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# Report on the activities of the Secretariat

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## Summary

This report provides an update on the activities of the Secretariat for the period 1 September to 31 December 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.

Annexed to this report are an update on missions undertaken by the Secretariat during the reporting period (annex I), the list of GCF cooperation agreements that are currently in effect (annex II) and a key performance indicator tracking sheet recording progress against the 2019 work programme results framework (annex III).

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## I. Introduction

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 September to 31 December 2019. As a final report for 2019 it also reflects against overall progress towards the 2019 goals.
2. The 2019 work programmes 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.
3. The 2019 overarching goals were:
  - (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 for 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) **Delivering 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 that are detailed in the work programme results framework. Reporting includes the Secretariat's reflections on where it has encountered challenges or learned lessons in implementing the related goals and meeting the KPIs.

### 1.1 Tracking key GCF indicators

5. The tables below summarize key GCF indicators tracking operational progress: progress across funding proposal indicators (table 1), progress towards portfolio indicators (table 2) and progress against indicators relating to the Readiness and Preparatory Support Programme (Readiness Programme) and the Project Preparation Facility (PPF) (table 3). Annex III to this report includes a complete overview of progress against the totality of the 2019 results framework. Situations where KPIs have not been achieved or have been partially achieved are described in their respective sections of this report.

**Table 1: Summary of funding proposals indicators for reporting period 1 September 2019 – 31 December 2019**

<b>Funding proposals</b>		<b>B.23</b>		<b>B.24</b>		<b>Target Dec 2019</b>				
Number of funding proposals approved <sup>a</sup>		Public: +14	Total: +19	Public: +27	Total: +32	Public: +17–22	Total: +29–34			
		Private: +5		Private: +5		Private: +12				
Amount of funding approved (additional, in USD) <sup>a</sup>		Public: +0.357 billion	Total: + 0.705 billion	Public: +0.766 billion	Total: + 1.11 billion	Public: +0.7–0.75 billion	Total: +1.45–1.5 billion			
		Private: +0.348 billion		Private: +0.349 billion		Private: +0.75 billion				
Simplified approval process <sup>b</sup>	No. FPs	7		12		8–13				
	Total USD	57 million		105 million		80–130				
Mobilizing funds at scale <sup>b</sup>	No. FPs	1		1		3				
	Total USD	60 million		60 million		178 million				
MSME <sup>b</sup>	No. FPs	3		3		–				
	Total USD	60 million		60 million		–				
REDD-plus approved <sup>b</sup>	No FP	2		4		2				
	Total USD	115 million		229 million		150 million				
EDA	No. FPs	2		2		–				
EDA	Total USD	30 million		30 million		–				

*Abbreviations:* B.23 = twenty-third meeting of the Board, B.24= twenty-fourth meeting of the Board, EDA = enhancing direct access, FP = funding proposal, MSME = micro, small and medium-sized enterprises, REDD = reducing emissions from deforestation and forest degradation in developing countries.

<sup>a</sup> Numbers indicate additional approvals that have been made in the calendar year 2019, as at that respective Board Meeting.

<sup>b</sup> Numbers indicate the cumulative approval totals.

**Table 2: Summary of core indicators for reporting period 1 September – 31 December 2019**

<b>Core indicators</b>	<b>B.23</b>	<b>B.24</b>	<b>31 Dec. 2019</b>	<b>Target Dec. 2019<sup>a</sup></b>
AMAs signed <sup>b</sup>	56	56	56	59
FAAs signed <sup>c</sup>	65	80 (18 private, 62 public)	103 (23 private, 80 public)	76 (17 private, 59 public)
Projects under implementation <sup>d</sup> and value <sup>e</sup> (USD)	51 (2,184 million)	61 (2,666 million)	74 (3,385 million)	74 (3,585 million)
Projects receiving disbursements and total disbursed <sup>f</sup> (USD)	46 (565 million)	51 (652 million)	61 (951 million)	51–55 (900–1,400 million)

*Abbreviations:* AMA = accreditation master agreement, B.23 = twenty-third meeting of the Board, B.24= twenty-fourth meeting of the Board, FAA = funded activity agreement, FP = funding proposal.

<sup>a</sup> Targets indicate the 2019 work programme goals.

<sup>b</sup> The 2019 key performance indicator tracks AMAs signed by entities accredited up to 1 September 2018.

<sup>c</sup> Three funding proposals (FP028, FP078, SAP004) have two signed FAAs; FP026, which has two FAAs, has been excluded because one FAA was signed with Conservation International but the other FAA with the European Investment Bank is still pending negotiation.

<sup>d</sup> This refers to projects that have reached FAA effectiveness.

<sup>e</sup> The value refers to the GCF funded amount.

<sup>f</sup>The amounts include accredited entity fees.

**Table 3: Summary of indicators for the Readiness and Preparatory Support Programme and the Project Preparation Facility for reporting period 1 September – 31 December 2019**

Core indicators		B.23		B.24		31 Dec. 2019		Target Dec. 2019 <sup>a</sup>	
Readiness and Preparatory Support Programme	Proposals approved and approved amount (non-cumulative) (million USD) <sup>b</sup>	NAP: +8 (+19.5)	Total: +53	NAP +12 (+29.8)	Total: +69	NAP +24 (+54.4)	Total: +134	NAP: +25 (+62.5)	Total: +95
		Non-NAP: +45 (+18.9)	(+38)	Non-NAP: +57 (+ 23.1)	(+52.9)	Non-NAP: +110 (+55.6)	(+110)	Non-NAP: +70 (+45)	(+107.5)
	Proposals disbursed and total amount disbursed (cumulative) (million USD)	NAP: 22 (14.1)	Total: 222	NAP: 28 (17.2)	Total: 248	NAP: 31 (21.7)	Total: 270	NAP: 45 (37)	Total: 235
		Non-NAP: 200 (40.4)	(54.6)	Non-NAP: 220 (45.5)	(62.7)	Non-NAP: 239 (54.2)	(76)	Non-NAP: 190 (80)	(127)
PPF requests	Number of high-impact CNs developed with PPF support	12		15		25		25	
	No. requests approved and approved amount (USD)	+8 +4.45 million (5 DAEs, 3 IAEs)		+13 +7.48 million (9 DAEs, 4 IAEs)		+15 +8.7 million (11 DAEs, 4 IAEs)		+32 +16.8 million (22 DAEs, 10 IAEs)	
	No. requests receiving disbursement and amount disbursed (USD)	+6 +2.4 million (5 DAEs, 1 IAEs)		+10 +3.56 million (8 DAEs, 2 IAEs)		+10 +3.56 million (8 DAEs, 2 IAEs)		+20 +10 million (12 DAEs, 8 IAEs)	

*Abbreviations:* B.23 = twenty-third meeting of the Board, B.24= twenty-fourth meeting of the Board; CN = concept note, DAE = direct access entity, IAE = international access entity, NAP = national adaptation plan, PPF = Project Preparation Facility.



<sup>a</sup> Targets are expressed as in the 2019 Work Programme.

<sup>b</sup> These represent additional approvals to the 2019 Work Programme baselines set as at 31 August 2019. These have been corrected at B.23 (GCF/B.23/Inf.01).

## 1.2 Executive summary of progress towards the goals

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

6. Over the final trimester of 2019, the Secretariat advanced a series of workstreams to support the Board in preparing GCF for a new operational and programming cycle in 2020.

7. Building on preparations and outreach throughout the year, the Secretariat with the Global Facilitator supported the convening of the High-Level Pledging Conference of the first replenishment of the GCF (GCF-1) in Paris in October 2019, which delivered a successful replenishment outcome, raising USD 9.8 billion in pledges from contributors by the end of December 2019. The Secretariat subsequently supported the Board's consideration of and decision on the outcomes of the replenishment process, along with preparing an additional 22 documents for the twenty-fourth meeting of the Board (B.24), including 10 policy documents prepared for decision-making, in addition to proposals on funding, the simplified approval process (SAP) and accreditation, with 4 policies approved in addition to other decisions. Up to 31 December, 11 contribution agreements for GCF-1 had been signed, with the replenishment reaching effectiveness on 19 December 2019.

8. The Secretariat also worked closely with the Co-Chairs to support the Board's adoption of a landmark four-year Board workplan, seeking to establish a more regular and predictable policy and programming cycle. Following the establishment of this cycle the Secretariat operationalized an internal Climate Policy Committee seeking to improve quality and coherence across all policies submitted to the Board, including through development of a policy template that seeks to assess the policy's impacts and implementation feasibility.

9. The four-year workplan was considered in tandem with the first draft of the updated Strategic Plan for 2020–2023 prepared by the Secretariat on the basis of the numerous submissions received from the Board and stakeholders. The Secretariat continued to update the draft based on the discussion at B.24 and following the Board's request for written submissions in advance of the dedicated informal Board meeting to be held in Monrovia, Liberia, in February 2020.

10. The Secretariat prepared an addendum to the GCF annual report to the COP following the outcomes of the replenishment process and B.24 and represented the GCF at COP 25 through a cross-Secretariat delegation, including providing information requested in discussions on evolving COP guidance to the GCF. Parallel efforts also enhanced collaboration with other climate funds, with the GCF and the Global Environment Facility (GEF) for the first time operating a joint pavilion at COP 25 and hosting joint GEF and Adaptation Fund (AF) events. The Secretariat also expects the joint study carried with the Climate Investment Funds (CIF), GCF and AF to be published in 2020 on best means to promote programming synergies across funds.

### 1.2.2. Strengthening country ownership and the capacity of national designated authorities

11. Increased acceleration of non-NAP readiness approvals has seen the Secretariat exceed its 2019 KPI approval targets for the year. Processing timelines have also reduced, from over a year in 2015 to 127 days in 2019. Progress continued for adaptation planning proposals, but at



a slower pace, possibly due to slower processing timelines on the part of the delivery partner and NDAs and related capacity constraints. The Secretariat has sought to overcome challenges through continuous engagement and the provision of guidance which has nonetheless improved the quality of proposals at entry, as well as reducing the number of review rounds. Similar capacity gaps affect the progress of disbursements, with approved proposals waiting for up to six months before receiving disbursement requests from delivery partners. These matters have also influenced the lower-than-anticipated total disbursed readiness amount, because progress reports are either submitted later than required or in an incomplete state, thus reducing the anticipated number of second disbursement requests.

12. The Secretariat has, in parallel, advanced efforts to align its processes and templates with the revised strategy for the Readiness Programme adopted at the twenty-second meeting of the Board (B.22) and has made an updated proposal template and *Readiness Guidebook* available to countries and delivery partners.

13. Dedicated country engagement and programming dialogues continued across all regions and are further elaborated in annex I, describing the range of missions the Secretariat undertook and outcomes delivered. Targeted engagement also advanced with DAEs, with a number of DAEs visiting the GCF Headquarters in Songdo, Republic of Korea, and benefitting from direct interactions with staff across the funding proposal cycle. Discussions also continued with an additional 11 DAEs to assess readiness needs and opportunities for support.

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

14. The Secretariat continued to advance key deliverables intended to better define, shape and guide stakeholders in navigating the GCF funding proposal review and approval cycle. Work is under way to elaborate a programming manual that would contain guidance for accredited entities (AEs) on how to navigate the GCF project cycle and the Funding Proposal Template. The GCF “Programming Manual” is expected to be finalized in the first quarter of 2020, with sectoral guidance expected to be finalized by the end of Q2. In parallel, the Secretariat has continued to provide guidance to AEs throughout the review process to support them in articulating the climate impact of funding proposals.

15. Consultations on the development of sectoral guidance across the GCF results areas advanced throughout the last quarter of 2019. This work is intended to outline opportunities for where the GCF is best placed to act in the climate space, taking into account country climate needs, evolving financial and technological markets, and opportunities to deliver the greatest impact. Consultations will continue throughout early 2020, facilitated by the GCF online platform, and they will be published upon finalization.

16. The Secretariat has also worked towards evolving the integrated results management framework with a view to strengthen the ability of GCF to measure results both in terms of climate impact and contribution to paradigm shift, including through improved integration with the investment framework. Following the approval of the updated Gender Policy of the GCF at the B.24, the Secretariat kick-started discussions with AEs and partners on required implementation standards, in parallel to carrying out and promoting the required gender assessments and action plans attached to all funding proposals.

#### **1.2.4. Operationalizing a proactive and strategic approach to programming**

17. The Secretariat continued to process concept notes (CNs) and funding proposals taking into account GCF’s annual financial planning and following the processes established under the internal Climate Investment Committee, which oversees all due diligence and review processes. The GCF portfolio expanded following B.24 project approvals, including through additional

simplified assessment process (SAP), REDD-plus and mobilizing funds at scale (MFS) approvals. The total number of projects approved in 2019 exceeded the initial KPI targets, although the total approved amount remained below the target, predominantly due to internal management of commitment authority as well as the high number of SAP proposals processed within the year, 12 FPs amounting to USD 120 million, well below the average size of regular Funding proposals.

18. In particular, the REDD-plus targets have been exceeded, with MFS progressing but remaining below 2019 targets, with additional proposals anticipated at the twenty-fifth meeting of the Board (B.25). No progress has been noted under the first requests for proposal (RFPs) for micro, small and medium-sized enterprises (MSMEs) and enhanced direct access (EDA) entities, notably due to limited understanding among AEs of the requirements of developing proposals that meet their criteria. A dedicated EDA team has been established within the Secretariat to address these challenges. The SAP approval targets have been met for the year and, with the SAP review triggered, the Secretariat has also led on an internal SAP review, informing a B.25 proposal for consideration by the Board on options for significantly shortening and streamlining the SAP process in light of continuously growing demand.

19. Efforts continue to be deployed to advance the PPF pipeline, although approvals and disbursements remain below the 2019 targets due to the low quality at entry of CNs. Targeted country and entity dialogues, supported by the evolution of GCF sectoral guidance, are expected to address these barriers. Additional steps are being taken to accelerate implementation following approval, including by securing external support that can be easily deployed following AE requests to assist with undertaking PPF activities.

20. The year closed with substantial progress on advancing country programming, with a total of 24 countries submitting their nationally validated country programmes to the GCF as at the end of 2019 and 38 signalling that drafts are currently under development. A revised set of country programming guidelines have also been developed and these were subjected to consultation at COP 25. Dedicated country engagement activities are further outlined in annex I. Activities were also kick-started in the last quarter of 2019 under a dedicated RFP intended to provide technical support to 25 NDAs in formulating inputs to inform and guide their country programming process.

21. The Secretariat also hosted a second Private Investment for Climate Conference, in October 2019, gathering a high number of representatives from private sector, national governments and AEs around a series of discussions on the private sector's role to support and accelerate efforts towards low-emission climate resilient development, also articulating private sector components of the evolving sectoral guidance. Inputs from the Conference will also inform the forthcoming Private Sector Strategy.

#### **1.2.5. Accelerating implementation and managing for results**

22. Concerted efforts have been made to significantly accelerate the implementation of the GCF portfolio, as demonstrated by the Secretariat exceeding its 2019 implementation target by 35 per cent, with over 100 funded activity agreements (FAAs) signed by the end of the year (against a target of 76). Disbursements have shown a similar trend, with the number of projects receiving disbursements also meeting the 2019 targets. In parallel, the total disbursed amounts remained at the lower end of the target range, predominantly because of changes in project implementation schedules. With regard to accreditation master agreements (AMAs), 95 per cent of the 2019 KPI target were met, with 56 of the AEs accredited up to 1 September 2018 having effective AMAs as at 31 December 2019. Efforts lag in signing AMAs with three AEs accredited up to 1 September 2018 due to on-going challenges in reconciling GCF requirements with those of commercial banks in two cases and another case being discussed with the respective NDA.

23. Implementation timelines have substantially decreased from 17 months from approval to implementation in 2016 to just 7 months on average in 2019, mainly due to the introduction of a requirement for AMA effectiveness prior to funding approval, as well as the increased use of standardized legal documentation. For the 13 projects approved at B.24, three FAAs were signed by the end of the Board meeting and six by the end of 2019.

24. A second Portfolio Performance Report was presented to the Board at B.24, tracking the results of implementation in 2018. It flagged the initial challenges with kick-starting projects, lessons learned in terms of ensuring adequate stakeholder consultations and a stable regulatory environment, as well as outlining proposed methods for improving portfolio management. Anticipating an intensification of portfolio and results management activities with the increasing volume of portfolio under implementation, the Secretariat is also currently procuring an M&E management tool to support the tracking implementation of implementation and results based on incoming APRs, attached to the existing integrated Portfolio Management System.

25. The Secretariat has advanced implementation of recently approved policies, taking stock of any upcoming challenges including on portfolio implementation. Notably, three private sector projects are scheduled to come back to the Board (two have been issued BBMs prior to B.25 and one is scheduled for B.25) in line with the Cancellation and Restructuring Policy for additional Board approval of new no-objection letters (NOLs) and changes in terms and conditions.

