently under way involving the placement of a staff member to support countries in the Latin America and Caribbean region based out of the UNFCCC Regional Collaborating Centre office in St. Georges, Grenada. The lessons learned will enable the Secretariat and Board to make more informed decisions going forward.

2.3 Strengthening efforts to assess and articulate climate impact and build a paradigm-shifting portfolio

2.3.1 **Embed climate rationale across all GCF projects and programmes and develop sectoral strategies and appropriate tools for assessing, measuring and widening climate rationale**

63. Discussions during previous Board meetings have emphasized the need for improved climate rationale in all GCF projects and programmes. At its nineteenth meeting, the Board, through decision B.19/06, requested the Secretariat to develop for the Board's consideration an integrated approach to address policy gaps and consider their interlinkages, including steps to enhance the climate rationale of GCF-supported activities.

64. Since then, the Secretariat has developed a Board document that iterates the activities the Secretariat is taking to enhance the climate rationale of GCF-supported activities, which include strengthening guidance to NDAs, AEs, readiness delivery partners and other stakeholders; improving the review process of funding proposals for projects and programmes; and developing a capacity-building strategy for NDAs and AEs (especially DAEs) based on increasing the number of strategic partnerships. The Board document also presents elements to enhance climate rationale in both mitigation and adaptation projects and programmes. In addition, work by the Secretariat on the communities of practice, and sectoral strategies and guides is ongoing, which will further strengthen guidance on improving the climate rationale of GCF projects and programmes across sectors.

65. This ongoing work is being deepened with the support of the World Meteorological Organization, by the development methodologies and guidance related to elements of climate rationale, which will also have implications for appraisal analysis and tools.

2.3.2. Consolidate the GCF policy framework and address policy gaps through an integrated approach

66. In response to the Board mandates made at the seventh meeting of the Board requesting the Secretariat to review the initial investment framework and at B.19 to develop an integrated approach to policy development, the Secretariat has been progressing the development of policies and guidelines to address policy gaps, including the consideration of interrelated issues around the approval of funding proposals. Following decision B.22/02, paragraph (c), the document “Review of the initial investment framework” includes: (i) matters relating to incremental and full-cost calculation methodologies, the policy on co-financing and the policy on concessionality; (ii) policy guidelines on the programmatic approach; and (iii) mapping of elements relating to project or programme eligibility and selection criteria. The individual earlier versions of these documents have been published previously for consideration at B.20 and B.21. In preparation for B.23, these papers have since gone through modifications to reflect comments previously received from the Board and AEs, where appropriate.

67. As per decision B.22/02, paragraph (c), the Board identified the need to present areas where GCF can support adaptation activities as well as approaches that GCF is undertaking to strengthen the climate rationale and thereby enhance the quality of GCF projects and programmes. In response to this decision, the Secretariat has evolved two documents, “Guidance and scope for providing support for adaptation activities” and “Steps to enhance the climate rationale of GCF-supported activities”. Those two documents, together with the recommendations of the Private Sector Advisory Group (PSAG) to engage the private sector in adaptation scale-up solutions to enhance the volume and impacts of adaptation programmes and investments, serve as the main inputs to the document “Matters related to GCF support to adaptation and steps to enhance the climate rationale of GCF-supported activities.”

68. Following decision B.10/17, the Secretariat is reviewing on an annual basis the implementation of a pilot introducing a scale of low/medium/high to assess the relative expected performance of a subset of projects and programmes based on the initial investment criteria and is communicating its findings to the Investment Committee and to the Board. The review of the pilot is being conducted by considering its application, consistency, and use, and the findings are embedded in the document GCF/B.23/XX “Status of GCF resources and portfolio performance” (to be published).

69. Following decision B.19/10, paragraph (c), the draft approach paper for the development of the GCF ESS has been finalized taking into consideration the inputs received from stakeholders. The draft approach paper and the proposed budget were reviewed by the Budget Committee and are to be presented to the Board for a decision proposed between meetings.

70. Following the adoption of the Environmental and Social Policy of the GCF, a guidance note on stakeholder engagement in projects was developed by the Secretariat and published on the GCF safeguards web page. In relation to the Indigenous Peoples Policy of the GCF, the draft Indigenous Peoples Policy operational guidelines was finalized and sent for consultation with stakeholders. Further work on establishing the Indigenous Peoples Advisory Group has been undertaken.

2.3.3. Carry out a review of the initial modalities for the Private Sector Facility

71. Following the updated workplan for the Board for 2019, the Secretariat is also working on several analyses and inputs to inform consideration by the Board of the review of the initial modalities of the Private Sector Facility. These inputs have been developed in the form of analysis, reviews and documents that have their own Board mandates. They include:
- (a) A private sector strategy;
 - (b) Modalities to support activities to enable domestic and international private sector actors to engage in GCF activities in LDCs and SIDS, based on the recommendations from PSAG (document GCF B.19/31);
 - (c) Review of the micro, small, and medium-sized enterprises pilot programme and terms of reference for the request for proposals for the allocation of the remainder of the programme;
 - (d) Review of the mobilizing funds at scale pilot programme to address adaptation and mitigation; and
 - (e) PSAG recommendations to engage the private sector, including local actors, in adaptation action at the national, regional and international levels.²
72. The draft version of the overarching paper, along with that of the above-listed appendices, will be finalized following the consultation and the technical briefings with the Board, with a view to including comments and recommendations received. They are scheduled to be presented to the Board at B.23.
73. The Secretariat has advanced work towards developing the private sector strategy of the GCF. In undertaking this exercise, the Secretariat identified strategic issues in engaging the private sector in climate actions, on the basis of the views expressed by countries, represented by the NDAs and insights from private sector actors' experiences in financing climate change interventions in developing countries. Gaining an understanding of such issues, as well their initial and root causes, has enabled the Secretariat to recommend additional modalities to complement existing modalities with the view to maximize the engagement and mobilization of private sector in climate action.

2.3.4. Operationalize communities of practice

74. In line with the 2019 work programme, the Secretariat launched in February 2019 a knowledge platform (community of practice) of climate experts, which will play a crucial role in driving transformative actions in support of the mandate of the GCF and leveraging cutting-edge climate knowledge from globally renowned organizations (international organizations, think tanks, consultancies and research institutes). The expert organizations will provide GCF with technical advisory services in core sectoral and key thematic areas, such as forestry, energy efficiency, urban development, health, and others. To date, 28 organizations covering 14 core sectoral and key thematic areas have been selected to be eligible for the programme.
75. GCF has signed long-term agreements with the 28 organizations and is currently in the process of issuing a scope of work under each sector area. The selected firms will support the GCF to deepen its expertise in a number of areas including drafting sector strategies, supporting the Secretariat proposal review processes and promoting knowledge sharing. Further details on the communities of practice can be accessed on the GCF website.³

² Although this review of the initial modalities for the Private Sector Facility will include consideration of matters related to engaging private sector in adaptation, this specific item related to the PSAG mandate will not be fully considered in the scope of this document but will be more comprehensively considered together with other adaptation matters under item relates to GCF support to adaptation and steps to enhance climate rationale.

³ Available at <<https://www.greenclimate.fund/news/gcf-launches-global-network-of-climate-change-expertise>>.

2.3.5. Reform and systematize second-level due diligence

76. Through its decision B.17/09, paragraph (o), the Board requested the Secretariat to define the nature, scope and extent of second-level due diligence and submit the review to the Board for its consideration. At B.22, the Board adopted a revised workplan for 2019 that delegated this item to the Secretariat, with the provision to bring any recommendations requiring Board attention back to the Board.

77. With support from a consulting firm (Oliver Wyman), the Secretariat has conducted a review of second-level due diligence with the objectives: (i) define and detail due diligence, first level and second level; (ii) undertake consultations with AEs, the Secretariat (particularly task managers and reviewers) and the independent Technical Advisory Panel to identify stakeholder perspectives on due diligence; and (iii) develop recommendations on how second-level due diligence can be more efficiently and effectively implemented, for further consideration by the Secretariat.

78. After several consultations with AEs and Secretariat staff, the review was concluded in May 2019 and a draft report has been discussed with the Senior Management Team of the Secretariat. The report has clarified a number of issues including: (i) the scope and extent of the due diligence as performed by the Secretariat and the AEs; (ii) the increasing role of the Secretariat in supporting AEs, in particular DAEs, to ensure the projects submitted are better aligned with the mandate of the GCF and to help the AE make the best use of GCF funding; (iii) the level of the Secretariat's role in due diligence depending on the type of AE, instrument and AE capabilities; and (iv) the need for the Secretariat to incorporate lessons learned from monitoring of approved projects.

