



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
18 – 21 August 2020  
Virtual meeting  
Provisional agenda item 5

**GCF/B.26/Inf.09**

14 August 2020

---

# Report on the activities of the Secretariat

---

## **Summary**

This report provides an update on the activities of the Secretariat for the period 1 January to 30 June 2020. It summarizes progress against the overarching goals and priorities identified in the Secretariat's 2020 work programme, as well as tracking the key performance indicators identified in the work programme results framework. The report highlights where work programme priorities have been delayed or readjusted in light of the COVID-19 pandemic and includes a work programme results framework which indicates the anticipated impacts of the pandemic on the 2020 key performance indicators.

It also includes a list of the GCF cooperation agreements that are currently in effect.

## Table of Contents

I.	Introduction	1
1.1	Tracking key fund indicators	2
1.2	Summary of progress toward goals	4
II.	Activities of the Secretariat during the reporting period	9
2.1	Strengthening country-driven planning to originate and deliver high-quality, innovative, scalable investments	9
2.2	Galvanizing GCF programmatic engagement with accredited entities	15
2.3	Filling key gaps in GCF policy and governance frameworks	23
2.4	Reducing engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery	28
2.5	Adopting adaptive management of portfolio implementation and strengthening GCF results management	31
2.6	Consolidating institutional capacities and taking initial steps to position the GCF to be a global knowledge hub and policy influencer in climate	33
Annex I:	2020 KPI Tracker and anticipated COVID-19 impact for 2020	40
Annex II:	List of memorandums of understanding in effect	46

## 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 2020, which was approved by the Board at its twenty-fourth meeting (B.24). It outlines the Secretariat's progress towards the six overarching goals as well as towards the key performance indicators (KPIs) set out in the 2020 work programme results framework, for the reporting period of 1 January to 30 June 2020.
2. The 2020 Work Programme goals continue to expand the Secretariat's focus on raising quality across its operational modalities as well as further streamlining and improving the efficiency of its processes. Additional focus is placed on strengthening country and entity engagement for transformational climate programming, carrying extensive private sector engagement and working towards improving results management and strengthening the management of the growing GCF portfolio.
3. The overarching goals for 2020 are:
  - (i) Strengthening country-driven planning and the partnership with national designated authorities to originate and deliver high-quality, innovative, scalable investments;
  - (ii) Galvanizing GCF programmatic engagement with accredited entities (AEs);
  - (iii) Filling key gaps in GCF policy and governance frameworks;
  - (iv) Reducing engagement costs and time to funding by improving the efficiency, effectiveness and transparency of GCF processes and the speed of delivery;
  - (v) Adopting adaptive management of portfolio implementation and strengthening GCF results management; and
  - (vi) Consolidating institutional capacities and take taking initial steps to position the GCF to be a global knowledge hub and policy influencer in climate finance.
4. The current reporting period also covers GCF Secretariat activities during the unfolding COVID-19 pandemic, which is having a severe impact on GCF Secretariat staff. Following the B.25 meeting in Geneva four (4) staff and additional family members were tested positive for COVID-19 and one Secretariat staff member remains hospitalised in a serious condition. Priority actions have been taken to maintain staff safety and provide support to those affected as a response.
5. From a programming perspective, the impact of the pandemic has been more limited during the first 6 months with pipeline development and efforts towards implementation continuing as planned. It is anticipated that impact will increase throughout the year due to challenges placed on AEs, delivery partners and countries.
6. Critical points of influence of Secretariat operations affected by the pandemic include the following: (i) concluding the GCF Strategic Plan for 2020–2023 and delivering the GCF policy agenda; (ii) external-facing engagements with countries, AEs, the United Nations Framework Convention on Climate Change (UNFCCC), partners and contributors; (iii) the readiness and funded activity portfolio, with anticipated delays in approvals, the conclusion of accreditation master agreements (AMAs) and project agreements trickling down to slower disbursements; and (iv) internal GCF systems, prompting a reorientation towards a new way of doing business including through increased digitalization and re-organization of office layout.
7. The Secretariat has also developed a programmatic response to managing the impacts of the COVID-19 pandemic. This includes a set of adaptive management measures to allow flexibility and required adjustments in portfolio implementation as well as a set of programming directions oriented at promoting green resilient recovery measures. These are further outlined under Goals 1, 2, 4 and 5.