26. Challenges have been observed in terms of implementing the external aspects of the GCF Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH Policy) in terms of how it relates to counterparties and project activities. Due to limitations in implementing it within its effectiveness timeframe, a BBM has been prepared for the Board's consideration on extending the effectiveness timeline for certain components of the policy. These challenges have highlighted the need to streamline and strengthen the oversight of the GCF policy cycle to ensure a better synchronization of the authority and accountability linked to policy development and implementation, with a view to maximize the predictability of the programming cycle as well as to ease implementation efforts.

27. The Secretariat has taken steps to address these challenges through a renewed approach to policy development including by assessing the implementation

#### **1.2.6. Efficient and effective operational processes and systems**

28. Internally, the end of 2019 saw the conclusion of the internal organizational redesign process, which sought to better define the roles and responsibilities of individual offices in relation to the funding proposal cycle as well as to standardize job descriptions. In terms of recruitment, 30 positions were advertised in the final quarter of 2019 and are expected to be filled by first quarter of 2020, in parallel with recruitment for positions that have been changed by the job evaluation exercise. Following the clarification of the internal funding proposal review cycle, cross-Secretariat efforts advanced in redesigning the "Operations Manual" with a view to further mapping out all related internal processes and stages.

29. The Secretariat continued to build its internal systems, with accelerated work to automate internal processes particularly with the aim of improving accessibility to information for AEs and countries in relation to the funding proposal review cycle.

30. The GCF also kick-started the GCF Sustainability Initiative (GSI), working with volunteer staff members to generate a set of baseline values for GCF activities, as well as to promote "green" practices throughout the organization.



## 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**

31. During the reporting period, the Secretariat supported the transition from the 2019 to the 2020 Co-Chairs and the Board informed on changes in membership within the developing and developed country constituencies.

32. The Secretariat provided support to the Co-Chairs in the preparation and running of B.24 and in the preparations for the informal meeting of the Board, to take place in Monrovia, Liberia, and for B.25. This included regular coordination calls with the Co-Chairs, liaising with the Government of Liberia, completing a technical mission in Monrovia in advance of the informal Board meeting, as well as supporting the preparation and issuance of Board meeting documents, facilitating the issuance of decisions, developing plans related to implementing the procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted adopted through decision B.23/03, and post-meeting reporting. Further information on these efforts is provided in document GCF/B.25/Inf.XX titled “Report on the activities of the Co-Chairs” (document pending issuance).

33. Following the issuance of Drf.01 of the B.24 provisional agenda, the Secretariat produced more than 22 documents for the consideration of the Board at B.24, including 10 policy documents developed for decision-making (KPI 1.1), in addition to funding, SAP and accreditation proposals. In line with the Co-Chairs’ guidance, the Board was invited to provide comments on several B.24 draft documents through a Board consultation process, and the feedback was taken into account by the Secretariat prior to the publication of the final drafts. For B.24, 23 per cent of documents published were published 21 days before the first day of the meeting (KPI 1.1). The Secretariat has analysed the reasons leading to a low percentage of documents published on time at B.24 and identified that by the publication deadline a good number of documents were under review by the Co-Chairs, committee consultations, being considered by small groups of Board members or being submitted to internal revision by the Secretariat. The Secretariat will propose measures, guided by the Board and the Co-Chairs, to increase the percentage of documents published on time.

34. In particular, the Secretariat supported the Co-Chairs in developing a proposal for a four-year Board workplan and policy cycle. The proposal, published in document GCF/B.24/14/Rev.01 titled “Workplan of the Board for 2020–2023: Co-Chairs proposal”, is based on the GCF establishing a regular policy development, implementation, learning and review cycle aligned to replenishment and strategic planning cycles. The proposal aimed to consolidate the work of the Board around a manageable number of policy items each year, aligned with strategic and operational priorities, and facilitating more effective and focused preparation and decision-making. The policy cycle and workplan were adopted by the Board at B.24 through decision B.24/04. By the same decision, the Board requested the Secretariat, independent units and Board committees to commence reviews of various policy matters.

35. At B.24 the Board also acknowledged expectations “for Board documentation to be released in line with paragraph 21 of the Rules of Procedure of the Board”, setting a KPI target for the Secretariat of “100 per cent of Board meeting documents ready for publication in

accordance with the Rules of Procedure". Mindful of this target the Secretariat has engaged with the 2020 Co-Chairs to identify measures that support the timely publication of B.25 documents.

36. With the support of the Secretariat, the Board also adopted a number of policies, procedures and standards, in the process closing some long-standing policy gaps. Policies adopted, include:

- (a) The updated Policy for Contributions (decision B.24/02);
- (b) The updated Gender Policy of the GCF and Gender Action Plan of the GCF 2020–2023 (decision B.24/12);
- (c) The re-accreditation process for AEs (decision B.24/13); and
- (d) The Policy on Co-financing (decision B.24/14).

37. Within the reporting period, the Secretariat also supported the Board in considering decisions between meetings and these are outlined in document GCF/B.25/Inf.XX titled "Report on the activities of the Co-Chairs" (document pending issuance).

### **2.1.2. Enhance accountability to the Conference of the Parties**

38. In accordance with United Nations Framework Convention on Climate Change (UNFCCC) decision 5/CP.24, the COP requested the GCF Board to include in its annual report to the COP information on the steps it has taken and the timeline for implementation of the guidance provided in that decision. Such information was provided in the eighth report of the GCF to the COP.<sup>1</sup> Further to the "Eighth Report of the Green Climate Fund to the Conference of the Parties", an addendum<sup>2</sup> was also submitted to reflect overall operational updates, the outcomes of the High-Level Pledging Conference of the First Replenishment of the GCF, held on 24–25 October 2019 in Paris, France, and the decisions of GCF Board at B.24 which was held on 12–14 November in Songdo, Incheon, Republic of Korea.

39. At COP 25, on the subitem regarding guidance to the GCF, and based on Parties' requests, the Secretariat briefed Parties and responded to their questions regarding matters such as disbursement, direct access and privileges and immunities. The COP provided guidance to GCF and welcomed progress on its various work streams. The Board will consider a response to the guidance from COP 25 at B.25.

40. As part of the engagement between the secretariats of GCF and the UNFCCC, an online retreat was held on 11 October 2019. In this meeting, both principals and staff of the secretariats shared updates on streams of work relevant to this relationship and identified potential follow-up actions advancing the relationship between both institutions, such as enhancing information for Parties on the operations of the GCF.

### **2.1.3. Supporting the Board to conduct the first formal replenishment**

41. During the reporting period, the Secretariat supported the Board to conduct the first formal replenishment. The High-Level Pledging Conference was held in Paris, France, on 24–25 October 2019 hosted by the Government of France and chaired by the Global Facilitator, Mr. Johannes F. Linn, appointed by the Board through decision B.BM-2019/07. Participants consisted of 27 potential contributors, the GCF Board Co-Chairs and 6 GCF Board members, one observer each from the UNFCCC, GEF, and civil society organizations, the GCF Executive Director, GCF staff, and staff of the Trustee.

<sup>1</sup> FCCC/CP/2019/3, annex, table 2(a), available at <<https://undocs.org/FCCC/CP/2019/3>>.

<sup>2</sup> FCCC/CP/2019/3/Add.1 available at <<https://undocs.org/FCCC/CP/2019/3/ADD.1>>.



42. At the High-Level Pledging Conference, the Replenishment Summary Report which set out the outcomes of the replenishment process for consideration by the Board of the GCF, was agreed by the contributors and later published for the Board (GCF.B.24/11). In the margins of the High-Level Pledging Conference, the Government of France and GCF co-organized a One Planet event entitled, “Scaling up blended finance for low carbon and green transition”. This event focused on how to scale up innovative climate finance to help communities and countries at the front-line of climate change.

43. The sum of the pledges entered at the High-Level Pledging Conference, including credits for accelerated payment, amounted to Special Drawing Rights (SDR) 7.05 billion, equivalent to USD 9.78 billion. After the High-Level Pledging Conference, two additional countries pledged, and one country increased its previously announced pledges. As of 31 December 2019, the sum of the pledges, including credits for accelerated payment, amounted to SDR 7.07 billion, equivalent to USD 9.80 billion.

44. Eighty per cent of countries increased their pledges in national currency compared with the initial resource mobilization and more than half of the contributors doubled their pledges or more, representing a significant increase in the annual programming resources of GCF. The resource mobilization efforts will continue throughout the GCF-1 period (2020–2023).

45. The Global Facilitator’s summation report on the High-Level Pledging Conference was shared with the members and alternate members of the Board on 29 October 2019 and is available on the GCF website<sup>3</sup>.

46. At B.24, the Board, having considered the Replenishment Summary Report (GCF.B.24/11) welcomed the successful conclusion of the first formal replenishment process and agreed that it will consider the recommendations in the “Replenishment Summary Report” during its development of the updated Strategic Plan for the GCF: 2020–2023 and other items on its workplan. It also approved the updated Policy for Contributions.

47. Since the Pledging Conference, the Secretariat has been finalizing contribution agreements with contributors. As of 31 December 2019, 11 contribution agreements for GCF-1 pledges have been signed between the GCF and contributors. On 19 December 2019, GCF surpassed the 25 per cent effectiveness threshold required to start allocating GCF-1 resources, once received in the Trust Fund. The Secretariat and Trustee will continue to work expeditiously to finalize the contribution agreements with all those who pledged to GCF-1.

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

48. The Secretariat has worked on producing an initial draft of the updated Strategic Plan in advance of B.24, taking into consideration 77 submissions received from the Board and stakeholders. The draft was the basis used for the Board’s discussion at the B.24 informal and formal Board meetings, leading to the decision to hold a dedicated informal Board meeting in February 2020 with the view to present a final draft for Board approval at B.25. The decision also requested Board members to send written submissions to the Secretariat on the B.24 draft outlined in document GCF/B.24/Inf.01.

49. The Secretariat has further updated the B.24 draft of the updated Strategic Plan on the basis of the submissions received and the updated draft will be discussed during the informal Board meeting in Monrovia, Liberia, on 5–7 February. The Secretariat also prepared an annotations document tracking how the Strategic Plan follows the issues emerging from the GCF

<sup>3</sup> Accessible here:

[https://ieu.greenclimate.fund/documents/20182/1429983/Summation+by+the+Global+Facilitator++High-Level+Pledging+Conference+%28GCF-1%29\\_Final.pdf/4795f3fe-6cc8-a425-1930-15f43b59c05e](https://ieu.greenclimate.fund/documents/20182/1429983/Summation+by+the+Global+Facilitator++High-Level+Pledging+Conference+%28GCF-1%29_Final.pdf/4795f3fe-6cc8-a425-1930-15f43b59c05e)

First Performance Review, the Replenishment Summary Report and the Board workplan for 2020–23, in response to the respective Board decisions on these matters.

**2.1.5. Consolidate the GCF policy framework and addressing policy gaps through an integrated approach**

50. Following the adoption of the four-year Board workplan at B.24, the Secretariat has kick-started an internal Climate Policy Committee that oversees the policy development process through internal Secretariat consultation and quality checks, in line with the sequencing of policy consideration by the Board under the four-year Board workplan. This aims to facilitate a more coordinated and predictable internal process reflecting the timetable in the Board workplan.

51. The Secretariat has also elaborated a policy template to bring increased coherence to the structure of policy papers presented to the Board. The template includes an impact assessment section seeking to track the implications of proposed policies in terms of changes in existing processes, templates and anticipated budgetary implications. This has been shared with all relevant and it has been shared with the GCF Independent Units as well to facilitate a better cross-coordination of policy development across the GCF institutional structure. These steps have been taken to improve the quality of policy documents and enhance the implementation potential prior to Board adoption.

52. The Secretariat is also developing a Policy Manual seeking to further establish and clarify the internal policy development cycle, taking into account emerging lessons from the Climate Policy Committee cycle recently established. The Manual is expected to be finalized in Q3 of 2020.

**2.1.6. Enhance complementarity and coherence with other climate finance delivery channels**

53. At B.24 the Board took note of the “Annual update on complementarity and coherence” presented as annex III of the “Report on the Activities of the Secretariat”.<sup>4</sup> The implementation of the operational framework on complementarity and coherence has focused on collaboration with the GEF, including the Least Developed Countries Fund and Special Climate Change Fund, the CIF and the AF. Collaboration has also started with the Nationally Appropriate Mitigation Action Facility. In accordance with the operational framework on complementarity and coherence, the outcomes and updates are included in paras 52-56 below.

54. During 2019 GCF and GEF made progress on their partnership on areas such as the consolidation of the coordinated engagement pilot initiative, programming and accreditation. As part of the increasing collaboration initiatives, the two funds decided to organize a joint pavilion at COP 25. In this space GCF and GEF hosted their own stand-alone side events as well as jointly organized events.

55. GCF and the AF worked jointly on identifying ways to support the implementation of the workplan of the community of practice of DAEs (CPDAE). Both funds informed their own direct access AEs about the CPDAE and its committee. Also, to inform global stakeholders about the CPDAE, GCF and the AF participated in a side event at COP 25 demonstrating the importance of this initiative and committing support to the CPDAE.

56. The GCF and the CIF are concluding their knowledge study product on synergies and complementarities among GCF, the CIF and the AF, and this is expected to be published in the first semester of 2020. The study analyses how synergies arise between the various climate

<sup>4</sup> See annex III to document GCF/B.24/Inf.0.

finance initiatives, to present drivers of and challenges to synergies, and to give recommendations for optimization.

57. In addition, the GCF has been developing a proposal for collaboration among climate funds which aims to create a collaboration space for regular exchange of current practices and to better understand each fund's experiences in the areas of results management, performance indicators, and methodologies for measuring impact of the portfolios, as well as operational efficiency of the organizations. The Secretariat expects to be able to launch the initiative in partnership with the other climate funds in the first quarter of 2020.

58. The GCF also hosted the Third Annual Dialogue of Climate Finance Delivery Channels in the side-lines of COP 25. The details of the Dialogue are outlined in annex I to this report.

#### **2.1.7. Raising the profile of GCF through targeted outreach**

59. In the context of the GCF replenishment process, the Secretariat continued to make extensive efforts to increase outreach and engagement with key stakeholders to strengthen partnerships and raise the profile, visibility and public awareness of the GCF.

60. This has included capital visits and bilateral outreach visits led by the Executive Director, engagements with the United Nations and participation in events leading to and during the United Nations Climate Action Summit. These are further outlined in annex I to this report. Overall, outreach efforts as outlined above contributed to mobilizing global leadership and political support for a successful and ambitious replenishment. This work also contributed to mobilizing global leadership linking to the United Nations Climate Action Summit and COP 25.

61. To further strengthen the role of GCF as a key partner for ambitious climate action, a dedicated partnership plan has been developed through extensive consultation across the Secretariat's teams. Outlining the organization-wide approach to fully realize the GCF partnership model and define some key actions and initiatives moving forward, the plan will be reviewed by the Secretariat Senior Management Team in the first quarter of 2020. These actions and initiatives will help GCF to better prioritize and nurture its partnerships in the future, and foster visibility and awareness, as well as strengthen GCF as a knowledge hub for climate finance and foster long-term resource mobilization and the political accountability of GCF towards its contributors.

#### **2.1.8. Supporting the engagement of observer organizations with GCF**

62. The Secretariat opened the twenty-first round of applications for the accreditation of observer organizations. Applications were received through email as well as the online application system, which was launched during the previous round. On the basis of 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 to be proposed between B.24 and B.25.

63. In accordance with decision B.23/02, the Secretariat conducted further consultations with active observers and accredited observer organizations in relation to the comprehensive review of the participation of observers in the activities of the Board, with a view to identifying existing gaps and necessary improvements. The Secretariat is considering the inputs received.

64. The Secretariat liaised with the active observers and their replacements on the submission of forms required under the recently adopted Policy on Ethics and Conflicts of Interest for Active Observers. The Secretariat coordinated the process for the selection of the active observers for the 2020–2021 term.

## 2.1.9. Facilitating and monitoring the implementation of the Information Disclosure Policy

65. The Secretariat disclosed on the GCF website the annexes of all B.24 public sector funding proposals, subject to the redaction of confidential information identified by the AE concerned. A dedicated information disclosure section to be filled out by the AEs in the new funding proposal template facilitated this process. The Secretariat will continue to engage with the AEs to ensure continued implementation of the Information Disclosure Policy.

66. The Secretariat reviewed forms submitted by AEs covering their disclosure of environmental and social safeguards reports for funding proposals for the Board's consideration in accordance with the requirements of the Information Disclosure Policy and Environmental and Social Policy, and facilitated the timely disclosure of such forms to the Board members, active observers and to the public through the GCF website. Nine reports were submitted to Board members and active observers during the reporting period.