79. The report made a few recommendations which will be incorporated into the Secretariat review process. A summary of the report is attached in Annex II: Secretariat assessment of second-level due diligence.

2.3.6. Actions taken to include gender considerations in GCF activities

80. The Secretariat has continued with the work of advancing gender mainstreaming across its activities. At the portfolio level, the Secretariat is proactively reviewing CNs, funding proposals, readiness, Project Preparation Facility (PPF) requests and NAPs to ensure gender considerations are included, in order to meet the objectives of the commitments under the GCF Gender Policy. As part of the project appraisal process, the AEs have been undertaking gender assessments and developing gender action plans. To date, 94 per cent of all approved funding proposals contain gender assessments and 87 per cent of all approved funding proposals contain project-level gender action plans. All funding proposals presented for the Board's consideration at B.23 have undertaken gender assessments and provided project-level gender action plans. The project-level gender action plans include activities that are aimed at addressing the gender-related challenges identified through the gender assessments, and also include indicators and targets to measure results and to measure human as well as financial resources to ensure that the identified activities can be implemented.

81. Gender-related activities have continued to be integrated into the Readiness Programme and the Secretariat is in the process of securing resources to develop and deliver training on gender, ESS and indigenous peoples. This will focus on assessing capacity needs and developing targeted gaps in NDAs' and AEs' capacity to fulfil the requirements of the gender, ESS and indigenous people's policies. In addition, the Secretariat is in the process of augmenting its capacity by having an additional consultant on its roster of experts to assist in the review of funding proposals and refining guidelines and checklists.

82. The Secretariat, following the adoption of the GCF Gender Policy in 2015 and as per decision B.12/16, has engaged in updating the GCF Gender Policy. The updated Gender Policy and Gender Action Plan were presented to the Board at B.22. Following the presentation, the Board mandated Board members from Canada and Egypt to continue consultations with the Board and a decision, B.22/17, was made for the revised GCF Gender Policy and Gender Action Plan to be presented for consideration and approval at B.23. Since B.22, the Secretariat has continued to provide technical support to the advisers to the Canadian and Egyptian Board members.

83. During the reporting period the Secretariat participated in knowledge-sharing activities, namely: (i) sharing examples of approved GCF projects at a workshop organized for staff of an AE to develop and implement gender-responsive projects; and (ii) participating in a workshop for countries in the Asia-Pacific region to provide insight on the GCF gender requirements for funding proposals.

2.3.7. Develop and operationalize effective knowledge management systems

84. To fulfil Article 23 (I) of the Governing Instrument for the GCF, which calls upon the Secretariat to run effective knowledge management practices, the GCF is developing a knowledge management strategy to enhance external knowledge-sharing activities and to improve internal knowledge management practices. The knowledge management strategy will codify and share knowledge generated through GCF activities and by its partners to help developing countries scale up successful interventions to respond to climate change. A knowledge management system (KMS) is currently being established to position the GCF as a thought leader in the global climate finance landscape, and to create an enabling environment for knowledge sharing within GCF.

85. An external firm will carry out the development of the knowledge management strategy assignment in three phases. In phase 1 of the project, the firm will conduct an organization-wide gap analysis towards delivering a knowledge hub roadmap, innovation plan, and knowledge generation mechanisms to GCF. In phase 2 of the project, the firm will develop a knowledge management strategy and action plan, a system requirements specification for the technological component of KMS, an implementation and sustainability manual and training sessions. In phase 3 of the project, the firm will provide guidance on the implementation of the KMS by the Secretariat.

86. The Secretariat has also initiated various internal and external knowledge-sharing activities. The knowledge management team is currently coordinating knowledge-sharing activities for AEs on the margins of the 2019 Global Programming Conference to be held in August 2019 to address roadblocks on the implementation of projects/programmes. The Secretariat has also continued to generate knowledge products from GCF events, including from Board meetings. Internally, the knowledge management team initiated an organization-wide taxonomy development exercise to improve the classification and categorization of GCF documents. In addition, a Knowledge Management Working Group was established to bring together GCF divisions, offices and units to initiate concrete actions towards improving the knowledge management practices and establishing a more collaborative environment.

2.4 Operationalizing a proactive and strategic approach to programming

2.4.1. Develop a framework for annual GCF pipeline and business planning

87. In accordance with decision B.21/14, the Secretariat continued to implement the financial planning approach by introducing a weekly pipeline review meeting at the senior

management level that focuses on screening the alignment of funding proposals with the GCF investment criteria, portfolio resource allocation objectives and available financial resources. Considering the limited commitment authority available post B.22, the Secretariat has submitted the B.23 package of funding proposals, taking into account the current status of the portfolio against the initial resource mobilization targets with a strong emphasis on high-quality funding proposals under requests for proposals (RFPs), SAP and adaptation-related projects in developing countries, Africa and SIDS. As part of its effort to streamline its review process and institutionalize the financing planning approach, the Secretariat is also working to establish a climate investment committee which will pre-screen and review funding proposals prior to Board consideration and taking into account the initial resource mobilization targets and Board guidance under decision B.21/14.

2.4.2. Continue to enhance concept note and funding proposal reviews as support for pipeline and portfolio building

88. During the reporting period, the Secretariat focused its efforts on improving guidance on the preparation of funding proposals, and a few significant improvements have been made in this regard. The Secretariat revised the funding proposal template, in consultation with NDAs, AEs and the independent Technical Advisory Panel, and published the new template on the GCF website in March 2019. The revised template also contains updated annexes, and additional new annexes in the form of the template. The transition period from the old template to the new one is 90 days (from 8 March 2019 to 6 June 2019), during which the GCF will accept both the new and old versions. Reflecting the updated funding proposal template, the Secretariat is currently preparing the “GCF Funding Proposal Manual: A Practical Guide on How to Prepare Funding Proposals for the Green Climate Fund”. The manual provides user-friendly guidance to AEs and NDAs on the project cycle and the development of GCF funding proposals, including project and programme appraisals and a step-by-step guide on how to fill in the new template.

89. During the reporting period, 32 new CNs have been submitted and reviewed along with the other 222 CNs in the existing pipeline. Ten newly submitted funding proposals during the reporting period were all developed from CNs, and for B.22, out of nine funding proposals submitted to the Board, eight were developed from CNs.

90. In addition, as part of the strategic engagement missions undertaken in early 2019, countries and AEs have been presenting many project ideas that form part of their programming exercise, which provide the Secretariat with the opportunity to comment and give them guidance on what kind of proposals are being sought for consideration and which ones are likely to meet the GCF investment criteria.

91. The SAP funding proposal guidelines have been published in Spanish and French, as well as specific SAP-sector guidelines with guidance on activities eligible under a SAP proposal (including CNs). An online submission system for SAP CNs and funding proposals was launched on a pilot basis and has been extended to all the NDAs and AEs since the beginning of May 2019. This is expected to increase the efficiency of the submission and review of SAP CNs and funding proposals.

2.4.3. Overseeing funding proposals presented for Board consideration

92. During the reporting period, 10 new funding proposals were submitted and reviewed along with the other 73 funding proposals in the existing pipeline. Twelve funding proposals are currently being reviewed for the Board’s consideration at B.23, which request GCF funding amounting to USD 348 million. Work is also under way to establish communities of practice and sector strategies, which aim to provide guidance on the types of interventions GCF could make that would deliver the biggest impact. Additional measures to streamline CN/funding proposal

review are being set in place, such as a regular Senior Management Team review cycle and early screening of funding proposals by an internal climate investment committee.

2.4.4. Promote the uptake of the simplified approval process

93. As at the reporting date, the SAP pipeline consisted of a total of 57 CNs and funding proposals, with requested GCF funding of USD 496 million and a total investment of USD 978 million, when taking co-financing into account. Of the 57 proposals in the SAP pipeline, 51 are public sector, consisting of 41 CNs and 10 funding proposals. From the private sector there are 6 CNs.

94. The SAP pipeline has significantly grown since the last reporting period, and SAP submissions are expected to continue to steadily increase throughout 2019. In response to this growing demand, further efforts have been taken to streamline the SAP review process and increase the quality at entry of SAP funding proposals.

95. To further streamline the SAP reviews, SAP standard operating procedures have been drafted and are currently under final internal approval.

96. Concerning the origination of SAP proposals, the Secretariat has engaged and discussed with several DAEs and project developers, with a focus on Africa, SIDS and South-East Asia. Technical assistance, in line with SAP decision B18/06, was deployed to two DAEs.