8. Under these circumstances, reporting against the six goals includes a description of how the Secretariat's response to COVID-19 has been mainstreamed across all work priorities as well as a reflection on where impact has been felt or is anticipated. In response, a set of COVID-19-related priority measures has been added to Secretariat work planning, covering all the activities undertaken to formulate a prompt response, adapt to changing global circumstances and ensure and maintain the safety of GCF staff.

9. The KPI tracking sheet provided in annex I highlights progress against the yearly goals as of 30 June 2020. Each KPI also includes an assessment of the anticipated impact of the COVID-19 pandemic on their delivery (assessed as low, moderate or severe anticipated impact).

## 1.1 Tracking key fund indicators

10. Tables 1–3 summarize key 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 Programme and the Project Preparation Facility (PPF) (table 3).

**Table 1: Summary of funding proposals indicators for reporting period (1 January – 30 June 2020)**

Funding Proposals		Approved at B.25		Target for Dec. 2020 <sup>1</sup>	
Total number of funding proposals approved	Public:	4 proposals	Total: 6 proposals	Public:	Total: 40 – 49 proposals
	Private:	2 proposals		Private:	
Amount of funding approved (cumulative USD total)	Public:	135 million	Total: 170 million	Public:	Total: 1.18 – 1.48 billion
	Private:	35 million		Private:	
Simplified Approval Process	No. FP	1		6	
	Total USD	9.9 million		45 – 60	
Mobilizing Funds at Scale	No. FP	2		3	
	Total USD	35 million		130 million	
MSME approved	No. FP	–		–	
	Total USD	–		–	
REDD+ approved	No. FP	–		2	
	Total USD	–		150 million	
EDA approved	No. FP	0		0	
	Total USD	0		0	

*Abbreviations:* B.25 = twenty-fifth meeting of the Board, EDA = enhancing direct access, FP = funding proposal, MSME = small and medium-sized enterprise programme.

<sup>1</sup> Targets are additional for 2020, not cumulative.

**Table 2: Summary of core portfolio indicators for reporting period (1 January – 30 June 2020)**

Core indicators	As of 30 June 2020	Target for Dec. 2020 <sup>2</sup>
AMAs signed	76	87
FAAs signed	111	107
Projects under implementation <sup>3</sup> and value <sup>4</sup> (USD)	102 (4,352 million)	101-102 (4,575– 4,655 million)
Projects receiving disbursements and total disbursed <sup>5</sup> (USD)	80 (1,174 million)	84 – 99 (1,499– 1,805 million)

*Abbreviations:* AMA = accreditation master agreement, FAA = funded activity agreement.

**Table 3: Summary of Readiness and PPF indicators for reporting period (1 January – 30 June 2020)**

Core indicators		As of 30 June 2020		Target for Dec 2020 <sup>6</sup>	
READINESS	Proposals approved & approved amount (million USD)	NAP/Adaptation Planning: 12 (26.11)	Total: 18 (29.82)	NAP/ Adaptation Planning: 18 (40)	Total: 68 (85)
		Non-NAP: 6 (3.71)		Non-NAP: 50 (45)	
	Total first disbursement amount <sup>7</sup> (million USD)	NAP/ Adaptation Planning: 5.98	Total: 21.64	NAP/ Adaptation Planning: 7.6	Total: 18.6
		Non-NAP: 15.66		Non-NAP: 11	
PPF	No. requests approved & approved amount (million USD)	4 2 million)		10 (7 million)	
	Amount disbursed (million USD)	0.8 million		4 million	

*Abbreviations:* NAP = national adaptation plan; non-NAP: standard Readiness requests; PPF = Project Preparation Facility, DAE = Direct Access Entity, IAE = International Access Entity

<sup>2</sup> Targets indicate total cumulative amounts as expressed in the 2020 Work Programme

<sup>3</sup> This refers to projects that have reached FAA effectiveness

<sup>4</sup> The value refers to the GCF funded amount.

<sup>5</sup> The amounts include accredited entity fees.