67. The Secretariat has hired a consultancy firm to assist the Secretariat, in supporting the Ethics and Audit Committee, in the review and revision of the Information Disclosure Policy, including the disclosure of environmental and social safeguards reports in light of the provisions of the Environmental and Social Policy on the matter. The Secretariat will present this matter for the Board's consideration in 2021, in line with the Board work plan, together with the review of the live webcasting service.

## 2.2 Strengthening country ownership and the capacity of national designated authorities

### 2.2.1. Enhanced delivery and improved quality of readiness support

68. The Secretariat has finalized revisions to the many documents that relate to the revised strategy for the Readiness Programme, as adopted by decision B.22/11. The scope of this work covers the internal Secretariat legal framework, the readiness administrative instruction, the *Readiness Guidebook*, the readiness proposal and reporting templates, and the development and implementation of standard operating procedures. In order to promote higher-quality readiness requests, the Secretariat has developed and included in the *Readiness Guidebook* a set of proposal review criteria and associated examples of good practice guidance. These sets of documents, including the *Readiness Guidebook* and proposal template, were released to all NDAs/focal points and delivery partners during COP 25. In line with the above revisions, the Secretariat has ensured that the final configurations to the online readiness process management system, Fluxx, reflect the revised template, and will make Fluxx available for all NDAs/focal points in the first quarter of 2020.

69. The Secretariat has met and exceeded its targets for standard readiness support approval for 2019 and the Readiness Programme now supports over 137 eligible countries. The Secretariat approved an additional 110 readiness requests in 2019 for USD 55.67 million. This brings the Readiness Programme to a total of 324 grants in the portfolio, amounting to USD 122.37 million, which includes 8 cancelled and 44 completed grants, and 272 active grants under implementation.

70. The Secretariat has made significant improvements in the efficient processing of Readiness Programme support requests. As noted by the Independent Evaluation Unit (IEU) in its evaluation of the programme, proposals submitted to the GCF in 2015 faced a processing time of over one year before approval. For proposals submitted in 2017, the Secretariat was able to process approvals in an average of 276 days, which includes days when the proposals were returned to NDAs and their delivery partners to make necessary revisions. For proposals



submitted in 2019, the average time from submission to approval has been further reduced to an average of 127 days. This marks an efficiency gain of more than 50 per cent in just two years. In Q3 and Q4 of 2019, the Secretariat undertook further work to streamline the online proposal submission platform in Fluxx. This system will enable the Secretariat to continue to improve proposal processing in 2020 while increasing the transparency of proposals and approved grants and enhancing NDAs' modalities for submitting proposals for consideration.

71. Of the 272 active grants, 187 grants have received funds to implement the approved readiness activities. The total funds disbursed for all of the 324 grants amount to USD 54.28 million. Total disbursement as targeted in 2019 remained low, due to late submission of satisfactory reports, limited staff capacity dedicated to Readiness Programme portfolio management, changes made by grantees to their signatories without properly communicating this to the GCF, and persistent transitions and changes in the governance of countries, among other factors, adversely impacting the smooth and efficient implementation of Readiness Programme activities.

#### **2.2.2. Providing strategic support for national adaptation planning**

72. The Secretariat continues to work on reducing processing times for NAP and/or other adaptation planning proposals, through various initiatives, including improved and increased dialogue with NDAs and their delivery partners, reduced turnaround times on review, reduced turnaround times for internal clearances for approval. The average turnaround time of the first submission of adaptation planning proposals has been reduced from 73 days in 2017 to 59 days in 2018 and 46 days in 2019, which is a 37 per cent efficiency gain over the two years. New proposals now take an average of 6 months (business days) to be approved by the Secretariat.

73. Approved proposals are supporting up to 36 new and/or revised NAPs and other national adaptation planning documents, 82 new and/or revised subnational level adaptation plans, 56 new and/or revised sectoral adaptation plans, 28 climate hazard impacts, vulnerability and risk assessments, 30 inter- and intra-institutional coordination and decision-making mechanisms, 29 stakeholder engagement frameworks and agreements, 29 financing strategies for specific adaptation priorities, and 72 CNs targeting a range of climate finance sources including to the Secretariat.

74. Since the last reporting period (31 August 2019), 12 additional proposals worth USD 24.5 million have been approved. This represents a cumulative total of 42 approved proposals (USD 103.9 million) since 2016, with at least eight second disbursements and two third disbursements made for a cumulative value of USD 21.7 million. At least seven proposals have been cleared for final phase of approval. 85 proposals have been received to date from 83 countries, with an approval rate of 49 per cent.

75. A significant number of proposals spend in excess of six months with NDA and delivery partners prior to being resubmitted. This is likely to be caused by a combination of capacity constraints in NDAs and processing time by NDAs and their delivery partners. This has the knock-on effect of slowing the pace of approval. To support NDAs and their delivery partners, the Secretariat schedule conference calls, where appropriate, to discuss comments generated to ensure clarity and understanding, particularly after a first submission. The Secretariat continues to update its guidance on adaptation planning, engaging continuously with NDAs and their delivery partners. This has resulted in better understanding, particularly among delivery partners, of what is considered "quality on entry" by the GCF. Newer proposals have integrated more of this guidance and, along with greater NDA involvement (country ownership), this is resulting in fewer comments on entry and subsequently fewer rounds of review prior to clearance by the Readiness Working Group. The online Fluxx system outlined in para above has also increased transparency of NAP proposal cycle.



76. 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. Unfortunately, some delivery partners take up to three months to submit a disbursement request and this hampers the Secretariat's prompt delivery. To combat this, the Secretariat has been actively communicating with NDAs and delivery partners on the need to submit these requests in a timely manner to ensure prompt disbursements on approved proposals. Similar issues regarding a slower uptake in proposal approval and disbursement vis-à-vis the 2019 KPI are witnessed in adaptation planning proposals as for the standard readiness proposals, outlined in section II.2.1 above.

77. The Secretariat has also provided technical assistance for NDAs/focal points in developing their adaptation planning proposals when they choose to work with national or regional delivery partners. This allows for a targeted approach to building capacity and country ownership through tailored approaches. During this reporting period, two countries benefited from such support (Nauru Micronesia (Federated States of) and Nauru). To date 10 countries have benefited from this support, with at least one (Chad) receiving approval. Four independent consultants have been retained to assist with this process.

#### **2.2.3. Support for direct access entity accreditation, as well as upgrading and accelerating direct access entities**

78. 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 tool<sup>5</sup> 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.

79. As of 31 December 2019, 41 DAEs in the accreditation pipeline and 13 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.

80. To accelerate project development by DAEs, four DAEs (Fondo Mexicano para la Conservación de la Naturaleza based in Mexico, Fondo para la Acción Ambiental y la Niñez based in Colombia, Landbank based in the Philippines, and the National Rural Support Program based in Pakistan) visited GCF in Songdo, Republic of Korea, in October 2019 during and following B.24 with the support of the Readiness Programme to discuss their initial project ideas with the Secretariat. Discussions were held between the DAEs and divisions and offices within the Secretariat, including GCF focal points for the DAEs, task managers, and specialists covering finance, implementation, monitoring and evaluation, reporting, and legal teams, as well as the independent units. Following the visit, the four DAEs were able to further develop their project ideas based on guidance provided by the Secretariat, and gain knowledge of engaging with GCF throughout the project cycle.

#### **2.2.4. Monitoring and sharing of readiness outcomes**

81. Weekly follow-up monitoring meetings were institutionalized between the Office of Portfolio Management (OPM) and the Division of Country Programming to monitor the

<sup>5</sup> 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>>.



performance of readiness grants, particularly those administered by delivery partners. These meetings resulted in timely and adequate follow-up with delivery partners on the streamlining of implementation processes, and they addressed issues related to cancellation and/or restructuring of slow-moving grants.

82. The Secretariat was able to exceed the target of reviewing interim progress reports. As of end 2019, 115 interim reports and 17 completion reports were reviewed, and feedback provided to NDAs/delivery partners. Portfolio-level dashboards were regularly presented by OPM to the senior Management Team, the Readiness Working Group and in weekly follow-up monitoring meetings to help management take informed decisions on the endorsement of new proposals based on portfolio trend analyses. Based on the progress of grants assessed, the number of subsequent disbursements processed by the Secretariat totalled 66, amounting to USD 13.07 million. Challenges in the implementation of readiness grants, particularly in countries with weak institutional capacities and fluid governance structures, resulted in the Secretariat processing a total of 69 no-cost extensions, including extensions to PPFs.

83. The Secretariat, in 2019, initiated a readiness knowledge bank, based on the eight key readiness outcomes: (i) the national coordination mechanism; (ii) no-objection procedure; (iii) stakeholder engagement; (iv) country programmes; (v) nomination and accreditation of DAEs; (vi) CN development; (vii) funding proposal development; and (viii) private sector engagement.

84. Through interdivisional cooperation the Secretariat is currently finalizing the terms of reference for external consultancy efforts to support the preparation of readiness-related knowledge products. It is expected that the first readiness knowledge product on at least one of the eight outcome areas will be in place by the end of the first quarter of 2020.

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

85. The Secretariat has continued to conduct its strategic country engagement plan for 2019, through individual country missions as well as participation at regional events which facilitated country engagement. These missions are outlined in greater detail in annex I to this report.

### **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**

86. Discussions during previous Board meetings have emphasized the need to clarify how climate change mitigation and adaptation impacts would be delivered in all GCF projects and programmes. At its nineteenth meeting (B.19), 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.

87. Notably, the World Meteorological Organization continued to provide support on the development of methodologies, guidance and country-level pilot case studies led by experts to enhance the climate science basis of GCF-funded activities. These tools and methodologies are intended to help stakeholders to identify the relevance and adequacy of climate information for their projects and activities in a collaborative framework, including drawing on the resources of the global hydro-meteorological community at large. These will also have implications for appraisal, analysis and tools to strengthen countries' and entities' capabilities to better plan and design activities for GCF support and investment. Lessons learned from the work carried by the



WMO will in particular inform the programming manual currently under development, which will guide countries and AEs through the GCF project cycle and the FP template and will include information on how to elaborate on the project's climate impact in the funding proposal template. The Secretariat aims to finalize the programming manual within the first quarter of 2020. It will complement previous Secretariat efforts in updating the CN and funding proposal templates, and providing guidance to NDAs, AEs, readiness delivery partners and other stakeholders.

### **2.3.2. Evolving sectoral guidance**

88. In line with the 2019 work programme, in response to requests from the Board, and based on an understanding of country needs and the potential to deliver greatest impact for countries across sectors, the GCF is also developing sector-specific guidance across its eight results areas. Sector guidance aims to address areas that have been identified as top priority under a country's nationally determined contribution (NDC) and evolving country programmes and which also have the highest potential for transformational climate impact.

89. The Secretariat has continued to lead both on-site and online technical consultations to support their development. These preliminary technical consultations aim to gather inputs and validation from technical partners, developing country representatives and AEs. Communities of practice have also continued to provide inputs on these sectoral documents in order to help them evolve based on best available global expertise. The Communities of practice framework includes a network of globally renowned expert organisations who provide GCF with technical advisory services in core sectoral and thematic areas, such as forestry, energy efficiency, urban development, health, and others. 28 organisations covering 14 core sectoral and key thematic areas have been selected to be eligible under this framework. The participating organisations represent a wide range of climate finance stakeholders, such as international organisations, think tanks, consultancies and research institutes<sup>6</sup>.

90. A preliminary outline of possible sector directions has been developed as part of the 2020–2023 Strategic Plan, discussed at B.24 and further updated by the Secretariat for discussion at the informal Board meeting in Liberia in February 2020. Through written submissions on the B.24 draft Strategic Plan and further discussions in Liberia, the Board provided initial inputs towards sector guidance development. The Secretariat is currently working on elaborating zero drafts calibrating technical inputs with the received Board inputs.

91. Further details on the development of sectoral guidelines, the consultation process and related timelines are outlined in the "Development of sector guidance and consultation process" addendum to this report (document GCF/B.25/Inf.07/Add.03).

### **2.3.3. Reviewing results management and developing the integrated results management framework**

92. The Secretariat has begun work to update the results management framework (RMF) in response to the IEU review, which identified certain gaps in the existing framework, namely: a lack of measurement protocols; absence of causal linkages in the initial RMF, especially at the highest level of the results hierarchy and performance measurement frameworks; weaknesses in adaptation indicators; and the inability of the Secretariat to credibly report on results for the majority of its projects/programmes. The IEU review also indicated that competing frameworks

<sup>6</sup> <https://www.greenclimate.fund/news/gcf-launches-global-network-of-climate-change-expertise>



are acting as bottlenecks to the development and implementation of a coherent, simple and comprehensive results architecture.

93. The Secretariat is making efforts to integrate the initial RMF with the initial investment framework and the performance measurement framework, with a view to ensuring that there is one coherent framework that can be applied by both the GCF and its key partners. The Secretariat, through the RMF update, has proposed the substantial reduction of qualitative and quantitative indicators based on the premise that it would be difficult for AEs, especially those with weaker human and technical capacity, to report progress made on indicators in a timely and adequate manner. The proposed integrated RMF also tries to ensure alignment with countries' NDCs and reporting obligations under the Paris Agreement and towards the Sustainable Development Goals. The proposed integrated RMF will track results which can be attributable to GCF investments across the portfolio and will measure the GCF contribution to paradigm shift and transformational change beyond one-off projects/programmes.

94. The draft integrated RMF has also informed the development of the integrated resources and results framework, which is attached to the draft 2020–2023 Strategic Plan and which seeks to act as a blueprint for translating and linking GCF resources to results. It is anticipated that a draft RMF will be used for consultation with the Board in preparation for its consideration at B.26.

#### **2.3.4. Actions taken to include gender considerations in GCF activities**

95. 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 proposals, PPF requests and NAPs to ensure that gender considerations are included in order to meet the objectives of the commitments under the Gender Policy of the GCF. As part of the project appraisal process, AEs have been undertaking gender assessments and developing gender action plans. In the reporting period, 100 per cent of all approved funding proposals contain gender assessments, and 100 per cent of all approved funding proposals contain project-level gender action plans. All funding proposals presented for the Board's consideration at B.24 included gender assessments and 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 both results and the implementation of human as well as financial resources. It also includes activities that further strengthen and enhance the already-existing contributions of women in mitigation and adaptation interventions.

96. The Secretariat has collaborated with other climate funds in sharing the lessons, challenges and experiences gained as the fund tries to implement the gender policy and gender action plans. It has also collaborated to access expertise when reviewing tools and documents and has engaged in webinars.

97. Following extensive consultations, the updated Gender Policy of the GCF and the Gender Action Plan 2020–2023 were presented to the Board at B.24. With the presentation and further discussions during the meeting, the Board has approved the updated Gender Policy and requested the Secretariat to implement the Gender Action Plan 2020–2023.

98. After the adoption by the Board, the Secretariat initiated a Secretariat-led capacity development programme on gender, including environmental and social safeguards and indigenous peoples, directed towards AEs and the Secretariat. To serve as the basis for planning the capacity development programme, a training needs assessment is currently being undertaken to identify skills and knowledge gaps and to determine the optimal way forward in the design of the capacity development modules and their delivery. The capacity development programme is expected to be rolled out in 2020, supported by the Readiness Programme.



### 2.3.5. Develop and operationalize effective knowledge management systems

99. The GCF Knowledge Management (KM) Team has made significant progress in the development of a Secretariat-wide knowledge management system (KMS). The KMS combines elements of technology (information technology (IT) systems), processes (simplified policies) and people (knowledge-sharing culture) to improve the efficiency and effectiveness of the operations of the GCF, to provide transparent and easy access to knowledge for stakeholders and to promote peer-to-peer learning in the global climate finance landscape. The concept for the GCF KMS was selected as a winner in the Business Intelligence Group's 2020 Innovation Awards. As a first step in developing and implementing the GCF KMS, quantitative and qualitative data were collected from Secretariat staff and GCF stakeholders. This information was then analysed to create a knowledge gap analysis report. The report was instrumental in informing the development of the GCF KM theory of change and the GCF KM strategy, which are under final review within the Secretariat. A KM action plan and a process for knowledge generation, capture and management are both being finalized by the KM Team.

100. GCF has taken steps to institutionalize KM and integrate KM practices into the day-to-day activities of the staff. KM activities have been incorporated into the job descriptions of GCF staff and a toolkit has been developed to support this process going forward. The GCF IT support and ticketing system has also been deployed and operationalized. This system aims to make it easier to access critical knowledge in order to enhance staff efficiency and productivity. In terms of knowledge sharing with external stakeholders, GCF hosted the GCF Global Programming Conference and the GCF Private Investment for Climate Conference. In terms of knowledge sharing with internal stakeholders, GCF distributes regular newsletters to both the Board and Secretariat staff. GCF also shares knowledge by continuing to hold daily meetings with the Senior Management Team and monthly meetings with all staff.