97. A range of capacity-building, communications and outreach activities have been undertaken during this reporting period. The SAP funding proposal guidelines in Spanish and French have been released and the SAP sector guidelines are under preparation and will be released from May 2019 onward. These knowledge products are intended to showcase what can constitute paradigm shift in the results management framework impact areas. Also, they guide the project developers on which activities could be eligible, in the context of a SAP project/programme. Finally, an e-learning course on preparing SAP proposals is under preparation. A specific SAP guidance for REDD-plus has been developed and will be published on the SAP web page along with more general guidelines on forest and land use for SAP. This will be the basis for specific capacity-building activities and to promote a streamlined and more expeditious access for funding for implementing REDD-plus through the SAP.

98. The SAP online submissions system platform was launched on a pilot basis in February 2019 and it will be open to all AEs and NDAs from early May 2019. The SAP online submission system is aiming to improve the accountability of the process and the efficiency of the submission and review stages. It will also pilot a new intake modality for GCF proposals that can potentially be extended to projects submitted under the regular proposal approval process. Webinars will be delivered to familiarize users with the platform and solve any questions. A help-desk service has been arranged to assist NDAs and AEs who might need technical help in using the SAP online submission system.

99. Acceleration in promoting the uptake of the SAP has seen one SAP-based proposal approved with XacBank at B.21 moving towards implementation and two further proposals approved at B.22, from the United Nations Environment Programme in Benin and Environmental Investment Fund of Namibia in Namibia.

2.4.5. Maximizing private sector engagement in requests for proposals, including through dedicated mobilizing funds at scale and micro, small and medium-sized enterprises requests for proposals

100. Limited progress has been made on the targeted private sector RFPs. Since the launch of the micro, small and medium-sized enterprises (MSME) pilot RFP in July 2016, the Board has approved two funding proposals under this pilot totalling USD 40 million: (i) for the “Business

Loan Programme for GHG Emissions Reduction” proposal (FP028) submitted by the Mongolia-based XacBank LLC to which GCF has disbursed its total commitment of USD 20 million; and (ii) for the “Low Emission Climate Resilient Agriculture Risk Sharing Facility for MSMEs” (FP048) submitted by the Inter-American Development Bank for USD 20 million to be implemented in Guatemala and Mexico (the FAA was signed in December 2018). The success of the MSME pilot has been constrained by an initially limited pool of AEs oriented towards working with small and medium-sized enterprises, with XacBank being the lead proponent. Since then, a number of AEs that have a small and medium-sized enterprise focus have been accredited, generating improved prospects for uptake. One additional MSME proposal is expected to be presented to the Board at B.23. As the pipeline develops, a proposal to launch a second tranche of the MSME RFP may be presented to the Board later in 2019 or early 2020.

101. The mobilizing funds at scale (MFS) RFP was launched in May 2017 and attracted 350 submissions from more than 70 countries requesting GCF financing of over USD 18 billion. Over the first half of 2019, the Secretariat has continued to engage with proponents of 30 shortlisted projects, of which 10 are currently backed by AEs and 20 projects are still without an AE, towards developing full funding proposals for consideration by the Board. It is anticipated that one to two funding proposals will be presented to the Board for approval at B.23, with an aggregate request for GCF funding estimated to be between USD 50 million and USD 200 million. A major constraint in advancing more projects has been securing accreditation for the project proponents or finding existing AEs to sponsor them.

2.4.6. Promote uptake of the enhanced direct access pilot programme

102. During the reporting period, the Secretariat has prepared and published on the GCF website an enhanced direct access (EDA) brief: short, user-friendly information on the key characteristics of the EDA pilot, including requirements set in the terms of reference and a case study of approved projects currently under implementation. Printout copies of the brief were distributed during the Korea Global Adaptation Week/NAP Expo, held in Songdo in April 2019.

103. The Secretariat aims to launch a second round of the RFP in the second quarter of 2019, encouraging newly accredited DAEs and those in different stages of accreditation to submit their EDA CNs to GCF. In addition, the Secretariat aims to conduct webinars for DAEs and NDAs on how to prepare an EDA proposal.

2.4.7. Advance REDD-plus results-based payments

104. A first proposal under the REDD-plus results-based payments, operationalized following decision B.18/07, was approved at B.22, for FP100 in Brazil.

105. The GCF web page on REDD-plus has been updated and contains all the relevant documentation and templates as well as additional support documents to assist countries prepare and plan for future submissions of REDD-plus results-based payments projects. Furthermore, an early version of the forest and land-use sector strategy will be shared on the web page for consultation.

106. The Secretariat is planning to develop a series of webinars to provide further information on GCF funding modalities for REDD-plus and to clarify any questions related to the REDD-plus pilot programme. The first webinar is planned for June and July 2019.

107. An online questionnaire has been circulated to countries engaged in REDD-plus with the aim of engaging and assessing their progress of REDD-plus implementation and identify the support needed. In total 55 countries responded to the survey, representing 70 per cent of the world’s tropical and subtropical forest countries. The survey will form the basis of a GCF working paper to be published and made available online by mid-June 2019. The working paper

will facilitate improved collaboration with other REDD-plus financial mechanisms and ensure complementarity and coherence. The working paper and survey will also enable GCF to better plan how to support the individual countries with finalizing the UNFCCC requirements to results-based payments and plan for future results-based payments projects.

2.4.8. Build pipeline quality through the Project Preparation Facility

108. The Secretariat is currently processing a pipeline of 33 active PPF applications with associated project CNs from AEs and no-objection letters from the respective NDAs. Of these 33 PPF applications, as at 30 April 2019, 25 had been approved or endorsed (20 approved and 5 endorsed for approval pending final conditions) to develop project/programme CNs into full funding proposals. Of the 33 active PPF applications, 23 (representing 70 per cent of the total) have been submitted by 13 different DAEs. The current share of approved PPF application (by value; USD) is 74 per cent for DAEs and 26 per cent for international AEs. An additional 31 PPF applications were previously submitted but have either been officially withdrawn by AEs or NDAs, or otherwise turned dormant with no correspondence from AEs or NDAs for over 6 months.

109. The quality of CNs at entry for PPF support remains a key challenge of the PPF pipeline. The Secretariat has continued to provide upstream technical assistance to DAEs and NDAs, upon their request, to strengthen their project CNs and PPF applications. Regarding support to NDAs, this technical assistance is also available for early project ideas before official submission as well as for SAP CNs and funding proposals. Six DAEs are currently receiving this support and an increasing number are being planned throughout this year. The Secretariat is also strengthening the capacity of this technical assistance function by broadening the breadth of sectoral expertise available to AEs and NDAs.

110. The Secretariat has updated the Project Preparation Facility guidelines which now provide more detailed guidance on how to access GCF PPF resources and tips for preparing a PPF application. To improve the efficiency of implementing project preparation activities after approval, the Secretariat is also in the process of procuring a roster of consultancy firms who can provide project preparation services to AEs upon their requests. Once operationalized, this modality will further simplify the PPF process and reduce the duration of implementation.

2.4.9. Support focused and aligned country programmes

111. The Secretariat is planning, delivering and/or joining country missions and events with a view to expedite country programming and pipeline development. Five more countries submitted their country programmes to the Secretariat during the reporting period, bringing the total number to 21 country programmes.

112. As of 31 April 2019, the Secretariat is in the contracting stage with the consortia being procured (as a result of RFP 2018/C/010) to support it in strengthening the capacity of NDAs and focal points to develop country programmes that identify investment priorities for the GCF in a manner that promotes country ownership effectively.

2.4.10. Facilitate engagement on entity work programming

113. In line with the initial Strategic Plan for the GCF, the Secretariat is working with 84 AEs to update or develop entity work programmes (EWPs). The Secretariat developed a new EWP template to strengthen the proactive, strategic and upstream approach of GCF regarding programming and pipeline development and to seek stronger synergies between EWPs, country programming and funding proposals.

114. As at 30 April 2019, a total of 60 EWPs have been received, including 7 updated EWPs and 9 first submissions by newly accredited entities in the new template from 14 DAEs and 2 international AEs. The Secretariat is currently in the process of reviewing those submissions. The remaining AEs are continuing to develop or update their EWPs on a periodic basis, typically at least twice per year in January and July.