<sup>6</sup> 2020 Work Programme targets indicate additional approvals and amounts as carried during 2020

<sup>7</sup> 2020 Work Programme targets refer exclusively to first disbursements carried during 2020

## 1.2 Summary of progress toward goals

### 1.2.1. **Strengthening country-driven planning to originate and deliver high-quality, innovative, scalable investments**

11. In the first half of 2020 the Secretariat has continued to operationalize the second phase of the Readiness and Preparatory Support Programme based on the strategy adopted at B.22. This saw increased promotion of utilization of Readiness for transformational climate programming, including by supporting country engagement with the private sector. Efforts included the publication of an updated Readiness Guidebook, tools and online training for NDAs, as well as progress in further testing and launching the systems for proposal submission, allowing for an automated management of the Readiness cycle. The Secretariat has also updated country programming guidelines to improve use of these tools in informing GCF programming priorities for each replenishment cycle, as well as codifying and clarifying internal operational processes and roles to provide better Secretariat support to developing countries through the origination stage. The provision of technical support for country programming continued in a target group of countries and while the pandemic has signalled some capacity constraints, a number of countries have also indicated the intent to speed up their programming efforts and thus access to GCF funding.

12. While the full effects of COVID-19 are difficult to assess at the moment, the Secretariat has seen a historically low volume of standard Readiness submissions and approvals at the start of the year. This has been somewhat counterbalanced by an increasing rate of approvals for NAP/adaptation planning support, where increased quality of submissions has been supported by Secretariat outreach. Delays in readiness proposal implementation are also expected, with a series of no-cost extensions and flexibility measures authorized to cover unforeseen project changes and delays, in line with GCF policies.

13. Under its programmatic response to COVID-19, the Secretariat is exploring means through which Readiness can be more rapidly deployed to support identification and development of green stimulus measures to help incorporate climate considerations into COVID-19 recovery plans, including through the identification of required financial resources and integration into nationally determined contributions (NDC) revisions and implementation.

14. Targeted technical assistance continued being provided to DAEs, including through dedicated and more readily accessible project preparation resources. Engagement with the Adaptation Fund has also focused on identifying joint measures for supporting DAEs on the implementation of the Action Plan of the Direct Access Community of Practice Work. Progress is also visible in advancing complementarity and coherence in programming with countries and AEs, with an increasing number of FPs arising out of engagements between countries, GCF and other climate finance delivery channels. The coordinated engagement pilot with the GEF is also delivering increased programming results in countries and, with the prospects of continuing to collaborate and building on GEF's experience for the future development of GCF programmes on Great Green Wall and e-Mobility. Furthermore, a pilot knowledge product has been finalized and published in collaboration with the CIFs.

### 1.2.2. **Galvanizing GCF programmatic engagement with accredited entities**

15. The year kick-started with 6 FPs approved at B.25, a modest portfolio increase at the time primarily due to limited commitment authority. In parallel, a strong focus on pipeline development led to 23 FPs being screened and sent by the Secretariat to iTAP for the B.26 cycle. As mechanisms are being put in place for Board consideration of Funding Proposals it is anticipated that the portfolio could grow to meet the 2020 targets. Responses to FPs were provided within the timelines set under the 2020 Work Programme, with CN response slightly delayed due to the COVID-19 crisis and the implementation of remote work arrangements. Private sector engagement also continued with a focus on strengthening partnerships with

leading private sector networks. Progress against RfPs remains uneven, with no further progress under the MSME RfP, minor progress under the EDA RfP and noticeable growth for MSF, REDD+ and SAP.

16. The Secretariat continued to process and refine technical sectoral guidance drafts into final drafts for wider consultations with the Board, AEs, NDAs and civil society observers. Consultations are scheduled to commence once drafts are ready for a number of guides. Work advanced on setting the foundation for a Climate Investment Platform which links key actors and networks around providing integrated and streamlined upstream and downstream support to countries to identify and develop transformational proposals that can realize and raise the ambitions of NDCs.

17. Programming efforts have been supported by activities dedicated to streamlined engagement with existing and prospective AEs. Several measures were taken to further simplify the accreditation process including through the development of additional guidance and tools. A further 7 AMAs have been signed and 12 entered into effectiveness in spite of the virtual mode of work, but some delays may be seen throughout the rest of the year with a number of outstanding AMAs also remaining under negotiations due to AE-specific conditions. Likewise, for re-accreditation some extensions will likely be required due to limited capacity on AEs side to submit the required documentation.

18. Dedicated programming engagement with AEs saw productive missions to EBRD, KfW, AFD, GIZ and UNDP at the beginning of the year. However, engagement slowed down due to COVID-19 and continued only through virtual means as the pandemic continued to unfold. This is anticipated to persist throughout the year. Visible progress has nonetheless been reached in advancing multi-annual EWPs with four EWPs having undergone the CIC-1 consideration, with a further 17 EWPs under various stages of either Secretariat review or revision by the AE, totalling 21 draft EWPs having been submitted.