## 2.4 Operationalizing a proactive and strategic approach to programming

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

101. As at 31 December 2019, the GCF pipeline comprises 79 funding proposals (59 public and 20 private sector) and 291 CNs (220 public and 71 private sector). During the reporting period, 15 new funding proposals were submitted, all of which were developed from CNs that had been reviewed by the Secretariat. Thirty-three new CNs have been also submitted and reviewed along with the other 258 CNs in the existing pipeline

102. The average time taken for funding proposals during this reporting period, from the date of first funding proposal submission to the date of first feedback from the Secretariat, is 38 days for all AEs and 39 days for DAEs. The response time to DAEs is usually shorter than for IAEs, but during the reporting period, there was a DAE project far more complex than usual DAE projects, involving multiple countries and which required both public and private sector teams. Even though it took longer for the official first response, there had been many interactions with the DAE since its concept note stage. Disregarding outlier project situations, the average days of the first response to DAE is 31 days.

103. The average time taken from the first submission of a funding proposal to Board approval of all projects is 296 days for all AEs and 236 days for DAEs, a cumulative average calculation comprising of all FPs approved inclusively up to B.24. This is a longer timeline than that reported on at B.24, notably due to: i) a number of legacy Funding Proposals that have received a multiple range of reviews remaining in the pipeline, ii) proposals which have been re-assessed to belong to the SAP category or require PPF approval and assistance to become a



fully-fledged FP, iii) as well as the introduction of more robust internal Secretariat review and clearance checks. The average time taken during this reporting period, from the date of the CN submission from the AEs to the date when feedback is delivered from the Secretariat, is 24 days for all AEs and 23 days for DAEs, shorter than that reported on at B.24, of 27 days for all AEs as well as for DAEs.

#### **2.4.2. Overseeing funding proposals presented for Board consideration**

104. The 2019 targets for number of Funding Proposals approved by the Board has been met for the year, though the total amount has been just below the targeted amount. This has been due to a careful management of commitment authority as well as the Secretariat processing a larger number of SAPs than usual, with 8 SAPs approved in 2019 amounting to USD 75 million. This has required as much processing time and capacity as larger projects.

105. Between the third and fourth quarter of 2019 the Secretariat worked to develop and establish an internal Climate Investment Committee (CIC) to oversee the entire funding proposal development and review cycle, from country programmes to CNs and funding proposals, and to clear funding proposals for review by the independent Technical Advisory Panel (TAP).

106. The CIC screens CNs with particular reference to climate impact, paradigm shift potential, country ownership and strategic fit with the GCF portfolio-level goals in order to determine whether to endorse the CN and the development of a full funding proposal. It also pre-screens and endorses funding proposals taking into consideration: (1) their strategic fit with the GCF portfolio-level goals and resource allocation objectives; (2) a preliminary evaluation of the funding proposal against the GCF investment criteria scorecard, with a particular focus on climate impact potential, paradigm shift potential and country ownership; (3) alignment of the funding proposal with a relevant country work programme or country strategy; and (4) opportunity to promote complementarity and coherence with other funds.

107. During the reporting period, 16 CNs (6 public sector and 10 private sector projects) were cleared by CIC for funding proposal development, and 13 funding proposals (10 public sector and 3 private sector projects) were endorsed by CIC for the interdivisional review, its third review stage taking place prior to clearance by the independent TAP.

108. Prior to the independent TAP review for B.25, CIC reviewed and endorsed seven funding proposals (four public sector projects and three private sector projects) in terms of the financial terms and conditions, including interest rate, repayment and grace periods, commitment fees, service fee and AE fees. Adding in the four funding proposals previously reviewed and cleared by the Senior Management Team before the reporting period, a total of 11 funding proposals were reviewed by independent TAP members for the Board's consideration at B.25. Of the 11 funding proposals, 8 were recommended by the independent TAP, including 1 simplified approval process (SAP) proposal. Of the 8 funding proposals recommended by independent TAP, two funding proposals were deferred to B.26. For B.25, a total of 6 funding proposals are presented to the Board for its consideration, requesting USD 169.7 million of GCF funding, leveraging co-financing of USD 449.0 million.

109. In parallel, the Secretariat is further improving its internal investment criteria scorecard with a view to developing version 2.0 of the tool, with scoring tools incorporated into the funding proposal review process, as well as supporting the management of commitment authority.

#### **2.4.3. Promote the uptake of the simplified approval process**



110. As at the reporting date, the SAP pipeline consisted of a total of 82CNs and funding proposals, with requested GCF funding of USD 762.7 million and a total investment of USD 1.96 billion, when taking co-financing into account. Of the 82 proposals, 72 are public sector, consisting of 62 CNs and 10 funding proposals. From the private sector, there are nine CNs and one funding proposal.

111. During the reporting period, the SAP pipeline continued to grow substantially. Since the last reporting period, the number of SAP submissions (CNs and funding proposals) grew by 7.8 per cent and the corresponding increase in the amount of GCF funding requested was 13 per cent (from USD 673 million to USD 762.7 million). Given the current level of demand for SAP, further efforts have been taken to enhance the quality at entry of SAP proposals through the provision of technical support to the AEs, in line with decision B.18/06.

112. The Secretariat continued to expand capacity-building activities during the reporting period through a number of activities. In November 2019, the Secretariat participated as resource persons for a training event hosted by the Asian Institute of Technology on how to develop of SAP CNs for GCF. The training event was attended by representatives from several countries from South East Asia and the Pacific. Attendees included representatives from DAEs, NDAs and focal points, and representatives of organizations currently in the accreditation process. In December 2019, the first SAP e-learning module was launched, targeting AEs and NDAs and focal points. The module outlines how to prepare SAP proposals and complements the *SAP Funding Proposal Guidelines*. The Secretariat also published translated versions of the seven SAP technical guidelines, in French and Spanish.

113. The Secretariat continued to provide technical assistance to AEs in developing and improving their SAP proposals. During the reporting period, two DAEs received technical assistance support to develop and further improve their SAP CNs.

114. The trigger for the SAP review was met in B.24, with the SAP portfolio reaching over USD 105 million in GCF financing. As mandated by decision B.18/06, the Secretariat, through an external consultant, undertook the review of the SAP. During the review process relevant stakeholders were consulted, and lessons learned were gathered from the implementation of the SAP pilot scheme. In response to the outcomes of the review, the Secretariat is proposing a number of recommendations for Board consideration on how to improve the efficiency and effectiveness of the SAP and fully mainstreaming it in the GCF operations. Meanwhile, funding proposals submitted under the SAP pilot scheme will continue to be processed as mandated by Board decision B.18/06.

#### **2.4.4. Maximizing private sector engagement, including through dedicated mobilizing funds at scale and through micro, small and medium-sized enterprises requests for proposal**

115. Through decision B.13/22, the Board approved the MSME pilot RFP, for USD 100 million in its first tranche. Following the close of the MSME RFP in August 2016 and through the competitive evaluation process, the Board approved three funding proposals for a total of USD 60 million: the “Business loan programme for GHG emissions reduction” (FP028) submitted by XacBank to which GCF has disbursed its total commitment (USD 20 million); the “Low-emission climate resilient agriculture risk sharing facility for MSMEs” proposal (FP048) (USD 20 million) submitted by the Inter-American Development Bank to be implemented in Guatemala and Mexico; and the “Program on Affirmative Finance Action for Women in Africa (AFAWA): Financing climate resilient agricultural practices in Ghana” proposal (FP114) (USD 20 million) submitted by African Development Bank.

116. Following the approval of the MFS RFP in 2017, allocating up to USD 500 million to innovative, high-impact projects and programmes that mobilize private sector investment in



climate change activities, the Board approved its first MFS project at B.24, “Espejo de Tarapacá” (FP115) (USD 60 million) submitted by MUFG Bank Ltd. The Secretariat continues to engage with proponents of the shortlisted projects towards developing full funding proposals for consideration by the Board. Another MFS proposal is scheduled to be brought for the Board’s consideration at B.25.

117. The Secretariat is preparing an initial review of all ongoing RFPs, including MSME and MFS, and plans to present the outcomes as an information document at B.25, as annex V to document GCF/B.25/Inf.06, “Status of the GCF portfolio: approved projects and fulfilment of conditions”.

#### **2.4.5. Promote uptake of the enhanced direct access pilot programme**

118. As at 31 December 2019, two EDA projects with a total volume of USD 30 million have been approved by the Board, and the EDA pipeline comprised five funding proposals and seven CNs.

119. The uptake under EDA is low, and this seems to be due to the suboptimal level of awareness about this RFP and how to prepare a proposal which meets the EDA requirements. The Secretariat has put together a dedicated team which, starting 2020, will focus on providing training and increasing the capacity of DAEs in using EDA, through the development of specific communication products and knowledge materials such as guidelines on how the EDA implementation arrangements and governance work in practice. Guidance would be followed by targeted capacity-building events in coordination with the Readiness Programme. This will support a wider uptake and demand for EDA during the implementation of the first replenishment period.

#### **2.4.6. Advance REDD-plus results-based payments**

120. Two more funding proposal under the REDD-plus results-based payments (RBP) pilot programme were approved at B.24, for FP120 in Chile and FP121 in Paraguay. Following these approvals, the results paid for by GCF account for a reduction of 48,999,934 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) from deforestation, forest degradation, conservation of forests and enhancement of forest carbon stocks in Brazil, Chile, Ecuador and Paraguay.

121. In addition to Brazil, Chile, Ecuador and Paraguay, six other countries – Argentina, Colombia, Costa Rica, Indonesia, Malaysia and Papua New Guinea – have submitted a technical annex on REDD-plus to their biennial update reports<sup>7</sup> and the technical analysis of these results is under way. Out of these countries, Argentina, Costa Rica, Indonesia and Papua New Guinea have successfully submitted a CN for the pilot programme and two funding proposals (for Colombia and Indonesia) are expected to be presented to the twenty-sixth meeting of the Board (B.26).

122. A forward projection of the expected volume shows that the current pipeline for REDD-plus RBP projects will be sufficient to fully absorb the USD 500 million that has been set aside for the pilot programme, at the set price of USD 5/tCO<sub>2</sub>eq. Moreover, the forward projection indicates that the pilot programme could disburse all funds before the pilot programme end date of 2022 and that the available resources under the RFP could be exhausted in 2021.

123. At its eighteenth meeting, the Board requested the Secretariat (B.18/07) to conduct an analysis of the experience with, and the progress made towards achieving the objectives of, the pilot programme for REDD-plus RBPs. The objective of the pilot programme for REDD-plus

<sup>7</sup> See <<https://redd.unfccc.int/info-hub.html>>.



RBPs is “to operationalize REDD-plus results-based payments and gather experience to further improve the procedural and technical elements of RBPs using GCF resources in the learning stage”;<sup>8</sup> so the analysis of the pilot focuses on procedural and technical elements while capitalizing on the lessons learned and providing recommendations on the way forward, given that the available resources under the RFP will be exhausted before the end of 2022.

124. An initial review of the REDD-plus RBP RfP has been prepared by the Secretariat (document GCF/B.25/Inf. 06/Add.01) as an addendum to document GCF/B.25/Inf.06, and a wider initial review of all RfPs has also been included in annex V of document GCF/B.25/Inf.06, for initial consideration by the Board.

125. The Secretariat continued to inform stakeholders on the different GCF funding modalities for REDD-plus. A REDD-plus SAP workshop took place in Rome in December 2019 to inform different stakeholders on this funding modality.

126. The ongoing development of GCF sectoral guidance on the forest and land use results area identifies, among other strategic interventions, the need to increase support for countries in implementing REDD-plus and achieving results.

127. As part of the development process of the sectoral guidance on forest and land use, one workshop was organized in Songdo, Republic of Korea, back-to-back with B.24 (October 2019). The Center for International Forestry Research and COWI – GCF partners for the development of the sectoral guidance on forest and land use – co-facilitated the workshop. Several representatives from civil society organizations, countries and AEs (including DAEs) participated in the workshop. Additional consultation events are expected to be organized during the first quarter of 2020, and an online consultation process is expected to be operationalized.

128. As part of the Secretariat’s activities on outreach, the forest and land use specialists participated in the Global Landscape Forum held in Luxembourg (30 November 2019).<sup>9</sup>

#### **2.4.7. Support focused and aligned country programmes**

129. The Secretariat continues to provide support for expediting country programming and pipeline development through programming missions and engagement. Annex I to this document provides information on country missions carried out by the Secretariat in the last quarter of 2019, and the programming work carried out during each mission.

130. In 2019, 48 countries received direct technical support from the Secretariat to expedite development of their country programmes in alignment with GCF guidelines. Twenty-four countries had submitted their nationally validated country programmes to the Secretariat and 38 countries had shared draft versions of their country programmes.

131. In addition, in the last quarter of 2019 the Secretariat launched the activities of the three consortia contracted as a result of RFP 2018/C/010, with a view to support a pilot initiative to strengthen the capacity of 25 NDAs and focal points to develop fully-owned, evidence-driven country programmes that identify investment priorities for the GCF, in a manner that promotes country ownership effectively. The NDAs defined the technical services they need priority support with, and a detailed scope of work is being prepared for each country.

132. The Secretariat has also advanced its country programming guidelines, which are intended to guide countries as they prepare their country programmes for the GCF, with a view to supporting their prioritization of climate-impactful investments with greatest paradigm-shift

<sup>8</sup> Annex XI of GCF/B.18/23.

<sup>9</sup> See <<https://events.globallandscapesforum.org/luxembourg-2019/>>.



potential, particularly for GCF-1. A draft of the guidelines was distributed to all NDAs, AEs and readiness development partners for comments in November, and consultations were organized at the margins of COP 25. Comments received are being addressed with the aim of finalizing in the first quarter of 2020.

#### **2.4.8. Facilitate engagement on entity work programming**

133. In line with the initial Strategic Plan for the GCF, the Secretariat is working with 95 AEs to update or develop entity work programmes (EWPs) (39 IAEs, 56 DAEs). 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.

134. As at 31 December 2019, a total of 65 EWPs in either old or new template format have been received from 37 DAEs and 28 international access entities. The Secretariat is continuing to engage with AEs on the EWPs, including on developing project ideas in the EWPs into potential CNs and funding proposals. AEs continue to develop or update their EWPs on a periodic basis and the Secretariat has also led engagements with entities at the GCF Headquarters in Songdo, Republic of Korea.

135. In particular, the Secretariat visited the Development Bank of Southern Africa (DBSA) in November 2019. The aim of the visit was to discuss the bank's current GCF engagement strategy, take stock of the status of implementation in their existing GCF portfolio, among others (refer to annex I for details).

136. The Secretariat also visited Conservation International, Inter-American Development Bank, IDB Invest, International Finance Corporation, World Bank and World Wildlife Fund Inc. in October 2019 in order to discuss their draft EWPs.

#### **2.4.9. Build pipeline quality through the Project Preparation Facility**

137. At the date of reporting, the Secretariat was working on a pipeline of 39 active PPF applications with no-objection letters from the NDAs/focal points, of which 27 (69 per cent) are from DAEs. Of these 39 applications, 27 have been approved. Among the 27 approved PPFs, 19 (70 per cent) are from DAEs. The first PPF-developed funding proposal was approved at B.19, and three funding proposals developed through PPF support have now been submitted to the Secretariat for review.

138. The total number of approvals in 2019 has remained below the work programme targets because of the quality of CNs at entry for PPF support, which remains a key challenge for 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. With NDAs' support, this technical assistance is also available for early project ideas before official submission, as well as for SAP CNs and funding proposals. In 2019, technical assistance was provided to 17 DAEs for 25 projects covering 21 countries.

139. Based on the different stages of development of these projects, including project ideas, CNs, PPF applications and funding proposals, the technical assistance was also tailored to meet AEs' specific needs. The Secretariat has also strengthened the capacity of this technical assistance function by broadening the breadth of sectoral expertise available to AEs and NDAs to also cover private sector financial structuring, waste to energy and transport, through resources under the Readiness Programme. This technical assistance function will be moved to the programming team in 2020 to better assist countries' and AEs' programming exercises and project origination process.

140. To improve the efficiency of implementing project preparation activities after approval, the Secretariat has set up a roster of consultancy firms which can provide project preparation services to AEs. This new PPF access modality enables the Secretariat to deploy such firms directly upon request, ensuring fast and high-quality delivery to AEs who do not wish to take on the implementation of PPF activities by themselves. It is expected to be operationalized in the first quarter of 2020.