2.5 Accelerating implementation and managing results

2.5.1. Increasing the number of signed accreditation master agreements and funded activity agreements

115. As at 30 April 2019, the Secretariat had signed 56 AMAs with AEs, which represent 67 per cent of all entities accredited by the Board. Negotiations with another 25 entities accredited by the Board are ongoing and are at different stages of progress. The Secretariat has signed 65 FAAs for 62 funding proposals approved by the Board, which represents 60.78 per cent of all approved funding proposals.

116. Of the 62 approved funding proposals that have executed FAAs, 8 public sector projects⁴ and 1 private sector project⁵ signed FAAs between January and April 2019. A further 16 projects are currently at the FAA negotiation stage.

117. Further details on the status of AMAs and FAAs can be found in the related limited distribution document (see document GCF/B.23/Inf.01/Add.01).

2.5.2. Accelerating project implementation and disbursements

118. Although progress has been noted over recent years in moving towards implementation,⁶ the fact that more AMAs are being executed means that several key matters need to be addressed to maintain the speed of progress. As GCF evolves its policy frameworks, a main challenge has emerged in instances where newly adopted policies apply to AEs and become effective immediately after adoption. Challenges vary, ranging from DAEs that do not have the systems and capacity to implement GCF policies at such a fast speed, to international entities that require approval from their internal governance structures, a process that may go beyond the initial timelines allowed by GCF. Addressing these will likely require a comprehensive assessment of bottlenecks and increased efforts to integrate procedures and requirements across the Secretariat and the independent units.

119. The average number of days for moving from Board approval to implementation for projects approved in 2015 was 590, and this has decreased to 316 for those approved in 2018. While only one project had started implementation by the end of 2016, the number of projects under implementation increased to 40 by the end of 2018. During the reporting period, 11 additional projects started implementation, bringing the total number to 51 of the 102 approved projects.⁷ The projects under implementation are worth USD 2.2 billion (44 per cent)

⁴ The eight public sector projects whose FAAs have been executed during the reporting period are FP061, FP062, FP066, FP076, FP084, FP087, FP089 and FP094.

⁵ The one private sector projects whose FAA has been executed during the reporting period is SAP004 which has two FAAs executed by financial instrument.

⁶ The implementation of funded activities (or readiness) starts when the FAAs (or grant agreements) become effective, unless otherwise established in the signed legal agreements. For readiness under the framework agreements, the implementation in general starts when the approval of proposal is notified to the recipients. For the technical assistance support by PwC under the Readiness Programme, the implementation is considered as having started when the first disbursement is received.

⁷ Excluded is FP026 by Conservation International Foundation (CI) and the European Investment Bank (EIB). The CI part of the project is under implementation, while the EIB part is pending the effectiveness of the accreditation

of total GCF funding, and they are spread over 49 countries. A total of USD 534 million has been disbursed, which accounts for 24 per cent of the value of projects under implementation. Disbursements for AE fees, totalling USD 31 million, have been made. With the growing number of projects under implementation, the estimated amount of cumulative disbursement is projected to rise to between USD 0.9 billion and 1.0 billion by the end of 2019.⁸

120. The Secretariat has been continuing its efforts to strengthen portfolio management activities, in addition to developing standardized templates and guidelines for reporting. The development of portfolio performance management system and early warning indicators has advanced with the establishment of a Secretariat-wide working group in March 2019. The portfolio performance management system will help to track and monitor the implementation performance of projects as well as overall health of the portfolio.

2.5.3. Reviewing results and enhancing results management

121. Reviews of 37 annual performance reports have been conducted and the response from the Secretariat has been shared with the relevant AEs for their review. Each review looked at progress on the implementation of funded activities, especially as it relates to co-financing, use of GCF proceeds and leveraged funds, financial information, indigenous peoples, ESS and gender. Most of the projects are still in the early stage of implementation (about 50 per cent in the first year of implementation) and their impacts have yet to materialize. The key findings and lessons learned from the review will be presented in the portfolio performance report to be presented at B.24.

122. At B.22, based on the review by the Independent Evaluation Unit of the GCF initial results management framework, the Board requested the Secretariat to present a results management framework that integrates relevant Board decisions, policies and frameworks related to results management regarding the GCF portfolio. Also, it asked the Secretariat to develop a proposal to respond to measurement and evaluation design as well as evidence generation gaps in the current portfolio. External services have been contracted to support with the update of the Results Management Framework with initial consultations across the Secretariat under way. Both tasks are under way to be presented to the Board at B.24.

2.5.4. Operationalizing the risk management framework

123. The Secretariat is continuing its efforts to operationalize the risk management framework. The risk dashboard for the first quarter of 2019 is expected to be published in May 2019 and will show that the portfolio concentration levels for funding proposals as well as GCF liquidity remain within the Board-approved risk tolerance levels. To further enhance the risk management framework, the Secretariat has developed a compliance risk policy and is currently developing a legal risk policy. The compliance risk policy is expected to be presented to the Board for its consideration at B.23 while the legal risk policy and risk rating/scoring models have been deferred to B.24. Furthermore, to manage the compliance risk detailed in the risk management framework, the Secretariat is developing a compliance framework to assure stakeholders that this risk type is properly managed (please refer to section 2.6.7 on implementing the compliance framework for more details).

master agreement. Once the implementation of the EIB part commences, this project will be added to the list of projects under implementation.

⁸ The projection was made on 31 March 2019. The disbursement projection is revisited every quarter. The projection is based on a combination of (i) information provided by AEs; (ii) indicative disbursement schedules in FAAs; and (iii) the Secretariat's estimation, for example, on when FAAs will be signed for the projects and how long it will take from FAA execution to first disbursement.

124. The Office of Risk Management and Compliance (ORMC) also contributed to the development and implementation of an investment criteria scoring tool to help ensure that GCF investments meet its investment criteria. These rating and scoring tools will be incorporated into the funding proposal review process and will help to support the management of commitment authority. ORMC worked with the Trustee to include the relevant requirements from the risk management framework in the new Trustee agreement. In addition, work is still ongoing on improving the way GCF provides guarantees, managing the exposure of contributions to currency volatility and exploring options to make GCF funding available in local currencies. Furthermore, ORMC is preparing to undertake a scheduled review and/or revision of some components of the risk management framework in the second half of 2019 and the first quarter of 2020. Any resulting revisions to the components of the risk management framework will be presented to the Board for its consideration.

2.5.5. Widening the network of accredited entities and simplifying access modalities

125. As at 30 April 2019, 84 entities had been accredited by GCF: 48 DAEs and 36 international access entities (a ratio of 57 per cent:43 per cent). An additional 96 entities had completed and submitted their applications for accreditation and were in Stage I of the accreditation process (institutional assessment and completeness check), and 15 applications were under review by the Accreditation Panel (Stage II of the accreditation process). The Secretariat and the Accreditation Panel aim to bring forward entities to B.23 that are in line with the Board's prioritization decision on accreditation applications.⁹ In addition, the Accreditation Panel continued to review and close conditions of accreditation for AEs. Further details are contained in document GCF/B.23/04 titled "Consideration of accreditation proposals".

126. In decision B.22/16, the Board decided to streamline the accreditation process in order to accelerate the review and consideration of entities applying for accreditation. In the same decision, the Board requested its Accreditation Committee, with the support of the Secretariat, to consult with the Board and alternate members, AEs and NDAs and focal points on matters related to the review of the accreditation framework as contained in annexes XI and XII to the decision, and present an updated accreditation framework for consideration and adoption by the Board at B.23. In line with decision B.22/16, paragraph (d), the Accreditation Committee, with the support of the Secretariat, has prepared document GCF/B.23/05 titled "Updated accreditation framework" for the Board's consideration at B.23.

2.6 Efficient and effective operational processes and systems

2.6.1. Concluding arrangements for privileges and immunities

127. The Secretariat is actively pursuing negotiations with both developed and developing countries and, as at 30 April 2019, the Secretariat had sent draft agreements on the privileges and immunities of GCF to a cumulative total of 135 countries. To date, 20 bilateral privileges and immunities agreements have been signed, with Antigua and Barbuda, Armenia, Belize, Cook Islands, Georgia, Grenada, Guyana, Honduras, Kiribati, Micronesia (Federated States of), Montenegro, Namibia, Papua New Guinea, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Uruguay, Vanuatu and Zambia.

128. However, progress has been limited as there is limited capacity in the Secretariat to focus on this issue. In addition, the fact that treaty negotiations on privileges and immunities are complex and need to reflect the national circumstances of countries and the interests of GCF means that such negotiations tend to progress slowly. High-level political impetus may be

⁹ Decision B.21/16, paragraph (e).

required to achieve results in this area and to ensure that GCF and its staff are covered by the privileges and immunities necessary to operate independently and efficiently.

129. Negotiations on bilateral agreements with Parties to the UNFCCC will continue on the present track until the Board considers this matter further (currently scheduled for B.24).

2.6.2. Strengthen communications

130. GCF communications were structured around sharing information on GCF activities, as well as articulating and raising awareness of the progress and impact of GCF projects under implementation and readiness activities.

131. Following on from the decision of the Board to launch the first replenishment during B.21, communications continued to be developed that highlight the achievements to date, reporting under the initial resource mobilization period and reporting the summary of outcomes of B.22. Following the selection of the Executive Director at B.22, GCF introduced him to top-tier global media through a series of one-to-one interviews with journalists where he explained the focus and ambition of the Secretariat. Also, in the first quarter of 2019, GCF continued to leverage the convening efforts of its partners to communicate its results and raise the profile of its replenishment efforts at the World Bank Spring Meetings, the Financing for Development Forum and other key events.

132. Efforts to refine the visual identity and branding of GCF have been further applied to web and print collateral, including slide decks used by Secretariat spokespeople during outreach activities, brochure materials, and various pages of the external website. The website also launched its fourth long-form multimedia article showcasing the impact of GCF-supported work in Mongolia using a specialized web platform that integrates video, photos, infographics and text. An abridged version of the article was subsequently syndicated by Thomson Reuters, which reached a far broader audience.

133. As a platform, the GCF website continues to be the major outlet for communication materials and was used to support and provide coverage of regular GCF outreach activities such as the first replenishment consultation meeting, executive-level engagements at country programme consultations, a regional workshop in the Caribbean and others. In the first quarter of 2019, GCF took the first steps in planning for potential structural updates to the navigation logic and layout of the website to accommodate the growing body of content it curates. The team has likewise continued to enhance the GCF social media presence by increasing its content on Twitter, Instagram, LinkedIn and Facebook, resulting in increased audiences for GCF.

2.6.3. Building wide-reaching partnerships

134. Given its business model, identifying and engaging with strategic partners is key to the success of GCF. In addition to existing modalities of engagement, GCF has entered into several general cooperation arrangements over the past few years. In order to increase the transparency and accountability of GCF, a complete list of all six general cooperation arrangements currently in effect is provided in Annex III: General cooperation arrangements that are in effect.

135. In addition, extra efforts were made to facilitate relationships with the GCF host country, including a mapping of all engagements with the Republic of Korea and assigning a designated Secretariat focal point to oversee relationship management.

2.6.4. Building a Secretariat of sufficient size, talent and global reach to meet operational demands

136. In continuation of the decision of the Board at its eighteenth meeting (B.18) to recruit 250 new staff, the Secretariat's efforts have resulted in an increase of the staff count to 224 full-time staff as of May 2019 (from 140 staff at B.18, October 2017), with recruitment for 26 additional positions in progress.

137. The Secretariat maintains its engagement on achieving geographical diversity in its workforce while also ensuring that women and men are equally represented at all levels. The gender balance is maintained at 123:101 (123 male and 101 female) with 64 nationalities, wherein the highest representations are the Republic of Korea (20 international professional staff (IS) and 25 administrative support staff (AS)), United States of America (19 IS and 5 AS), and Philippines (8 IS and 6 AS).

138. Since 2018, the Secretariat has significantly enhanced its staff learning and development programme. For 2019, the Secretariat-wide plan covers organizational capacity-building, specialist skills and individual professional development initiatives. Major events are currently in progress, including the continuation of leadership and management training workshops and a mentoring initiative.

2.6.5. Implement the 2019 work programme and budget

139. In continuation to efforts begun in 2018, the Secretariat has further introduced internal systems for tracking progress regarding the 2019 work programme and has begun providing monthly presentations to the Senior Management Team on the GCF KPI dashboard, which tracks progress and any potential delays or bottlenecks in processes.

140. The first quarter of 2019 has also seen a new Executive Director appointed to the Secretariat, starting in post at the beginning of April, just prior to the first replenishment consultation. Efforts were initiated to carry out an evaluation of current institutional capacity, processes and functions with a view to further streamlining and clarifying internal Secretariat roles, teams and functions in support for the GCF mandate and objectives.

141. Work has also commenced in shaping manuals that reflect and further structure GCF operations, policy processes and programming approaches, and it is anticipated that these will be finalized throughout the course of the year.

2.6.6. Raising awareness of the GCF Operations Manual

142. The current draft of the Operations Manual provides guidance as to the categorization of work and the roles and responsibilities of the various teams that take part in the intake, assessment and review of funding proposals as set out in the proposal approval process. To date, over 100 staff have attended six training sessions on the Operations Manual, held from October 2018 to March 2019. The feedback gathered through post-session surveys indicates that the material provided participants with relevant information pertaining to the proposal approval process and the roles and responsibilities of the various divisions and offices in the review and appraisal process.

143. An update of the Operations Manual will be carried in the coming months with a view to simplify processes and further define origination, appraisal and implementation functions.

2.6.7. Advancing the roll-out of innovative and responsive information communication technology solutions and services

144. The 2019 ICT workplan was created collaboratively with business divisions early in the first quarter of 2019 while in parallel GCF continued with the successful completion of planned system introduction, enhancements and technology platform upgrades. At the same time, there

were progressive and incremental releases of the Integrated Project Management System. The organizational units across GCF worked together to develop the SAP online submission system for CNs and funding proposals, which was released to all NDAs and AEs on 6 May 2019. Furthermore, GCF successfully introduced the cloud-based document review system for AE consultations, while GCF is piloting it internally for interdivisional review.

145. During B.22, GCF launched the Board Portal as the one-stop service for existing and future Board-related digital solutions. Following constructive feedback received during the B.22 onboarding session, GCF improved the travel request management system. As part of continuous efforts to consolidate all the solutions into one single platform, the Online Board Registration System was updated and migrated into the Board Portal.

146. In May 2019, GCF introduced the service and knowledge management platform (“ServiceNow”), and the human resources management system was extended to include additional workforce categories. To counter the ever-increasing threat of security breaches around the world, GCF introduced multi-factor authentication to strengthen the security of GCF data. During the first and second quarters of 2019, GCF initiated various online as well as onsite training sessions to raise awareness on information security threats among the staff and the affiliates. The Secretariat has continued to progress its work to enhance GCF in-house policies, procedures and practices regarding acceptable use of ICT.

2.6.8. Elaborating the GCF financial policies and administrative procedures

147. In consultation with the Office of the General Counsel and ORMC, several financial issues were negotiated with the Trustee to improve Trustee functions. The culmination was the signing of a four-year agreement in line with Board approval as set out in decision B.21/07. Following on from the signing of the agreement, a new cash investment strategy is being developed in conjunction with the Trustee to increase investment return. Further, the initial analysis of foreign currency (foreign exchange) hedging options has been developed to lower the risk embedded in non-base currency. The options have been shared with ORMC and the Board for feedback.

2.6.9. Improving the efficiency of procurement practices

148. The Secretariat is working on revisions to the procurement guidelines to align them with best practice as well as the evolving needs and requirements of GCF. The revised guidelines are expected to be presented to the Board at B.24.

2.6.10. Implementing the compliance framework

149. During the reporting period, the Compliance team within ORMC consulted the Risk Management Committee and revised the compliance risk policy to address remaining concerns and is expected to present the policy for Board consideration at B.23. Additionally, the Compliance team contributed in the review of other compliance-related policies to be presented at B.23, namely the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Standard and the updated policy on sexual exploitation, abuse and harassment.

150. Internally, ORMC implemented a new due diligence tool for the reviewing process for funding and readiness proposals and disbursements. In addition, the ORMC commenced the procurement of a compliance management system to automate compliance processes and facilitate the collection of compliance data. Furthermore, as part of implementing the compliance framework, ORMC incorporated AML/CFT requirements in the review process of financial management capacity assessment and funding proposals. ORMC also reviewed 23 readiness proposals and all funding proposals for B.23, provided clearance for 66 disbursement

requests, responded to 17 internal and external inquiries, and developed two internal administrative instructions.

151. Furthermore, ORMC worked in collaboration with other divisions to review and produce internal legal documents. On that note, the Compliance team is currently developing the Conflict of Interest Declaration for GCF personnel and Financial Disclosure for Board Appointed Officials (jointly with the Chief Financial Officer ad interim). Working with the Division of Support Services, the Compliance team has played a key part in developing data retention and classification policies within the Secretariat. Such policies will identify and prioritize the data maintained by the GCF for better management and retention. This will help to make data management within the various GCF functions more efficient and provide greater protection and security for sensitive information.