#### **2.4.10. Widening the GCF network of accredited entities and simplifying access modalities**

141. In total, the Board has decided to accredit 95 entities: 56 DAEs and 39 international access entities (a ratio of 59 per cent:41 per cent). As at 31 December 2019, 56 AEs have fully completed the accreditation process by having a signed and effective AMA,<sup>10</sup> an additional 15 entities have signed their AMA but are yet to become effective to complete accreditation, and a further 24 have been approved by the Board to be accredited, for which AMAs are in progress. The 2019 KPI tracks the number of AMAs signed with the 59 entities accredited up to 1 September 2018. For these, 56 AMAs have been signed. Three entities remain with an outstanding open AMA negotiation process due to challenges in reconciling GCF requirements with those of commercial banks or of national governments.

142. A pipeline of 111 entities have submitted accreditation applications (including active and inactive) using the Online Accreditation System. Of these, 13 applications are under Stage II (Step 1) Accreditation Panel review (including those entities being recommended at B.25) and 72 applications are under Stage I. A further 26 entities have submitted an application but have yet to pay accreditation application fees in order to then begin Stage I.

143. In addition, the Secretariat has continued to support the Accreditation Panel during its Stage II (Step 1) reviews of applications, preparation for recommendations of applicants for Board consideration, and support for the AEs to meet their accreditation conditions. Further details are contained in the document to be presented at B.25 under the agenda item, "Consideration of accreditation proposals".

144. 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 decision B.24/13, paragraph (b), the Board decided to defer its consideration of the project-specific assessment approach to B.25. The Secretariat is supporting the Accreditation Committee in its development of the revised updated accreditation framework, including the project-specific assessment approach. The matter is currently included on the B.25 agenda.

### **2.5 Accelerating implementation and managing for results**

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

145. Overall, as at 31 December 2019, 56 AEs have fully completed the accreditation process by having a signed and effective AMA,<sup>11</sup> an additional 13 entities have signed their AMA, but are yet to become effective to complete accreditation, and a further 26 have been approved by the Board to be accredited, for which AMAs are in progress.

146. For the 59 AEs accredited up to 1 September 2018, the Secretariat signed 56 AMAs with (meeting 95 per cent of the 2019 KPI target). Communication is on-going with the three pending

<sup>10</sup> Decision B.23/11, paragraph (a).

<sup>11</sup> Decision B.23/11, paragraph (a).



entities: two cases are pending due to challenges emerging from reconciling GCF requirements with that of commercial bank entities, with the Secretariat looking into available options based on effective AMAs to date; another case is pending further consideration and negotiation by the concerned NDA.

147. During the reporting period, the Secretariat has advanced the signing of seven AMAs with newly accredited entities since 1 September 2018.

148. The 2019 KPI targets on finalizing FAAs has already been met for the year, because the Secretariat has signed 103 FAAs for 101 funding proposals approved by the Board, which represents 80 per cent of all approved funding proposals.

149. Of the 100 approved funding proposals that have executed FAAs, 18 public sector projects<sup>12</sup> and 4 private sector projects<sup>13</sup> signed FAAs between September and December 2019. A further 12 projects are currently at the FAA negotiation stage.

150. Further details on the status of AMAs and FAAs can be found in the related limited distribution document (see document GCF/B.25/Inf.07/Add.01).

## 2.5.2. Accelerating project implementation and disbursements

151. The Secretariat has continued to make every effort to expedite project implementation and disbursements. The number of projects under implementation has gradually increased over from end of 2016 until end of 2019. While only one project had started implementation by the end of 2016, the number increased to 74 by the end of 2019, accounting for 60 per cent of the 124 approved projects. In addition, between 19 to 21 additional FPs are expected to enter into implementation by the end of Q1 2020, which could see up to 70% of GCF's portfolio under implementation. These projects under implementation, spreading over 81 countries, are worth USD 3.4 billion in GCF funding, and account for 60 per cent of the total GCF approved funding of USD 5.6 billion.

152. As at 31 December 2019, disbursements totalling USD 905 million, excluding AE fees of USD 49 million, have been made, accounting for 27 per cent of the GCF funding for projects under implementation. Of that amount, 47 per cent has been disbursed for private sector projects and 53 per cent for public sector projects. The estimated amount of cumulative disbursement is projected to be in the range of USD 1.6–1.9 billion by the end of 2020.<sup>14</sup> With regard to the time taken from Board approval to implementation, the average number of months has been decreasing over the past four years. The average number of months for projects to be approved in 2015 was 19, but this has decreased to 11 and 7 for those approved in 2018 and 2019, respectively. This has mainly resulted from discontinuing the practice up to 2018 that projects had been approved without the entities having signed an AMA as well as gradually standardizing legal agreement forms and procedures.

153. At B.24, the Secretariat presented the Annual Portfolio Performance Report (GCF/B.24/Inf.04), covering the progress of funded activities, Readiness and PPF for the period spanning January to December 2018. The reporting projects contributed to the reduction of 26 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>eq) as at the end of 2018 (26 per cent of the

<sup>12</sup> The 18 public sector projects whose FAAs have been executed during the reporting period are FP012, FP049, FP074, FP085, FP090, FP101, FP102, FP103, FP107, FP109, FP110, FP112, FP117, FP118, FP119, FP120, FP121 and SAP009.

<sup>13</sup> The four private sector projects whose FAA has been executed during the reporting period are FP080, FP105, FP106 and FP115.

<sup>14</sup> The projection was made on 31 December 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.



total target of 100 MtCO<sub>2</sub>eq) and reached 7 million beneficiaries (approximately 5 per cent) of the 128 million beneficiaries targeted under these projects.

154. The report also covered challenges encountered in portfolio implementation, namely: (i) general implementation challenges such as delays in project commencement, difficulties in recruiting staff and the lengthy process of building country ownership; (ii) financial challenges such as weak local financial management capacity despite the initial capacity assessments having shown adequate capacity, foreign exchange rate fluctuations, the need to include necessary but initially unbudgeted activities, and delays in raising capital; and (iii) procurement delays related to slow or delayed procurement processes.

155. In terms of the lessons learned from the initial implementation steps, a number of projects report slow implementation due to government-related challenges, indicating that a conducive political climate and environment is crucial to the smooth implementation of projects and the achievement of planned objectives, particularly as it relates to procurement and signing of contracts. Ensuring engagement and ownership of projects among local stakeholders and institutions is essential to achieving integrated planning, coordination and ownership of projects and programmes. The continuous dialogue and engagement of GCF with AEs is necessary for stronger partnerships, compliance with key GCF requirements and improving/accelerating delivery and results.

156. Proposed actions for 2020 to strengthen the management of the portfolio include: (i) strengthening the monitoring of portfolio implementation through more structured and regular engagement with AEs on projects under implementation; (ii) developing an M&E tool based on APRs received as part of the current integrated Portfolio Management System and informing the future portfolio performance management system to be developed, with a view to support the identification of early warnings in projects and to facilitate timely execution of corrective actions, and (iii) strengthening the approach to results monitoring and management through a raft of measures, including the development of an integrated results and resources framework under the 2020–2023 Strategic Plan.

157. Aiming to enable informed and timely decision-making and adaptive management, the Secretariat has been streamlining the processes of Secretariat-wide information sharing as well as regularly updating the Co-Chairs, Senior Management Team and external stakeholders on portfolio status and implementation through visualized portfolio dashboards. As part of this effort, internal data input guidance is being updated to ensure a high level of portfolio data integrity and accuracy across the Secretariat.

158. A portfolio performance management system is being developed, which is under procurement. The system is expected to streamline submission and review processes of annual performance reports from entities, and to track the progresses of project implementation, thereby helping in the adoption of corrective measures and effectively monitoring the outcomes and impacts of the GCF portfolio.

### **2.5.3. Operationalizing the risk management framework**

159. The Secretariat is continuing its efforts to operationalize the risk management framework. The risk dashboard for the third quarter of 2019 was published in November and showed that the portfolio concentration levels for funding proposals, as well as GCF liquidity, remained within the Board-approved risk tolerance levels.

160. To further enhance the risk management framework, the Secretariat is currently developing a legal risk policy, which is expected to be presented to the Board for its consideration in 2020. Due to the novel nature of this type of policy discussions are on-going within the Secretariat on the scope and role of such a policy.



161. As requested by the Board through decision B.24/04 paragraphs (h)(iii) and (iv), the Secretariat will commence the review of the initial financial risk management framework and components I-VII of the risk management framework under the guidance of the Risk Management Committee in 2020. Pursuant to decision B.24/04 paragraph (j), the development of the risk rating models has been delegated to the Secretariat; and work on the risk rating models is currently ongoing, in addition to work on developing better use of the guarantee instrument and options for using local currency financing.

## 2.6 Efficient and effective operational processes and systems

### 2.6.1. Concluding arrangements for privileges and immunities

162. The matter of GCF privileges and immunities was considered by Parties to the UNFCCC at COP 25 in Madrid in December 2019 in response to a proposal by the African Group for the COP to consider an institutional linkage with the United Nations. The Secretariat provided inputs into these discussions, and held meetings with the COP Presidency, the President of the United Nations General Assembly and the United Nations Secretary-General in order to support the discussions between Parties.

163. In its decision relating to guidance to the GCF, the COP noted the engagement between the COP President and the United Nations Secretary-General on this matter and requested the COP President to report on such engagement at COP 26 and decided to continue its consideration of this matter then.

164. The Secretariat will make itself fully available to the COP President and the United Nations Secretary-General as this engagement continues in 2020. To this end, the Executive Director will meet with the United Nations Under-Secretary-General for Legal Affairs in January 2020 to discuss the matter of a potential linkage, including the form and scope of such linkage, and report to the Board at B.26 once there is sufficient progress.

165. Notwithstanding the foregoing, the Secretariat has been actively pursuing bilateral negotiations for securing privileges and immunities agreements with both developed and developing countries. As at 31 December 2019, the Secretariat had sent draft agreements on the privileges and immunities of GCF to a cumulative total of 140 countries. To date, 23 bilateral privileges and immunities agreements have been signed, with Antigua and Barbuda, Armenia, Barbados, Belize, Cook Islands, Georgia, Grenada, Guyana, Honduras, Kiribati, Maldives, the Micronesia, Mongolia, Montenegro, Namibia, Papua New Guinea, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Uruguay, Vanuatu and Zambia. Negotiations with a handful of other countries are also close to finalization.

166. However, progress has been limited because there is limited capacity in the Secretariat to focus on this issue, and because there is no incentive for countries to conclude such agreements with the GCF. 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.

167. Consequently, the Secretariat considers the engagement between the COP President and the United Nations Secretary-General to be of high relevance and importance to the GCF because it would bring high-level political focus to the need for privileges and immunities for the GCF and its officials.

### 2.6.2. Implementing the Board-approved Secretariat structure, work programme and budget



168. Throughout 2019 the Secretariat undertook a reorganization of its internal structures and processes. This encompassed several elements, designed to improve the efficiency and effectiveness of its operations, as well as to ensure the alignment of staffing roles to organizational functions. The Senior Management Team was reinforced, as was the Operations Committee, and the new CIC was created to oversee the development, management and financial planning of the GCF pipeline of projects. A revised project cycle was developed, and work was started to update the operations and programming manuals, due to be completed by the end of the first quarter of 2020. In addition, a Climate Policy Committee was established as described in paras 50 and 51, to oversee the overall policy development cycle.

169. In relation to staffing, an organizational design exercise was undertaken to ensure that the Secretariat structure meets the needs of the organizational functions and is aligned with the revised project review cycle. This did not result in a major restructuring, but some teams were reassigned to improve efficiency and effectiveness. The accreditation team is now situated within the Office of the Executive Director, reporting to the Deputy Executive Director. The SAP team has moved to the Division of Country Programming, while the standards and safeguards team (environmental and social safeguards /gender/indigenous people) is now within the Office of Risk Management and Compliance, which will also be bolstered by the addition of a new appraisal and project policy team to ensure the quality of the project pipeline through second-level due diligence. A job evaluation exercise was also completed to align job descriptions and levels with institutional business functions. This resulted in the creation of standardized job descriptions, as well as a small number of changes to job levels to reflect organizational needs.

170. In response to numerous requests from stakeholders and CSOs, the Secretariat organogram has now also been published on the GCF website.

171. The Secretariat has also continued efforts to improve its sustainability by creating the GCF Sustainability Initiative (GSI), a voluntary staff initiative aiming to reinforce and strengthen internal sustainability efforts at headquarters with the Secretariat and independent units. GSI will be led by a group of volunteer GCF staff. Planned activities for 2020 include developing baselines for the GCF (GHG emissions, paper and energy use) and publishing the first GCF sustainability report and climate-neutral strategy, as well as smaller projects relating to operational and personal sustainability. A Corporate Sustainability Officer was selected to lead, on a voluntary basis, GSI programmes and projects alongside other GSI volunteers under the leadership of the Deputy Executive Director.

### **2.6.3. Operationalizing newly approved policies**

172. In line with the Cancellation and Restructuring Policy, three private sector approved projects (FP038 “GEEREF NeXt” submitted by EIB, FP027 “Universal Green Energy Access Programme” submitted by Deutsche Bank and FP078 “Acumen Resilient Agriculture Fund” submitted by Acumen Fund) will be presented to the Board approval of additional NOLs and certain changes to terms and conditions. Two have been addressed through BBMs prior to B.25 and one will be presented to the Board at B.25.

173. The multi-country programmes approved by the Board are facing challenges with implementation which could prevent them from achieving their intended impact potential. For example, the AEs have faced challenges in collecting and presenting all necessary NOLs at the time of funding proposal approval because the NOLs are typically received over a few years, which illustrates that flexibility for the AEs to request and obtain additional NOLs is critical for the success of multiple country programmes of this type of investment. Options for handling such matters will also be discussed at B.25 under a separate agenda item related to the approval of funding proposals, under a “Mechanism to include additional countries to agreed funding proposals”



174. The Secretariat also continued operationalizing the staff-related aspects of SEAH Policy. The Secretariat engaged an external SEAH Consultant Adviser to develop staff implementation guidelines and procedures, as well as awareness training materials. The implementation guidelines, procedures and training materials have been completed, and are currently pending finalization.

175. In line with the SEAH Policy, the Secretariat formulated SEAH provisions and consulted with the IIU on the adequacy of the proposed counterparty and project-level obligations pertaining to the incorporation of SEAH contractual obligations into new legal agreement templates. Following agreement with the Independent Integrity Unit on the provisional text, the proposed SEAH provisions were circulated by the Secretariat to AEs and readiness delivery partners for comment. The majority of the feedback received from AEs expressed capability constraints impeding their ability to comply with the SEAH Policy.

176. Concurrently, the Secretariat commissioned external legal counsel to undertake an evaluation and legal analysis of the SEAH Policy as it relates to counterparties and projects. The primary analysis covered the exposure to legal risks and liabilities deriving from the application of the SEAH Policy, as well as a comparison of the SEAH Policy counterparty/project-level obligations against the practice of other international organizations in relation to SEAH. The report by the external legal counsel concluded that there were significant deviations from the legal framework and related common practice addressing SEAH risk mitigation measures and legal risk exposure across international organizations. Furthermore, the report highlighted major exposure to legal risks and liabilities directly flowing from the counterparty/project-level obligations, including the related protection and remedies/responsibilities imposed on the Secretariat through the SEAH Policy.

177. In addition, the Secretariat conducted a self-evaluation of its internal capabilities to implement the external aspects of the SEAH Policy. The evaluation identified a critical lack of in-house subject matter knowledge necessary to give meaningful effect to the SEAH Policy objectives impacting on GCF-funded activities. Furthermore, the Secretariat submitted a budget proposal to the Budget Committee at B.24 requesting endorsement of the cost implications to operationalize the SEAH Policy. Presently, the Secretariat is pending budget approval. Nevertheless, the Secretariat has proactively sought means to build its long-term capacity and created a SEAH Compliance role within the Office of Risk Management and Compliance, which is currently under recruitment.

178. The Secretariat recognizes the importance of the SEAH Policy and remains fully committed to the overall intent and objectives of the SEAH Policy. However, in light of the challenges underscored in paragraphs 166–169 above, the Secretariat regrets that it is presently not in a viable position to commence implementation of the external elements of the SEAH Policy.

179. Consequently, the Secretariat submitted to the Co-Chairs of the Board an in-between Board meeting request to defer the implementation of counterparty and project-related aspects of the SEAH Policy (as well as protection and remedies for non-GCF staff)

180. The Co-Chairs provided clearance and circulated the B.BM document for a 14-day Board consultation period ending on 21 January 2020. At the end of the consultation period, the Co-Chairs recorded one sustained objection. Therefore, depending on the outcome of the Co-Chairs consultations with the objecting Board member, the request for deferral may be included on the B.25 agenda for discussion. In the interim, the Secretariat is in an undesirable limbo period where it is unable to move forward with implementation. At the same time, it is unable to pause progress on the finalization of legal agreements until B.25, as this will have crucial impact on the activities of the Secretariat. At the time of finalizing this report, the Secretariat is in the process

of considering its options to find reasonable solutions to fill the gap, in order to minimize operational interruptions.

181. The Secretariat has sought to resolve such policy implementation challenges through its work in establishing a Climate Policy Committee and implementing a policy template to guide and inform of policy implementation requirements across all units of the GCF.

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

182. In line with the organizational design, 30 positions were advertised on the GCF Careers site, in parallel with the recruitment for the positions affected by the job evaluation exercise. With 210 staff contracted as at end of 2019 and these additional positions expected to be filled in Q1 of 2020, it is expected that 240 positions will be filled early in 2020, with an additional ten positions to be designed following the approval of the 2020-23 Strategic Plan.

183. In an effort to keep developing the skills and capacity of its staff members, the Secretariat organized seven additional workshops and learning events in the last quarter of the year. These initiatives were a mixture of leadership development workshops, staff well-being seminars and professional development initiatives. In addition to the learning workshops and events, a good number of corporate and self-assessed initiatives were launched, including a corporate subscription to LinkedIn Learning. Staff members and managers continued to utilize the agile Performance Management and Development System (PMDS) tool for regular performance conversations throughout the year. In the period September – December 2019, the end of year performance review process was announced, and conversations were held to review the achievements and overall performance and development against the agreed targets.

#### **2.6.5. Strengthening GCF communications**

184. During 2019, the Secretariat developed a replenishment communications strategy and conducted a campaign under the theme “Raising Ambition. Empowering Action”. Activities included the development of videos, social media assets, new website content, publications, press releases and media outreach to enhance the visibility and brand of GCF among contributors and other stakeholders, including at events (United Nations Climate Summit and Heads of State lunch in New York; GCF Private Investment for Climate Conference; One Planet event and the High-Level Pledging Conference in Paris; and COP 25 in Madrid).

185. In addition, a mission to Ecuador captured on-the-ground impacts of two GCF forest projects through video footage and interviews with individual beneficiaries. This is the latest in a series of videos to create human-interest narratives showing that GCF projects are creating positive change in developing countries, to garner enhanced support for GCF and demonstrate value for money to contributors and potential contributors to GCF-1.

186. The GCF has also successfully updated its website with a view to improve user access to GCF information.

#### **2.6.6. Updating the GCF Operations Manual**

187. In collaboration with teams from across the Secretariat, OPM has led work to review the GCF Operations Manual (OM). The OM has been updated to reflect the new organizational design as well as other changes. The current draft OM contains several new sections, including an integrated project cycle process map for the operational divisions, terms of reference for the interdivisional project team, detailed standard operating procedures for, among other things, the newly released project review and tracking platform, as well as expanded sections for the



implementation phases of the proposal approval process. In addition, the OM has been aligned with the Programming Manual to ensure coherence across the documents.

188. The December 2019 draft of the OM is being circulated to external stakeholders for feedback.

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

189. The end of 2019 saw the successful completion of a long list of formally committed-to information and communications technology (ICT) product introductions and upgrades, which jointly address the GCF objective of increased efficiency and transparency. Development work for the funding proposal tracking system continued after the Executive Director's initial introduction at B.24 and is currently being used for the internal review process of funding proposals for B.26 in parallel to being piloted with countries and AEs. The Tracking System will be a component of the Secretariat's integrated Portfolio Management System.

190. The 2019 KPIs have also been met, with 75 per cent of technical systems improved and ICT objectives delivered into products within a 3-month timeframe compared to the 6-month timeframe in the previous year.

191. In October, GCF participated in IDG's 2020 FutureEdge 50, a global competition organised by one of the largest print and digital publishers in IT. The Secretariat has been awarded a place in the final 50. Its winning vision combined applications of cutting-edge tech in a bespoke infrastructure concept that empowers partnership between stakeholders at every level of the climate project lifecycle.

192. The Secretariat has also initiated the development of its workplan for 2020 ICT projects, which may include: coverage of a revised accreditation system, upgrade of the funding proposal life-cycle, real-time tracking information for external stakeholders, transparency commitments per 2020 KPIs; initial steps towards knowledge management programmes' implementation measures for the upcoming GCF "People Plan"; trustworthy investment reporting infrastructure for privately and accurately handling information; and overall required efficiency gains through further automation of business processes and financial management. Decisions on prioritizing ICT tasks may require some trade-offs and will be done through cross-Secretariat consultations.

#### **2.6.8. Elaborating the GCF financial policies and administrative procedures**

193. In accordance with the "Investment Management Strategy" and "Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund between the GCF and the World Bank" signed in 2019, the Secretariat collaborated with the Trustee to improve investment reporting by updating reporting templates and contents.

194. Following the approval of the revised terms of reference for the "Review of the Financial Terms and Conditions of GCF's Financial Instruments" at B.21, a professional firm, Climate Finance Advisors (CFA) was selected to conduct the review. Subsequently, CFA conducted several interviews with members of the Secretariat, including representatives of AEs and the Investment Committee to gather data for the review. CFA is currently preparing the interim report for discussion with the Investment Committee before or on the margins of B.25.

#### **2.6.9. Improving the efficiency of procurement practices**

195. The Procurement Guidelines have been reviewed to better align GCF practices with best practices, as well as to provide for the evolving needs of the GCF and address gaps that had been observed in the guidelines (GCF/B.08/31 dated 5 October 2014) currently in use until February



2020 when the new “Administrative instruction on corporate procurement” comes into effect. Some of the areas covered in the administrative instruction include expansion of principles to explain them more clearly, introduction of a section on procurement planning, inclusion of provisions on procurement ethics, delegation of low-value procurement to user divisions on a case-by-case basis, how to respond to bidder complaints and debriefing, and sustainable procurement. Consultations were held with relevant stakeholders and their input was taken into account when preparing the final draft. The “Administrative instruction on corporate procurement” is due to be signed and enter into effect in February 2020. The e-sourcing system, SAP Ariba, has been in use since the beginning of 2019 and lessons learned will be used to improve the system going forward. As part of efforts aimed at improving procurement processing, procurement training was provided to staff in the final quarter of 2019 with follow-up training expected in 2020. This will help to enhance efficiency and compliance in the long run.

196. With regards to travel services, a new feature of feeding credit card transaction information to the Concur system was added and customized in December 2019. Each travel credit card transaction fed to Concur is reconciled within the system in a monthly report through the procedures of charging it to the relevant budget code, attaching corresponding receipts, and indicating the purpose of the travel. This process was handled manually until November 2019. This additional feature will not only reduce the amount of time spent on manual monthly reconciliation of transactions but it will also increase the accuracy of travel spending data collected during the process.

#### **2.6.10. Implementing the compliance framework**

197. The compliance team continued to contribute towards the elaboration of the anti-money-laundering and countering the financing of terrorism (AML/CFT) standards by working with the Independent Integrity Unit to develop AML/CFT standard operating procedures. An RFP for a consultancy to develop the standard operating procedure was issued in November 2019, with selection of the consultant to be finalized in the first quarter of 2020. Draft standard operating procedures are expected to be presented to the Ethics and Audit Committee for approval by B.26.

198. Pursuant to the Compliance Risk Policy adopted by the Board in 2019, the front-line operational units of the Secretariat are using this tool to conduct first-level due diligence. The Office of Risk Management and Compliance conducts an assurance review of the due diligence conducted by the front-line operational units and further conducts its own second-level due diligence prior to approving disbursements, as well as when developing compliance risk assessments on project proposals. As part of implementing the compliance framework, the Office of Risk Management and Compliance has incorporated AML/CFT requirements into the templates for readiness delivery partner applications through the financial management capacity assessment; in addition, AML/CFT-specific sections have been incorporated in the templates for readiness proposals and funding proposals.

199. With the conclusion of the new organizational design within the Secretariat, efforts to identify and procure a compliance management system continued. This system is intended to automate certain compliance processes and facilitate the collection of compliance-related data. The goal is to obtain a multipurpose tool which can be adapted to suit the needs of wider Secretariat teams.

#### **2.6.11. Overseeing delivery of audits**

200. During the reporting period, the Office of the Internal Auditor (OIA) finalized three engagements: (i) the planned audit of consultant management; (ii) the ad hoc audit of

compensation and benefits (this was outsourced to an independent consultant); and (iii) the ad hoc review of signing statements of work under long term agreements.

201. OIA has also worked with Secretariat management to finalize the management action plans for the audits of: the concept note and funding proposal review process; and the process for business continuity planning, emergency management planning, security, occupational health, events and office management.

202. In addition, OIA completed the fieldwork on the portfolio monitoring process and submitted a draft audit report for management response, as well as advancing its regular review of the implementation of the management action plans from previous audits and reviews.

## Annex I: Secretariat missions: outcomes and lessons learned

### I. Introduction

1. Throughout the third quarter of 2019, the Secretariat 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 and positioning GCF across global networks so as to gather high-level support for replenishment, through dedicated engagements with contributor countries, targeted outreach in high-level global events as well as contributions to thematic or regional forums relevant to GCF programming;
  - (b) Supporting developing countries across their planning and programming efforts through strategic country engagements on supporting national consultations, pipeline development and identification of direct access entities (DAEs);
  - (c) Initiating programming with accredited entities (AEs) in anticipation of the Strategic Plan for the GCF: 2020–2023, through joint programming dialogues and supporting DAEs in advancing their pipelines for the GCF; and
  - (d) Actively participating at the twenty-fifth session of the Conference of the Parties (COP 25) to the United Nations Framework Convention on Climate Change (UNFCCC), maintaining sustained communication with the UNFCCC and strengthening complementarity and coherence with other climate finance delivery channels.
2. The nature of these activities, their objectives and outcomes are further outlined below.

### II. Global forums and partnerships

3. In the context of the replenishment process, the GCF continued advancing a comprehensive outreach agenda to strengthen its position in the global landscape. Consistent and frequent engagements were led by the Executive Director and the Deputy Executive Director through bilateral avenues as well as participation in a series of high-level events and forums, as follows:
  - (a) Visits to capitals led by the Executive Director in Sweden (2 September 2019), Denmark (3 September 2019), India (9–11 September 2019), Japan (4 October 2019), and France (23–25 October 2019) provided an opportunity to showcase progress and achievements to date and to respond to key matters of priority for contributors ahead of the High-Level Pledging Conference of the First Replenishment of the GCF (24–25 October 2019);
  - (b) The Secretariat was actively engaged at the **United Nations Climate Action Summit (23 September 2019, New York)** where eleven countries pledged for the First Replenishment of the GCF (GCF-1). The Secretariat technical leads also contributed to thematic engagement tracks on climate finance, energy transition, adaptation, nature-based solutions, cities and infrastructure; and
  - (c) The Deputy Executive Director participated at the **Pre-COP in Costa Rica (07–09 October 2019)**, strengthened GCF positioning to support the preparation of COP 25. Technical country engagements related to this mission are outlined in section II below.
4. Global outreach efforts also resulted in GCF participation at high-level and technical thematic engagements seeking to mainstream the GCF climate investment perspective across key sectors, as follows:

- (a) Executive representation at the **United Nations Convention to Combat Desertification COP 14 in New Delhi, India, (09–11 September)**, provided an opportunity to share views on land-based solutions to fight climate change and deliver access to renewable energy, as well as to re-emphasize the GCF mandate to support the transition to low-carbon technologies and climate resilience in developing countries;
  - (b) A joint **One Planet and GCF event on blended finance (24 October 2019)** brought together a unique set of high-level partners to discuss innovative blended finance instruments to scale up climate ambition in developing countries; and
  - (c) The Executive Director's keynote speech at the **6<sup>th</sup> Organisation for Economic Co-operation and Development Forum on Green Finance and Investment (30 October, Paris)** focused on the unique role of the GCF in supporting innovative financing to promote a paradigm shift towards low-emission and climate-resilient development.
5. Two key learning outcomes emerged from these engagements:
- (a) The continued participation of GCF in global high-level dialogues has proved to be crucial in mobilizing global leadership for an ambitious and successful GCF replenishment and establishing its position as a key partner for developing countries in the international landscape; and
  - (b) Global outreach by GCF expanded in the context of a proliferation of thematic-based networks and partnerships, highlight opportunities and platforms for the GCF to build and consolidate its thought-leadership role. In particular, the GCF can continue to build on existing efforts for mobilizing climate action, identifying and exchanging knowledge on transformational climate investments and facilitating links between developing countries and global technical and financial partners.

### III. Country engagement

6. Teams across the Secretariat have been active in directly supporting national activities related to country programming, project prioritization and development, identification of potential DAEs and private sector mobilization, with an increasing focus on mainstreaming climate rationale and principles across all stages of country planning processes.

7. During the reporting period the GCF engaged in strategic country missions in Angola (12–14 September 2019), Georgia (17–20 September 2019), Barbados (21–22 October, 26–27 November 2019), Viet Nam, Tonga and Cabo Verde (November 2019), as follows:

- (a) **GCF strategic mission in Angola.** The GCF interdivisional mission was organized with a view to joining the first GCF national dialogue organized by the national designated authority (NDA), and to meet public and private sector representatives to support the country as it increases its climate ambitions. The GCF delegation included staff members from the Division of Country Programming and from the Division of the Private Sector Facility, who: (i) engaged with stakeholders at a high-level political meeting on the strategic programming plans of Angola to facilitate the development of transformational pipelines; (ii) discussed the Angolan roadmap for accessing GCF resources and provided advice for the country's smooth engagement with the GCF, guiding the NDA on its future plans to access the GCF Readiness and Preparatory Support Programme (Readiness Programme); (iii) discussed challenges and opportunities faced by the Angolan private sector in engaging with the GCF, identifying specific entry points and options for increased private sector engagement in the context of the potential project pipeline; and (iv) guided the NDA on the country's plans to nominate and facilitate the accreditation of nominated DAEs, stressing the role that other relevant partners (e.g. potential readiness



delivery partners) may play on the implementation of Angola's country climate priorities;

- (b) **GCF strategic country mission in Georgia.** The GCF mission was planned in parallel with the mission of NDC Partnership to Georgia to finalize and present the updated nationally determined contribution (NDC) for Georgia. The GCF took part in the national consultation meeting with development partners and private sector representatives where the new ambitious targets of Georgia's NDC were presented by the Government. The GCF advised on aligning country programme priorities with the updated NDC and discussed opportunities to support the implementation of NDC measures. The country's strategic priorities for GCF were discussed during high-level meetings held at the Ministry of Environmental Protection and Agriculture, Ministry of Finance and the Ministry of Economy Sustainable Development. Technical discussions were held on two priority projects in the agriculture and tourism sectors, and specific guidance was given on an advanced pipeline project in the forestry sector "Enabling Implementation of Forest Sector Reform in Georgia to Reduce Greenhouse Gas Emissions from Forest Degradation and Build Ecosystem Resilience to Climate Change" with GIZ as the AE. Readiness needs of Georgia for 2020 were discussed with the NDA to support the country's access to GCF resources;
- (c) **Regional NDC-SDG Dialogue, Barbados, 26–27 November, 2019.** This was a regional dialogue under the theme "Integrating climate-resilient fisheries and coastal community priorities into post-2020 climate action and leveraging SDG co-benefits for the rural poor and vulnerable" organized by the Food and Agriculture Organization of the United Nations (FAO) regional office for Barbados, in collaboration with Organisation of Eastern Caribbean States (OECS) Commission. The dialogue focused on increasing stakeholder understanding of the potential role of climate change adaptation and mitigation and disaster risk reduction and management approaches in the fisheries sector and coastal communities. The GCF Caribbean Regional Advisor presented the GCF Regional Portfolio and entry points access GCF resources for climate change adaptation and mitigation;
- (d) The Secretariat joined a mission to **Cabo Verde (November 2019)** as a part of the ongoing work the Secretariat has with World Meteorological Organization (WMO) to pilot test methodologies, tools and guidance developed to strengthen countries' capacity for developing a climate science basis for GCF-funded activities. The workshop aimed to enhance the country's capabilities to better prioritize, plan and design activities for climate finance and GCF support. It gathered international experts and national stakeholders from identified priority sectors such as agriculture, water, energy and coastal management, with a view to helping them to apply the evolving methodologies and tools to articulate how changing climate conditions are impacting their sectors. Based on the information generated through the workshop and the tools being tested, the need for investment in particular areas was discussed and shared by national stakeholders. The Secretariat led discussions to inform the country on how to access GCF support to meet Cabo Verde's priorities, how to sequence interventions and access readiness resources, and assisted in putting together an initial roadmap. The Secretariat also provided continuous feedback to the WMO on ensuring that the methodology and tools being developed would align to the GCF country ownership model, ensuring that lessons from the workshop were being captured and learned, and supporting the development of the tools and guidance that WMO is to eventually provide under this work;
- (e) **The GCF Strategic Mission to Tonga (November 2019)** focused on providing guidance to the NDA to prioritize its existing GCF country programme, working with the