2.6.11. Overseeing the delivery of audits

152. The Office of the Internal Auditor finalized two audits (procurement and ICT units) and four ad hoc reviews (of the exchange programme assignment, the Performance Management and Development System, remote working arrangements, and Contribution Agreements) that were started in 2018, as well as one audit (of the Finance Unit) that was started in 2017. Furthermore, it reviewed the implementation of the management action plans established in response to previous audits, reviewed the draft unaudited financial statements for 2018 and worked towards completing the Audit Manual and finalizing one more audit (of relationship management) that was started in 2018. The Office of the Internal Auditor is also completing the fieldwork of the first audit (on consultant management) from the 2019 audit plan.

Annex I: Secretariat missions: outcomes and lessons learned

I. Introduction

1. Throughout the first quarter of 2019, the Secretariat has continued to engage in outreach activities and missions that have directly contributed to the goals outlined in the 2019 work programme of the Secretariat. They have been key to:

- (a) Raising the profile of GCF, positioning GCF across global engagement streams so as to gather high-level support for replenishment;
- (b) Expediting business processes to strengthen relationships with accredited entities (AEs);
- (c) Building wide-reaching partnerships; and
- (d) Strengthening complementarity with other climate finance delivery channels.

2. The Secretariat's missions have entailed a variety of outwardly focused activities, such as:

- (a) Outreach and networking contributing to global, thematic or regional forums relevant to the GCF results areas and building partnerships relevant to GCF operations;
- (b) Targeting country engagement, supporting national consultations and country programming efforts;
- (c) Entity engagement missions focusing on finalizing project documentation for implementation, accelerating the development of funding proposals and enhancing direct access; and
- (d) Interacting with the other climate finance delivery channels.

3. The nature of these activities, their objectives and outcomes are further outlined below.

II. Global forums and partnerships

4. High-level engagements with contributor countries, the network of AE partners and the developing country stakeholders have been key to strengthening the positioning of GCF in the global landscape and successfully promoting its mandate and mission in the context of replenishment. The Secretariat took the opportunity of a series of high-level events to strengthen these dialogues.

5. Led by the Executive Director ad interim and afterwards by the recently appointed Executive Director, GCF has been represented at the World Economic Forum at Davos, the United Nations Environment Assembly and One Planet Summit in Nairobi, the Green Bank Design Summit in Paris, the UN Financing for Development Forum and the World Bank/International Monetary Fund spring meetings, as follows:

- (a) Participation at the World Economic Forum in Davos, United Nations Environment Assembly in Nairobi and the Financing for Development Forum provided an opportunity for GCF to co-host a series of events that brought together key stakeholders with a view to capture support for replenishment;
- (b) To raise the visibility of the GCF and promote advocacy, the Secretariat engaged in high-level meetings including the "Climate and Sustainable Development for All" event convened by the President of the General Assembly of the United Nations (28 March

- 2019) and the “Financing for Development Forum” in New York. The latter also included a GCF high-level event promoting the role of GCF in transforming climate ambition into action. The event was attended by the United Nations Secretary-General’s Special Envoy for the 2019 Climate Summit, ministers from Fiji and Jamaica, the United Nations Development Programme (UNDP) Administrator, Achim Steiner, and high-level representatives from the private sector and civil society. These missions also facilitated closer dialogue with the United Nations, including through meetings with the United Nations Secretary-General and the Secretary-General’s Special Envoy for the 2019 Climate Summit on the role GCF could play in advance of the Summit in October;
- (c) The Secretariat also conducted a briefing at the United Nations Headquarters in New York with regional groupings such the Alliance of Small Island States and the least developed countries, which provided a platform for GCF to communicate on its mandate and mission. The Secretariat also organized a meeting to engage with civil society organizations in Washington, D.C. hosted by the United Nations Foundation;
 - (d) Participation at the Green Bank Design Summit in Paris and the World Bank/International Monetary Fund spring meetings in Washington, D.C has sharpened engagement with multilateral banks and private sector partners, advancing high-level conversations on accreditation master agreements and project documentation;
 - (e) Alongside these events, briefings were organized for dedicated stakeholder groups, such as for a group of French Members of Parliament and regional groupings such the Alliance of Small Island States and the least developed countries, which have provided a platform for GCF to communicate on its mandate and mission; and
 - (f) The Secretariat (Executive Director and Division of External Affairs) also attended the “Second BRI Forum for International Cooperation” and the Thematic Forum on the “Green Silk Road” in Beijing (China). President Xi Jinping of People’s Republic of China, the United Nations Secretary-General and six Heads of States from both developed and developing countries delivered opening speeches at the Forum. The Executive Director of the Secretariat also delivered a speech at the Thematic Forum as well as strengthened high-level relationships with ministries and key partners of GCF.
6. Particularly within the context of replenishment, observations from these global high-level engagements emphasize the utmost importance of continued efforts to build the global profile of GCF. Its geographic distance from key stakeholders makes it essential for GCF to be continuously represented in global forums and discussions, driving its own narrative on achievements and successes to date while allowing the opportunity for productive face-to-face conversations with partners.

III. Country engagement

7. Teams across the Secretariat have been active in directly supporting national activities related to country programming, project prioritization and development, identification of potential direct access entities (DAEs) and private sector mobilization, with an increasing focus on mainstreaming climate rationale and principles across all stages of country planning processes, as follows:
- (a) The Government of the Lao People’s Democratic Republic, through the Ministry of Natural Resources and Environment, the NDA, invited the Secretariat to visit the country to discuss joint programming between the Global Environment Facility (GEF) and GCF, the ongoing and planned readiness support of GCF to the country, ways forward on the pipeline of investment projects, and strategic development of future pipeline of projects. The mission (February 2019) supported the launch of the host’s country programme,

- and took stock of progress towards a joint GCF-GEF national committee and on support for the development of proposals in the pipeline, including a REDD-plus proposal;
- (b) At the Regional Dialogue of Indigenous Peoples of Latin America and the Caribbean organized by the Government of Nicaragua, in Managua (18–20 February) the Secretariat used the high number of over 100 participants to strengthen communication with NDA delegates and indigenous peoples’ representatives, and to: (i) reaffirm the GCF commitment – evidenced by the approval of the Indigenous Peoples Policy – to addressing the indigenous peoples dimension within GCF procedures; (ii) raise awareness about the plans to shortly launch operative guidelines to implement the Indigenous Peoples Policy; and (iii) explore the possibility of a regional readiness proposal, which emerged as a potential entry point to strengthen the work with indigenous peoples;
- (c) A strategic engagement country mission to the Cook Islands (7–17 March 2019) following an invitation made by the Government of the Cook Islands (through the Office of the Prime Minister), allowed the Secretariat to: (i) deliver a technical workshop to build the capacity of Cook Island government ministries, civil society and private sector representatives to develop projects for the GCF; and (ii) attend the Cook Island Climate Change Donor Roundtable to gain an understanding of priority climate change projects the Government would like its development partners, including the GCF, to consider. Moreover, the mission allowed the Secretariat to advance work to: (i) finalize the country programme; (ii) finalize the country’s 2019 readiness proposal, and update stakeholders on opportunities under Readiness 2.0; (iii) finalize the entity work programme for the Ministry of Finance and Economic Management (MFEM); (iv) work towards finalizing the accreditation master agreement with MFEM; (v) agree on an action plan to bring Bank of Cook Islands forward as an AE and ensure adequate support to Bank of Cook Islands in the 2019 readiness proposal; (vi) develop project pipelines (pipeline development agreed with the Government on two funding proposals); and (vii) strengthen the simplified approval process project on health currently under GCF consideration;
- (d) The private sector workshop organized by the NDA in Jamaica (March 2019) and supported through the presence of the Secretariat looked at the results of a scoping study investigating the barriers to private sector climate investment in four countries in the Caribbean: Barbados, Belize, St. Lucia and Trinidad and Tobago. It also led to advancing Jamaica’s country programme and Project Preparation Facility applications of regional access entities and also guided potential private sector entities; and
- (e) A Secretariat mission to Armenia (April 2019) focused on contributing to consultations towards the finalization of the country programme and advised the national DAE on pipeline development. Further details are outlined in paragraph 10(b) below;
- (f) The Secretariat joined the “Regional Climate Action in the Western Balkans – Accelerating Access to Climate Finance” Conference in Albania (5–6 April 2019). This ministerial conference aimed to facilitate access to climate finance, including through engagement with, and access to, climate funds. It presented common priorities for the Western Balkans region and discussed opportunities for synergies across various sources of financing for climate action, leading to the adoption of a declaration endorsing the “Joint Roadmap for the Western Balkans Region – Accelerating Access to Climate Finance”, which will be implemented through the conceptualization and development of joint regional projects and programmes. Eleven regional project ideas were identified during the GCF engagement, with their funding requirements estimated. The Secretariat also discussed the planning and implementation of readiness activities with country NDAs and delivery partners.