NDA to identify up to 5 priority projects (from a pipeline of 29) which the Government of Tonga aims to bring to the GCF over the period of GCF-1. The opportunity was also taken to provide feedback to the NDA and relevant AEs on projects in the pipeline, including FAO and the Asian Development Bank. The GCF also worked with the NDA to finalize the 2019 pipeline of readiness proposals (which were approved a month post mission) and to meet with two nominated DAEs (currently in the GCF accreditation pipeline); and

- (f) **The GCF Strategic mission to Viet Nam (November 2019).** The GCF delegation met with government representatives, AEs and national partners to discuss Viet Nam's strategic country programming. The GCF participated in national consultation meetings to prioritize pipeline projects to be submitted to the GCF over the period of GCF-1. In further bilateral meetings, the GCF took the opportunity to provide feedback to the NDA and the AEs on the identified priority projects. The GCF also met with the only nominated DAE to discuss its accreditation strategy and future programming. The mission delegation also visited Thanh Hoa province to visit the successful implementation of FP013, Viet Nam's first GCF project aimed at improving the resilience of vulnerable coastal communities through resilient housing and mangrove forest rehabilitation.
8. In addition to the five individual country missions outlined above, the Secretariat also engaged with countries through participation at a series of events, as follows:
- (a) **Pre COP 25. San José, Costa Rica. 8–10 October, 2019.** GCF engagement at Pre-COP 25, mainly with high-level country representatives, NDAs and AEs, resulted in strategic presentations and productive meetings to advance multi-country/regional initiatives, including: (i) progress in the Dry Corridor for Central America with CABEI (leading role), UNEP (technical role), the high-level country representatives and Central American Commission for Environment and Development; (ii) a high-level presentation of the multi-country e-mobility readiness proposal in the panel "Raising the ambition of NDCs through electric mobility"; (iii) NDAs of Colombia, Ecuador and Peru along with Conservation International defined next steps for the development of the Amazonia project concept note following the principles of the "Pacto de Leticia" and emphasized joint climate action including alignment with NDCs and REDD-plus efforts;
- (b) **Inter-American Institute for Corporation on Agriculture (IICA) Regional Workshop in Barbados, 22–24 October 2019.** The IICA hosted a regional workshop on "Climate finance and support mechanisms for a resilient agriculture sector in the Caribbean". The GCF Caribbean Regional Advisor presented on GCF financing modalities and participated in group activities on elaborating areas for support for agriculture. Work continues with IICA on elaborating a readiness proposal which will incorporate some of the needs identified from this workshop;
- (c) **Aral Sea Conference, 23–25 October 2019.** The conference aimed at strengthening regional cooperation to support the implementation of innovative projects and programmes for improving the livelihoods of people in the Aral Sea Basin. In 2019, the Government of Uzbekistan has announced an initiative to transform the Aral Sea area into a zone of innovations and technologies, which will be guided by the principles of a green and circular economy. The conference represented a unique opportunity to reach out to regional stakeholders and international partners who are interested in investing in the Aral Sea Basin, including on improving energy and energy efficiency, preventing loss of biodiversity and ecosystem services, water resource management, waste management and transport; and



- (d) **Conference of Ministers of Agriculture of the Americas in IICA HQ, 29–31 October 2019.** At IICA headquarters in San José, at the Conference of the Agriculture Ministers, the GCF presented the potential regional readiness proposals to improve the capacity of the agriculture sector to integrate national climate priorities and strategies into a multi-country project/programme proposal that will effectively address climate change challenges in small island developing States and Central America, aligned with GCF objectives. A proposal for the Caribbean subregion is currently under development, which focuses on technology transfer, gender equality and local capacity-building.
9. The outcomes and learning from this continued engagement with countries reaffirms the growing maturity of GCF operations, as reported in the “Report on the Activities of the Secretariat” (document GCF/B.24/Inf.08):
- (a) The visit of the GCF to countries and the presence of its staff at national consultations continue to be sought and demanded by countries, as it is instrumental in broadening information and knowledge across stakeholders. Secretariat staff also discussed funding proposals with country representatives, supporting country ownership by enhancing alignment between the GCF, the NDA and AEs;
  - (b) A breadth of diversity persists around country needs, which are linked to the stage of engagement between each country and the GCF, as well as to national dynamics. Engagement with countries that have already gone through the initial stages of the Readiness Programme see a growing role for readiness funding to be used for establishing baselines for projects in identified priority sectors, screening national entities for delivery of their country programmes or developing a programme of work to engage the private sector in country programme development and implementation;
  - (c) As an institutional architecture is established to deal with climate change nationally and with the GCF, there is broader scope for discussions on complementarity and coherence, with the GCF having the opportunity to play an increasingly active and guiding role in defining its value-add in a national context, based on the needs of the country that it is best placed to respond to; and
  - (d) The efforts undertaken by the Secretariat in 2019 to provide clearer communications on the types of projects it seeks to invest in is appreciated by country stakeholders. There remains further room for the dissemination of sectoral guidance and methodologies and approaches that emphasize the climate science basis at the core of national project prioritization activities and pipeline development for the GCF. Countries have reiterated their interest in receiving direct technical support from the GCF to assist with this process.

## IV. Entity engagement

10. During the reporting period the Secretariat has engaged with direct and international AEs to expedite business processes based on their status of engagement with the GCF. Missions have entailed:

- (a) Targeted engagement with DAEs on development of their entity work programmes, specifically the Development Bank of Southern Africa (DBSA) and the Caribbean Development Bank (CDB), providing support on the advancement of specific project proposals or Project Preparation Facility requests, building an understanding of the GCF business model and processes and the fundamental centrality of the impact of climate change;

- (b) Engaging with applicant entities to support the advancement of their accreditation process (in South Africa);
  - (c) Engagement with International access entities: Conservation International, Inter-American Development Bank (IDB), IDB Invest, International Finance Corporation, World Bank (IBRD-IDA), and World Wildlife Fund, Inc. (WWF) in Washington DC, United States of America, in October 2019 in order to discuss their draft entity work programmes and potential project ideas for the GCF-1 period.
  - (d) **Dedicated support for DAEs focused on supporting entity programming, providing advice in the context of country support visits and assisting with advancing concrete project preparation requests, as follows:** Through a strategic mission to Johannesburg, South Africa, in November 2019, the GCF met with DBSA to: (i) discuss the entity's current GCF engagement strategy; (ii) take stock of the status of implementation of its existing GCF portfolio; (iii) discuss the readiness and project/Programme proposals under development; (iv) understand which projects/programmes are considered priority for the host countries; (v) identify areas where the DAE sees room for improvement in GCF processes; and (vi) establish next steps leading to the elaboration of a collaboration plan between DBSA and the Secretariat. The mission included a meeting with the NDA team of South Africa to confirm high-level directions that they wish the Secretariat to maintain in 2020. The Secretariat delegation also met, in Johannesburg: (i) the Africa Risk Capacity (ARC), on its readiness and project pipeline plans; and (ii) a DAE on the status of the work that the institution is developing towards its accreditation to the GCF; and
  - (e) The GCF participated at the Conference of the Caribbean Development Bank (21–22 October, 2019, Barbados) where CDB held a peer review conference of four GCF concept notes: "Building Resiliency in the Water Sector in St Kitts and Nevis", "Enhancing the Climate Resilience of the Water Sector in Saint Lucia", "Saint Vincent and the Grenadines Sustainable Transition in Energy Project" and "Green Waste Mitigation Initiative for Dominica". The projects were presented by national representatives, and the GCF Project Preparation Facility Consultant and GCF Regional Advisor (Caribbean) also participated in the meeting, providing guidance and feedback on GCF expectations. The recommendations from the meetings were compiled by the OECS Commission for incorporation into the concept notes.
11. Through engagement with international access entities, the Secretariat supported their further development of entity work programmes, based on discussions regarding the potential projects/programmes for the upcoming programming period, opportunities for focusing on investments with the highest climate impact potential and responding to evolving country needs.
12. A series of key outcomes and lessons have emerged, as follows:
- (a) Ongoing engagement with DAEs remains in high demand to support entities across the project cycle, with efforts to date focusing on project development, although it is anticipated that support will also be required as a growing number of projects move towards implementation. Discussions also reiterate a diversity of capacity needs with room for GCF to evolve and develop targeted support packages in the future; and
  - (b) Finalizing sector guides and communicating GCF-1 programming expectations is important to working strategically with all AEs in order to provide developing countries options for programming. It is also key to facilitating longer-term programming and maximizing the certainty of programming for AEs.

## V. Engagement with the United Nations Framework Convention on Climate Change and other climate finance delivery channels

13. During the reporting period, the GCF continued engaging with and contributing to the UNFCCC process. Towards COP 25, GCF participated in several UNFCCC-related meetings, as follows:

- (a) The Secretariat was part of the **Asia Pacific Climate Week (2–6 September, Bangkok, Thailand)**, participating at multiple side events and strengthening engagement with Asia Pacific NDAs and partners in the region. The Secretariat co-organized a side event with other partners on enhancing access to global climate funds, participated as a panelist on the regional NDC dialogue for Asia and the Pacific, as a presenter for the Climate Technology Centre and Network (CTCN) Regional Forum for National Designated Entities of Asian Countries, and held bilateral meetings with Asia Pacific region NDAs and partners to discuss overall country programming and specific focus on strengthening access to the GCF.
  - (b) The GCF participated at the fourteenth CTCN Advisory Board Meeting (11–13 September 2019, Paris) and the nineteenth meeting of the Technology Executive Committee (16–19 September 2019, Bonn), with the objectives of informing the participants about GCF work on technology development and transfer; introducing the GCF Climate Innovation Facility which aims to support start-up ecosystems for climate innovation technologies in developing countries; and providing inputs for the development of draft guidance to the Financial Mechanism, which was later submitted by the Standing Committee on Finance (SCF);
  - (c) The GCF participated in the **twenty-first meeting of the Standing Committee on Finance (3–5 October 2019, Bonn)** with the view to informing the SCF about the eighth GCF Report to the COP and providing inputs to draft guidance to the operating entities of the Financial Mechanism of the Convention;
  - (d) The Secretariat participated at the Pre-COP meeting, described in greater detail in section II above; and
  - (e) The GCF engaged at the **UNFCCC Technical Workshop on Climate Finance in the Arab Region (6–7 November 2019, in Egypt)**, where participants were briefed about the overarching results of the initial resource mobilization period, the achievements in the Arab Region, the observed needs from country programming and a GCF programming overview.
14. The GCF has coordinated a cross-Secretariat delegation for attendance at **COP 25 (2–13 December 2019, Madrid)**, which consisted of an extensive engagement agenda led by the Executive Director, tracking the COP negotiation process, the hosting of two official UNFCCC side events as well as participation in events led by other climate funds, as follows:
- (a) The GCF Executive Director held bilateral meetings, including with Presidents and Prime Ministers, the United Nations Secretary-General, more than twenty countries, more than ten AEs and briefed the Alliance of Small Island States, the European Union, the least developed countries (LDCs) and umbrella group negotiations. Secretariat members also held bilateral meetings with countries, AEs and organizations interested in collaborating with the GCF on more technical aspects;
  - (b) The Secretariat followed the process of negotiations on items of relevance to, or with a potential impact on, the operations of the GCF, including the Koronivia Joint Work on Agriculture, LDC matters, the Paris Committee on Capacity Building, Loss and Damage, and matters relating to Article 6 of the Paris Agreement;

- (c) The Secretariat organized two official UNFCCC side events on the results of the Initial Resource Mobilization (IRM) period and the GCF-1. The first, “A Successful Start, an Ambitious Future” event included presentations on the results of the GCF over the initial resource mobilization period, the results and recommendations from the Independent Evaluation Unit’s forward-looking performance report and the work the GCF is doing in terms of strategic planning. The event offered an opportunity for three GCF partners to share their experiences in working with the GCF over the past four years during a panel discussion. The second official COP 25 side event, “GCF-1 Raising Ambition. Empowering Action”, provided a chance for contributors, NDAs and project partners to offer their views on how the GCF could support them in raising their ambition. The event included a presentation by Barbara Buchner of the Climate Policy Initiative, remarks from Japan’s Minister of the Environment, and a high-profile panel of speakers, including ministers from Bhutan, Gambia, Grenada, Peru, Sweden and the European Bank for Reconstruction and Development. At the side event, Ireland announced a contribution to GCF of 4 million euros per year during the 2020–2023 programming period (GCF-1), a doubling of the country’s commitment compared with the initial resource mobilization period for GCF.
- (d) The Secretariat also hosted events at the GCF+GEF Pavilion on matters such as: country programme guidelines, GCF project implementation, GCF engagement with the Spanish climate finance sector, the first GCF Green Champions Awards, leveraging readiness support for ambitious country programming and investment, and jointly organized others with GEF about financing nature-based solutions, blended finance and the stocktaking of the coordinated engagement initiative;
- (e) The Secretariat signed five funded activity agreements (FAAs) for FP109, FP110, FP112, FP115 and FP119, two contribution agreements for GCF-1 with Germany and Spain, and joined the WMO-led initiative titled “Alliance for Hydromet Development”;
- (f) As part of the overall outreach activities of GCF and with the aim of providing further clarity to GCF partners about complementarity and coherence between climate funds, GCF representatives actively engaged in other climate funds’ side events and invited other funds’ representatives to GCF events; The dialogue was approached with a forward-looking perspective on opportunities to increase coherence and complementarity for increased impact in the post-2020 period. Climate funds were keen on: (i) further exploring the possibility of expanding the GCF+GEF Pilot on country programming to other interested funds; (ii) identifying joint programming opportunities among funds’ common areas of operations to leverage the cooperative advantages and respond to the increased demand from countries; (iii) exchanging best practice about operational processes and modalities; (iv) cooperating on knowledge management; and (vii) exploring the opportunity of submitting common reports to their respective boards about the initiatives that the funds are interested to promote; and
- (g) In accordance with decision B.13/11, on the side-lines of the COP 25, the Secretariat convened the Fourth Dialogue with UNFCCC Constituted Bodies which focused on identifying opportunities for cooperation during the GCF first replenishment period (2020–2023), which could help support countries’ submission and implementation of their 2020 NDCs. In addition, as mandated by decision B.13/12, the Secretariat held the Third Annual Dialogue of Climate Finance Delivery Channels which was approached with a forward-looking perspective on opportunities to increase coherence and complementarity for increased impact in the post-2020 period.

15. During the reporting period, the GCF also continued collaboration and engagement with other climate funds and in connection to a strategic mission to Washington DC (see above under AE engagement), the Secretariat met with the Global Environment Facility and the Climate

Investment Funds to discuss the status of programming and explore entry points for further collaboration upon the finalization of GCF sector guidance.

16. Several outcomes can be traced following these engagements:
  - (a) The Secretariat could effectively track negotiation outcomes, brief and clarify concerns of regional negotiation groups. As a result of this engagement process, COP 25 guidance to GCF was diverse, included new topics and was more targeted than in previous years;
  - (b) Stakeholders' perception about the achievements of GCF during the initial resource mobilization and future directions in relation to a fruitful replenishment and GCF-1 has improved and shed light on areas where there are opportunities for improvement. Strong emphasis was made on sharing information and participating in outreach activities to explain how the GCF operates and its role serving the Convention, including by providing information about approval of projects, readiness support, new and revised policies; and
  - (c) Participation at the COP also provided a platform for raising additional contributions or finalizing required project legal documentation.

## **VI. Conclusion and steps forward**

17. The Secretariat continued to advance a focused outreach agenda in line with its 2019 work programme, extensively driven by the replenishment process and the imperative to maintain ongoing support for GCF business processes.
18. Two key recommendations emerge on future GCF outreach and engagement plans:
  - (a) As GCF enters its second programming stage, opportunities for engagement with countries, entities and stakeholders lie around communicating early into GCF-1 the programming expectations and ambitions towards 2023, ensuring that partners can plan and programme around these strategic directions. This would come in response to demands for clearer strategic guidance from the GCF on its priorities. Finalization of the 2020–2023 Strategic Plan would be highly instrumental in this regard, along with the planned sectoral guidance; and
  - (b) Targeted communications, active participation in global forums and summits, and dedicated engagement with contributors will continue to be essential to cultivate and maintain relationships throughout GCF-1 and to foster ongoing resource mobilization following the Pledging Conference, which remains a strategic goal for the GCF.

## Annex II: List of memorandums of understanding in effect as at 31 December 2019

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 (Letter of understanding)	UNFCCC Secretariat	Strengthening collaboration between the UNFCCC secretariat and the GCF through the exchange of personnel	3 August 2018	3 years (possible extension for 5 years)	Binding	Staff exchange
6	General cooperation	Oil and Gas Holding Company BSC	MOU between the Oil and Gas Holding Company	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'



No	MOU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
			BSC 'Closed' and the GCF				respective mandates in the areas of cooperation
7	General cooperation	Swedish International Development Cooperation Agency (SIDA)	Framework agreement on secondments	5 December 2018	"Valid until terminated by one or both parties, subject to thirty (30) days' written notice of termination to the other Party"	Binding	Sweden, represented by SIDA and the GCF, agree to cooperate around a Secondment Programme from SIDA to GCF for staff at middle and senior levels
8	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; and (c) Aligning and leveraging GCF-funded hydrological and meteorological investments
9	General cooperation	International Development Finance Club (IDFC)	Statement of partnership between GCF and the International Development Finance Club	26 June 2019	3 years	Non-binding	(a) Sharing knowledge for climate finance and action; (b) Integration of climate consideration within financial institutions; (c) Facilitation of access to GCF resources with co-financing from IDFC members and support for capacity-building activities; and (d) Outreach and awareness-raising

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



### Annex III: 2019 Key Performance Indicator Tracker: End of year status update

	2019 Work programme indicators	Status <sup>15</sup>	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
				31 December 2019	
<b>Goal 1: Supporting the Board in taking informed decisions, enhancing responsiveness to COP guidance and preparing for Replenishment</b>					
KPI 1.1	Support for informed Board decision-making and closing policy gaps	Completed	Over 53 policy documents developed and implemented	96 policy documents developed (cumulative)	Over 75 policy documents developed (cumulative)
		Not achieved	80% of Board documents issued 21 days before each Board meeting	45% of documents issued 21 days before each Board meeting	90% of Board documents issued 21 days before each Board meeting subject to the support of the Co-Chairs
		Partially achieved	Basic information material is sent to incoming Board members	Voluntary briefing programme is available	A voluntary briefing programme in place and available for incoming Board members comprising a dedicated portal and the possibility of on-site visits
KPI 1.2	Accountability and reporting to the COP	Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
				31 December 2019	
		Completed	Response to COP guidance to the GCF as mandated from the Board	Response incorporated in operations	Response to COP guidance to the GCF incorporated into Secretariat operations after COP and ahead of B.22
		Completed	Seventh Report of the GCF to the COP submitted to UNFCCC secretariat 12 weeks before COP starts	Report submitted on time	(b) High-quality Eighth Report of the GCF to the COP submitted on time to UNFCCC secretariat, through GCF Secretariat-wide input and quality assurance process

<sup>15</sup> Completed: at least 95 per cent achieved; Partially achieved: 60 per cent - 95 per cent completion rate; Not achieved: below 60 per cent completion rate



KPI	Preparations and support for replenishment	Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)	
				31 December 2019		
KPI 1.3	Enhanced complementarity and coherence with other climate finance delivery channels	Completed	N/A	Replenishment completed and decisions finalized	Effective Secretariat delivery of all required preparations, inputs and arrangements to implement decisions on replenishment	
KPI 1.4		Completed	Complementarity and coherence strategies embedded in 10 FPs or CNs (cumulative)	15	Complementarity and coherence strategies embedded in 15 FPs or CNs (cumulative)	
		Completed	10 countries engaged in complementarity and coherence as part of the programming, including through readiness and other preparatory resources	18	15 countries engaged in complementarity and coherence as part of the programming, including through readiness and other preparatory resources (cumulative)	
		Completed	Design and further update of policies, including performance measurement frameworks informed by comparable climate finance delivery channels	Policies developed and updated results management framework prepared	Policies developed and performance measurement frameworks finalized using a coherence and complementarity approach	
Goal 2: Strengthening country ownership and NDA capacity, through enhanced delivery of readiness and Secretariat engagement with NDAs and DAEs						
KPI	Enhanced delivery of readiness support (non-NAP)	Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)	
				31 December 2019		
KPI 2.1	Number of countries covered under the Readiness Programme	Completed	114	137	123	



	Number and volume of approvals for readiness activities excluding adaptation planning	Completed	188 USD 57.25 million *corrected in GCF/B.23/Inf.01	110 USD 55.6 million (non-cumulative)	70 USD 45 million (non-cumulative)
	Number of disbursing approved readiness activities and volume disbursed, excluding adaptation planning (cumulative)	Partially achieved	159 USD 33.51 million *corrected in GCF/B.23/Inf.01	239 USD 54.28 million	190 USD 80 million
	Number of direct access entities supported (including on environmental, social and gender) through approved readiness proposals (cumulative)	Completed	(i) Pre-accreditation support: 31 (ii) Post-accreditation support: 7	(i) Pre-accreditation support: 41 (ii) Post-accreditation support: 15	(i) Pre-accreditation support: 41 (ii) Post-accreditation support: 13
KPI 2.2	Strategic Support for NAPs	Status	Baseline (31 August 2018)	Checkpoint 31 December 2019	Target (Dec 2019)
	Number and volume of approvals for NAPs	Partially achieved	18 USD 48.54 million *corrected in GCF/B.23/Inf.01	24 USD 54.4 million (non-cumulative)	25 USD 62 million (non-cumulative)
	Number of disbursing approvals for NAP support, and volume disbursed	Not achieved	16 USD 11.83 million *corrected in GCF/B.23/Inf.01	31 USD 21.7 million	45 USD 37 million
KPI 2.3	Enhanced representation of Direct access entities (DAEs)	Status	Baseline (31 August 2018)	Checkpoint 31 December 2019	Target (Dec 2019)
	Number of DAEs accredited (cumulative)	Completed	32 At least 54% of all AEs	56 59% of all AEs	51 At least 60% of all AEs
	Number and value of DAE proposals	Not achieved	19 USD 547 million	6 USD 227 million (Private 2,169 million)	13 USD 600 million (Private 7,450 million)



			(Private 6,229 million Public 13,318 million)	Public 4,58 million) (non-cumulative)	Public 6,150 million) (non-cumulative)
KPI 2.4	Monitoring and sharing of readiness outcomes	Status	Baseline (31 August 2018)	Checkpoint  31 December 2019	Target (Dec 2019)
	Number of readiness Interim Progress Reports reviewed	Completed	36	115 (non-cumulative)	42 (non-cumulative)
	Number of Readiness Completion Reports reviewed	Partially achieved	4	17 (non-cumulative)	22 (non-cumulative)
	N/A	Partially achieved	N/A	Readiness knowledge bank developed; Outcomes and knowledge sharing to be completed	Readiness knowledge bank promoted to share outcomes, knowledge, lessons learned and good practices among NDAs/FPs/DPs/AEs
<b>Goal 3: Strengthening efforts to assess and articulate the climate impact of GCF activities, to help build a paradigm-shifting portfolio</b>					
		Status	Baseline (31 August 2018)	Checkpoint  31 December 2019	Target (Dec 2019)
KPI 3.1	Publication of sectoral strategies/guides	Partially achieved	N/A	12 sectoral strategies in progress, to be completed in Q1 2020	8 sectoral strategies prepared
KPI 3.2	Enhanced climate rationale embedded in GCF financed projects/programmes	Not achieved	N/A	Guidance paper not published	Publication of guidance paper on developing strong climate rationale for GCF proposals, and development of appraisal toolkit for NDAs/FPs/AEs/DPs
		Completed	N/A	Partnerships established	Partnerships developed with leading institutions to support NDAs/AEs to prepare CNs and FPs with strong climate rationale



KPI 3.3	Establishment of communities of practice	Completed	N/A	Communities of practice established and operationalized	Network of global experts recruited to strengthen technical input to GCF review processes, guidance and knowledge products across GCF's eight result areas and key thematic areas
KPI 3.4	Reform and systematization of second-level due diligence	Partially achieved	N/A	Guidelines on second-level due diligence developed	Guidelines and toolkit on second-level due diligence developed and operationalized to bring stronger consideration of climate impact, investment criteria, project success and improve efficiency
KPI 3.5	Enhanced gender mainstreaming	Partially achieved	86% of all approved projects contain gender action plans and gender disaggregated data	100% of all approved projects have gender action plans and gender disaggregated data (non cumulative)	100% out of all approved projects contain gender action plans and gender disaggregated data
KPI 3.6	Institutionalization of knowledge management (KM)	Partially achieved	N/A	Strategy developed, in process of operationalization	Secretariat-wide KM system, action plan, tools and IT support systems developed and operational; knowledge and lessons learned captured and managed

**Goal 4: Operationalizing a proactive and strategic approach to programming, including through well-coordinated, strategic country and entity work programmes, and the development of a framework for more formalized annual GCF pipeline and business planning**

		Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
				31 December 31 2019	
KPI 4.1	Framework for annual GCF pipeline and business planning	Completed	N/A	Annual framework developed	Initial framework for annualized GCF pipeline and business planning developed
				Financial planning implemented	Monthly strategic pipeline review established to implement decisions on financial planning



KPI 4.2	Number of CNs and FPs reviewed and receiving feedback (non-cumulative)	Completed	133 (private 24, public 109)	159 (private 14, public 145) (non-cumulative)	115 (private 25, public 90) (non-cumulative)
KPI 4.3	Number and volume of funding proposals submitted for Board approval	Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
				31 December 2019	
	Total FPs (cumulative: approved)	Partially achieved	74 (private 15, public 59) USD 3,512 million (private 1,364 million, public 2,148 million)	32 (private 5, public 27) USD 1,115 million (private 349 million, public 766 million) (non-cumulative)	29-34 (private 12, public 17-22) USD 1,450-1,500 million (private 750 million, public 700-750 million) (non-cumulative)
	Regular FPs	Completed	69 (private 13, public 56) USD 3,433 million (private 1,324 million, public 2,109 million)	18 (private 3, public 15) USD 730 million (private 269 million, public 461.5 million) (non-cumulative)	16 (private 6, public 10) USD 1,042 million (private 542 million, public 500 million) (non-cumulative)
	SAP	Partially achieved	1 (public 1, private 0) USD 9.3 million (Public 9.3 million)	8 (public 8, private 0) USD 75.15 million (public USD 75.15 million, private 0) (non-cumulative)	8-13 (private 3, public 5-10) USD 80-130 million (private 30 million, public 50-100 million) (non-cumulative)
	MFS	Not achieved	N/A	1 USD 60 million (non-cumulative)	3 USD 178 million (non-cumulative)
	EDA	N/A	2 (public 2) USD 30 million (public 30 million)	0	PSF/DMA have no plan for MSME projects



	<b>MSME I</b>	N/A	2 (private 2) USD 40 million (private 40 million)	1 USD 20 million (non-cumulative)	PSF/DMA have no plan for MSME projects
	<b>REDD-plus</b>	Completed	N/A	4 USD 228 million	2 USD 150 million
<b>KPI 4.4</b>	<b>More focused and aligned country work programmes (CWP)</b>	<b>Status</b>	<b>Baseline (31 August 2018)</b>	<b>Checkpoint</b>	<b>Target (Dec 2019)</b>
	Number of countries strategically engaged or supported to deliver a high-quality CWP			<b>31 December 2019</b>	
<b>KPI 4.5</b>	Country programmes which are climate-focused and have gone through national consultation processes	<b>Completed</b>	20	18	12 (non-cumulative)
			10	48	50 (cumulative)
<b>KPI 4.5</b>	<b>Enhanced engagement with AEs to facilitate entity work programming (EWP)</b>	<b>Status</b>	<b>Baseline (31 August 2018)</b>	<b>Checkpoint</b>	<b>Target (Dec 2019)</b>
	Number of AEs strategically engaged to develop or update an EWP (cumulative)			<b>31 December 2019</b>	
<b>KPI 4.6</b>	<b>Support for Project Preparation</b>	<b>Status</b>	<b>Baseline (31 August 2018)</b>	<b>Checkpoint</b>	<b>Target (Dec 2019)</b>
	Number of high-impact CNs and associated PPF applications developed with project preparation technical assistance			<b>31 December 2019</b>	
	Number of PPF applications and CNs reviewed	Not achieved	5	19	25
			56	6	40 new CNs and PPF applications cleared for PPF support (non-cumulative)



	Number and volume of PPF requests approved (cumulative)	Not achieved	12 USD 8.8 million (8 DAEs; 4 IAEs)	15 8.7 million (11 DAEs, 4 IAEs) (non-cumulative)	32 USD 16.8 million (22 DAEs; 10 IAEs) (non-cumulative)
	Number of PPF proposals receiving disbursements and value	Not achieved	6 USD 4.8 million (4 DAEs; 2 IAEs)	15 3.56 million (8 DAEs, 2 IAEs) (non-cumulative)	20 USD 10 million (12 DAEs; 8 IAEs) (non-cumulative)
KPI 4.7	Major dialogues/conferences with countries and AEs	Completed	6	7	7
<b>Goal 5: Accelerating implementation and managing for results, by working to move an additional 44 approved projects into implementation, and effectively monitoring progress in achieving key climate results</b>					
KPI 5.1	AMAs signed and effective	Status	Baseline (31 August 2018)	Checkpoint 31 December 2019	Target (Dec 2019)
	AMAs signed with entities accredited up to 1 September 2018 (cumulative)		Completed	45	
	AMAs effective (cumulative)	Completed	30	51	44
KPI 5.2	Projects under implementation	Status	Baseline (31 August 2018)	Checkpoint 31 December 2019	Target (Dec 2019)
	FAAs signed (cumulative)		Completed	41 (private 8, public 33)	



	Number of projects under implementation/FAA effective (cumulative)	Completed	31 (private 6, public 25)	74 (Private 14, public 59)	74 (private 15, public 59)
	Value of projects under implementation (cumulative)	Partially achieved	USD 1,429 million (private 696 million public 733 million)	USD 3,384 million (private 1,330 million public 2,054 million)	USD 3,585 million (private 1,445 million public 2,140 million)
KPI 5.3	Disbursing projects	Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
	Number of projects receiving disbursements	Completed		31 December 2019	
KPI 5.6	Actual disbursed amounts	Completed	USD 372 million (private 283 million, public 89 million)	USD 905 million (private 479 million, public 426 million)	USD 900–1,400 million (private 500–700 million, public 400–700 million)
	Results-focused project/programme review and monitoring	Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
	APRs reviewed	Completed		31 December 2019	
		Completed	N/A	Guidance elaborated and provided	Guidance provided to AEs, NDAs/FPs/DPs on improving monitoring and evaluation systems

#### Goal 6: Efficient and effective operational processes and systems for resource management and administration

KPI 6.1		Status	Baseline (31 August 2018)	Checkpoint	Target (Dec 2019)
				31 December 2019	



	<b>Number of P&amp;I agreements concluded to date</b>	Completed	19	23 total P&I signed	Initiation of the negotiation of P&I agreements with 14 countries, with a view to signing up to 2 P&I agreements
KPI 6.2	<b>Communications strategy implemented</b>	Partially achieved	Communication strategy approved by Senior Management Team	Communication Strategy delegated to Secretariat; Implementation in progress	Communication strategy adopted by the Board and implemented by the Secretariat
KPI 6.3	<b>Secretariat staffing</b>	Not achieved	208	210	250
KPI 6.4	<b>Strengthened learning and development</b>	Completed	10 learning and development workshops	33 learning and development workshops	25 learning and development workshops
KPI 6.5	<b>Socialization of Operations Manual</b>	Partially achieved	Operations Manual developed	Operation Manual under re-development following establishment of internal project cycle review	Operations Manual updated following each Board meeting. Quarterly training workshops and socialization with divisions and units
KPI 6.6	<b>Innovative and responsive ICT solutions/services</b>	Completed	Percent of overall technical systems and services in use that saw first introduction or major improvements in 12 months (cumulative): 50%	75% of systems improved	Percent of overall technical systems and services in use that saw first introduction or major improvements in 12 months (cumulative): 75%
		Completed	Average time to turn approved ICT objectives into delivered IT products: 6 months	3 months	Average time to turn approved ICT objectives into delivered IT products: 3 months
KPI 6.7	<b>Implementation of compliance framework</b>	Completed	Compliance terms of reference approved and implemented	Compliance framework implemented	Compliance framework implemented



<b>KPI 6.8</b>	<b>Audits performed</b>	Completed	4	9 (non-cumulative)	7 (non-cumulative)
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*Abbreviations:* AE = Accredited Entity, APR = Annual Performance Report, B.22 = 22<sup>nd</sup> meeting of the Board, CN = Concept Note , COP = Conference of the Parties , DAE = Direct Access Entity, DMA = Division of Mitigation and Adaptation, DP = Delivery Partner , EDA = Enhanced Direct Access , FP = Funding Proposal, ICT = Information and Communication Technology, KM = Knowledge management , MFS = Mobilizing Funds at Scale, MSME = Micro-, Small-, and Medium- Sized Enterprises Pilot Programme , N/A = Not Applicable , NAP = National Adaptation Plan, NDA = Nationally Designated Authority , P&I = Privileges & Immunities, SAP = Simplified Approval Process, UNFCCC = United Nations Framework Convention on Climate Change

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