8. A number of key outcomes and lessons emerged from the series of targeted country engagements:
- (a) GCF presence at national consultation events continues to prove instrumental in widening access and sharing information across stakeholders. Engagement with countries that have already gone through the initial stages of readiness implementation indicate scope for moving to activities geared towards transformational pipeline development, after the national institutional architecture has been put in place. Clearer communication from GCF on the types of projects it seeks to invest in and targeted readiness support may prove helpful in this regard, supporting national project origination efforts and activities; and
 - (b) There is further scope to disseminate methodologies and approaches that put climate rationale at the core of national decision-making through ambitious country programming and pipeline development activities, with capacity for GCF to more actively shape this space.

IV. Entity engagement

9. The Secretariat has been engaging with direct and international AEs that are actively developing a pipeline for GCF as well as entities in the process of accreditation. The scope and nature of these engagements are closely linked to the nature of the existing relationship between GCF and the AEs. Related missions have entailed:
- (a) Provision of support for DAEs, including through the advancement of specific project proposals or Project Preparation Facility requests (from Centre de Suivi Ecologique, Environmental Project Implementation Unit of the Ministry of Nature Protection, of the Republic of Armenia (EPIU), MFEM and SPREP), building an understanding of the GCF business model and processes and the fundamental centrality of climate impact;
 - (b) Advancing funded activity agreements (FAAs) with AEs with approved funding proposals (Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD) and World Food Programme (WFP));
 - (c) Engaging on project development with AEs and entity work programmes (with the DAEs Banque Ouest Africaine de Développement (West African Development Bank) (BOAD), EPIU, MFEM and SPREP; and with the international access AEs UNDP and the United Nations Environment Programme (UNEP)); and
 - (d) Engaging with applicant entities to support the advancement of their proposals.
10. Dedicated support for DAEs focused on supporting entity programming, providing advice in the context of country support visit and assisting with advancing concrete project preparation requests:
- (a) On 18–20 March 2019, the Secretariat joined a workshop organized by SPREP and contributed to panel discussions by presenting details of: (i) the GCF Readiness and Preparatory Support Programme; (ii) the available technical support for pipeline project development; (iii) the Project Preparation Facility; and (iv) how to build good-quality project/proposals. This mission also allowed the Secretariat to promote the finalization of SPREP’s entity work programme – including the entity’s role in supporting countries’ ongoing readiness needs – and to meet development partners to discuss roles they can play in supporting the Pacific region;
 - (b) A mission took place to Armenia where extensive discussions with EPIU were held. EPIU, the country’s AE received its accreditation at the twenty-second meeting of the

- Board (B.22) and is the first DAE in the Eastern Europe region. EPIU has been an important readiness delivery partner to the Armenian NDA and is now keen to engage with the GCF in its role as an AE. The Secretariat had discussions with EPIU on some initial project ideas that were brought forward and provided overall comments on the key elements that GCF would seek in its investments, especially related to the projects' link to country priorities and climate ambitions. The Secretariat also provided information on the project preparation support available to EPIU in developing its project ideas further, and will work closely with EPIU to mobilize those resources in support of bringing a simplified approval process project to the Board. The Secretariat will also work with EPIU on closing existing accreditation conditions as well as finalizing the accreditation master agreement;
- (c) Support to MFEM took place in the context of a country engagement mission to the Cook Islands (as outlined in paragraph 7(c) above) while technical assistance provided to Centre de Suivi Ecologique led to the advancement of a concept note towards finalization and submission; and
 - (d) Through a mission to BOAD in Lomé, Togo, the GCF delegation participated in events commemorating the entity's forty-fifth anniversary, including by taking part in a panel on renewable energy investments in Africa and GCF investment criteria. Direct support was provided during the mission to help the BOAD teams meet requirements and deadlines for one of two funding proposals to be submitted at B.22 (FP102 subsequently approved). The mission team also held extensive discussions with the AE on its capacity to develop projects and submit them to GCF on behalf of their member countries, and provided an update of BOAD engagement with GCF, as summarized in its entity work programme.
11. Strategic engagement missions were also carried with both UNDP and UNEP looking at the wide range of roles and activities they share with GCF. At the institutional level, strategic partnerships and vision for engagement over the coming year were discussed. A common approach to pipeline submission and prioritization was found for both the funding proposals and the readiness proposals that these two institutions deliver to countries, in light of replenishment and countries' demand. Both institutions and GCF also initiated cooperation on communications and joint participation at events to showcase fruitful partnerships. Technical teams also contributed to the missions by addressing the most recurrent issues in the implementation of funding and readiness proposals, and they established mechanisms to follow through on commitments made during the meeting. GCF has since been regularly in touch with UNDP and UNEP to ensure continued implementation of the identified ways forward.
12. A number of dedicated missions took place to advance FAAs with AEs that have approved funding proposals, with the Secretariat travelling to meet teams from FAO, IFAD and WFP. This has led to the finalization of the institutional template FAA with FAO and subsequent signing of two FAAs and advanced negotiations with IFAD and WFP. Signing of the first FAA with the World Bank also took place in Washington, D.C., led by the Executive Director ad interim.
13. A series of key outcomes and lessons have emerged, as follows:
- (a) Support for DAEs will continue to require ongoing exchanges and contact with GCF representatives supporting project development, particularly with placing climate rationale at the core of project activities and structuring project components. These engagements also highlight the importance of liaising on project development at an early stage to ensure that all aspects related to risk, gender and environmental and social management are well taken into consideration; and

- (b) Accelerating implementation demands a similar constant exchange with entities with approved funding proposals, because substantial attention and efforts are needed to finalize project documentation.

V. Engagement with other climate finance delivery channels

14. Key engagements advancing the discussion on complementarity and coherence have entailed:

- (a) Participation in the CIF ten-year anniversary summit and Trust Fund Committee held in Morocco in late January 2019. The meeting took stock of the work of the CIF since inception, including knowledge management and learning. The GCF proactively engaged in the proceedings, including with regards to lessons learned on programmatic approaches. In addition, in accordance with decision B.20/05, the Secretariat, in collaboration with the CIF Administration Unit, reached out to focal points of the CIF to discuss synergies in programming. Discussions were held with Brazil, Gambia, Honduras, Jamaica, Jordan, Malawi, and Zambia, among other stakeholders; and
- (b) A joint mission with GEF to Vientiane, the Lao People's Democratic Republic (12–14 February), where GCF and GEF engaged with common stakeholders identifying how each can support country aspirations for climate resilient and low emissions sustainable transformational change. Further details are outlined above in section III: Country engagement;
- (c) Participation as observer in the thirty-third meeting of the Adaptation Fund Board, in Bonn, Germany (14–15 March 2019), with the intention of answering any questions regarding the agenda item on the strategic discussion on objectives and further steps of the Adaptation Fund. Potential linkages between the Adaptation Fund and GCF. Due to a heavy agenda from items emanating from the twenty-fourth Conference of the Parties, the Adaptation Fund Board was not able to open this agenda item.

15. Ongoing exchanges with other climate funds highlight a need to further advance the operationalization of the complementarity and coherence framework both at fund level and at national level, as follows:

- (a) There is further scope to simplify the processes, procedures and templates used by all the funds. For the GCF, there is potential to further increase the focus on complementarity and coherence in upcoming programming and strategic planning directions following replenishment, with a focus on programming resources at scale, replicating successful initiatives and facilitating ongoing knowledge exchange; and
- (b) Further work is also needed to build synergies at the national level and encourage collaboration between various focal points with a view to streamlining and connecting parallel programming processes.

VI. Conclusion and steps forward

16. Cognizant of the large demand for GCF representation at global, regional and national events, the Secretariat continued to implement a strategic outreach plan for 2019 focused on key deliverable areas. In particular:

- (a) Heightened engagement in global forums and summits has enabled the Secretariat to build its global profile and gather views from external audiences for the need to continue to widely disseminate information on GCF activities and investments, hone its external communications and outreach activities, and consider means for maintaining

an ongoing presence in key global locations. Specifically, within the context of the replenishment process, the Secretariat will continue to actively represent the GCF agenda at key global events with a view to showcasing GCF achievements and attracting global champions;

- (b) Given the limited number of structured dialogues in 2019, targeted country engagement has proved to be useful and will continue to play a key role in supporting the strategic origination of most transformational and climate impactful concepts and proposals responsive to national needs; and
- (c) Similarly, cross-divisional engagements with AEs have ensured that all matters relating to entity relationships are being addressed holistically and early in the project development cycle, with a continued focus on strengthening climate rationale. Additional efforts are required and will continue in moving projects towards implementation.

Annex II: Summary of second-level due diligence assessment

1. Through decision B.17/09, paragraph (o), the Board requested the Secretariat to “define the nature, scope and extent of second-level due diligence”. In support of this effort, the GCF engaged Oliver Wyman (OW) to provide expert guidance on the appropriate nature of second-level due diligence in the GCF context.
2. With support from a consulting firm (Oliver Wyman), the secretariat has conducted a review of the second level due diligence with the objectives to: (i) define and detail due diligence, first-level and second-level, (ii) undertake consultation with AEs, Secretariat staff, and independent Technical Advisory Panel (iTAP) to identify stakeholder perspectives on due diligence, and (iii) develop recommendations on how second-level due diligence can be more efficiently and effectively implemented, for further consideration by the Secretariat. In addition to these GCF-specific sources, the team also provided external benchmarking on practices – with the caveats that appropriate tailoring is required to reflect the GCF’s somewhat unique business model.
3. The project was steered by a senior group within the Secretariat, who formed the “second level due diligence working group” that meets on a periodic basis. This included active participation by the ED and heads of the major teams, including CPD, DMA, PSF, OGC and ORMC. The proposed approach adopted a range of design principles at the core:
 - (a) When possible, GCF’s due diligence should continue to depend on the Accreditation process and the AEs to conduct first-level due diligence;
 - (b) Due diligence should comprehensively cover aspects required to ensure the GCF meets its fiduciary duties and is moving towards achieving its mandate;
 - (c) The due diligence should maximize efficiency in use of Secretariat resources and where possible optimize the FP approval process;
 - (d) For each due diligence activity conducted at the Secretariat, there should be a clear delegation of accountability and authority, and where required appropriate independence between ‘design’ and ‘review’;
 - (e) The Secretariat should adopt a collaborative approach with cross-functional teams working together.
4. The overall framework proposed two distinct questions. First one related to what due diligence tasks overall should be completed for the types of projects and programmes funded by the GCF. Secondly, given this list of tasks, which tasks can be largely delegated to the AE, and which require more robust diligence by the GCF. The framework recognizes the need for flexibility given the breadth of AEs, funding modalities, and project types and does not make an ex-ante determination of the quality or capabilities of AEs. The output provides the ability for the secretariat to determine as part of the Board Project Approval Process (PAP) the appropriate level of second level due diligence, above and beyond a minimum standard, on a case-by-case basis.

Recommendations

5. The recommendations do not challenge or change any of the decisions made by the Board to date relating to the project approval process. They provide valuable additional detail and external perspectives to the Secretariat on appropriate due diligence activity required for the GCF.

- (a) On the definition of “second-level due diligence”: the original proposal approval process (PAP) defines second level due diligence broadly as all tasks completed by the Secretariat following a completeness check. The review proposes defining “second level” simply as tasks performed by the Secretariat (rather than the AE) and “due diligence” as the review and challenge of the funding proposal after it reaches a certain level of maturity determined by the Secretariat internal review committee (Senior Management Team or any other Committee) or delegation thereof. The report includes a recommendation to change terminology to “GCF due diligence”.
 - (b) On a framework to define “scope” of due diligence: based on a comprehensive review of the internal documents and external benchmarks, the framework provides a specific list of 91 elements to be reviewed across 27 categories. This is a comprehensive list of diligence tasks and not restricted to those that need to be performed by the Secretariat.
 - (c) On the nature of diligence tasks required to be completed by the GCF: the framework provides an approach for determining which tasks need to be completed by the Secretariat, and which are likely to be fully delegated to the AE. Four categories of tasks merit careful consideration by the GCF in the project approval process and will likely require more robust diligence on the part of the Secretariat, such as the review of: i) elements where there is a structural conflict of interest between the GCF and the AE, such as on level of concessionality, ii) elements where the GCF is requiring something of the AE that wouldn’t form part of the AE’s own investment decision, such as the assessment of climate rationale, iii) elements where the AE might not have deep expertise, such as on the financial structuring of a programme for a smaller AE, and iv) elements where the AE is self-reporting on its capabilities, for example on project sector and geography specific capabilities not typically covered during accreditation.
6. The resulting tasks to be completed by the GCF led to several recommendations to the Secretariat on its internal workings and organizational approach. Two key elements of change are: i) the broad inclusion of expert teams into a “Project Team”, leveraging the full skillset of the Secretariat; ii) ensuring sufficient level of ‘independence’ between the origination and structuring of a funding proposal, and the diligence thereof.
7. In addition, the report makes specific recommendations on specific measures to encourage better quality funding proposals submitted to the Board for consideration, including:
- (a) By providing clarity on the requirements for 2DD for projects to AEs and thus increasing the efficiency of the funding approval process;
 - (b) By comprehensively listing what is required for project approval, the secretariat can better communicate with the AEs on requirements and better manage project risks;
 - (c) Through the development of a common language and definition of 2DD to reduce confusion both within the Secretariat and among stakeholders.
8. To further assist the proposal approval process and any bottlenecks on the AEs side, the report also recommends: (i) supporting the AEs and the Secretariat to build capacity in specific areas identified in performing the due diligence; (ii) develop and implement legal disclaimers to be included in communications with AEs during due diligence by the Secretariat in order to manage legal risk within an acceptable level; (iii) consider refining and building lighter due diligence and process requirements for the micro and small-sized projects including the SAP; and (iv) consider refinements to the accreditation process that may help address some common capability gaps in the AEs that are mentioned in this review.

Next steps

9. The Secretariat is committed to implement the recommendations listed above with the aim to improve the efficiency in the review of the projects and the quality of funding proposals for Board consideration. In addition, the secretariat will engage with AEs to provide further guidance on the second level due diligence framework and any other requirements provided by the Board in the context of project review and approval. Since the review does not request any change or challenge any of the decisions made by the Board to date relating to the project approval process, the secretariat will implement the recommendations as part of its internal process with no need for additional Board decision on the PAP.

Annex III: General cooperation arrangements that are in effect

No.	MoU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
1	General cooperation	Global Green Growth Institute (GGGI)	MoU on administrative and institutional cooperation	14 April, 2017	Until terminated by either party (2 months' prior notice in writing)	Non-binding	To formalize a framework of cooperation and to facilitate collaboration between the parties to promote joint activities in support of their administrative and institutional functions
2	General cooperation	China Development Bank	MoU between the China Development Bank and the GCF	8 December, 2017	3 years	Non-binding	To facilitate collaboration between the parties to promote joint activities in support of the parties' respective mandates
3	General cooperation	International Solar Alliance	Joint declaration for the promotion of solar energy globally	10 March, 2018	N/A	Non-binding	The parties expressed their intention to deepen their cooperation in support of renewable energy, and to promote solar energy within the countries of common operation
4	General cooperation (Letter of intent)	African Development Bank, African Development Fund and Africa 50 Project Development	Letter of intent concerning the Desert to Power programme	25 May, 2018	N/A	Non-binding	The parties expressed their intention to explore opportunities and modalities for possible collaboration in the implementation of the Desert to Power programme
5	General cooperation	Oil and Gas Holding Company BSC	MoU between the Oil and Gas Holding Company BSC 'Closed' and the GCF	21 October, 2018	2 years	Non-binding	To provide a framework for collaboration between the parties to develop and promote joint initiatives in support of the parties' respective mandates in the areas of cooperation

No.	MoU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
6	General cooperation	World Meteorological Organization (WMO)	Framework MoU between WMO and GCF	10 December 2018	5 years	Binding	Subject to applicable internal rules and procedures of each party, and any necessary clearance required thereunder: (a) Strengthening integrated global/regional/national operational hydrological and meteorological systems and associated climate information services; (b) Providing GCF accredited entities with information and technical support upon their request; (c) Aligning and leveraging GCF-funded hydrological and meteorological investments

Abbreviations: MoU = memorandum of understanding, N/A = not applicable.