19. In parallel to business-as-usual programming activities, the Secretariat has developed a programmatic approach to support developing countries adopt green recovery responses to the COVID-19 crisis. This includes taking a portfolio-broad perspective by identifying and encouraging projects for the upcoming Board Meetings that are of high priority in countries, have strong co-development benefits and incorporate green stimulus measures. The Secretariat is also looking into dedicated initiatives such as an emergency fund to support SMEs working on off-grid solar as well as options for a sovereign-backed green resilient stimulus guarantee facility aimed to support access to capital markets.

### 1.2.3. Filling key gaps in GCF policy and governance frameworks

20. The Secretariat supported logistics and preparation of substantive inputs for the Informal Board Meeting of the Board in Monrovia on the draft updated Strategic Plan and supported the rapid change of location of B.25 to Geneva. This was in addition to the regular preparation of FPs, accreditation applications, Board documents and reporting. Following clearance by the Co-Chairs, there were delays in meeting the publication deadline, with only 19 per cent of documents published 21 days before the first day of the meeting (KPI 3.2.1). On-going support was also provided in the process leading to the establishment of a virtual B.26 to take place between 18-21 August.

21. Discussions on the Strategic Plan advanced during B.25 but were stalled due to substantial time being allocated to the need to formulate a GCF response to the COVID-19 pandemic. In addition, a number of policy items were not opened, leading to a noticeable impact on the delivery of the 2020-2023 Board Work Plan and Board consideration of outstanding policy matters (KPI 3.2). In the lack of alternative means of policy decision-making in the absence of face-to-face meetings this impact is expected to be felt throughout the year with substantial delays in delivery of the strategic and policy agenda. The Secretariat is continuing to prepare draft policy papers in line with the Board Work Plan, including the remaining

Investment Framework policies, to aid the forward Board consultation and consideration process.

22. Engagement with the UNFCCC continued virtually in spite of COVID-19 circumstances. The Secretariat continued to provide input to the ongoing work by the Standing Committee on Finance (SCF) for the preparation of the 2020 Biennial Assessment and Overview of Climate Finance Flows and the report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement. Participation in meetings of the constituted bodies continued through virtual means and engagement with the 20<sup>th</sup> meeting of the Technology Executive Committee (TEC) of the UNFCCC provided an opportunity to update on GCF's efforts towards developing a Climate Innovation Facility to support climate technologies accelerators among other incipient initiatives.

23. Progress has been made in undertaking mandated reviews and implementation of policies, namely with respect to: i) finalizing the review of the financial risk management policy, ii) procuring technical support for revision of the SEAH policy, development of SOPs for the AML/CFT standards and development of the ESS standards, and iii) advancing the set-up of an Indigenous People's Advisory Group and the operational guidelines for the gender policy. Internally, extensive SEAH trainings were delivered to all staff throughout the 1<sup>st</sup> quarter in collaboration with the IIU.

#### **1.2.4. Reducing engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery**

24. Over the first part of 2020, the Secretariat has advanced one of its top priorities to advance the horizontal alignment and automation of internal operations and processes through increased codification, standardization and streamlining. This covers all Secretariat project-related operations as well as procurement, financial, admin and HR practices and standards and will be elaborated through a series of manuals and guides. The first quarter of 2020 has seen substantial progress on the updating of the Operations Manual (internal-facing) and development of the Programming Manual (external-facing) which guides AEs and NDAs through the GCF review and implementation processes. First drafts were finalized in April and consulted extensively internally throughout May and will be published following completion. The procurement guidelines have also been reviewed and work advanced to procure and implement a Financial Management system. Key internal committees have been further formalized in terms of role and membership work also advanced in setting up required SOPs for key processes.

25. In spite of the COVID-19 pandemic, progress continued substantially in terms of finalizing project documentations with the number of FAA signed already exceeding the 2020 targets, 82% of the portfolio reaching implementation and a total of USD 1.2 billion being disbursed. Up to 87% of GCF's portfolio is anticipated to enter implementation by end of Q3. Some future impacts on operations are nonetheless expected, with an anticipated reduction in the overall disbursement targets for the year (in the range of USD 1.3–1.6 billion from USD 1.5–1.8 billion as set out in the Work Programme), given challenges faced by AEs in concluding project agreements on the ground. Additional flexibility measures with regards to implementation and 6-month extensions for FAA negotiations have been provided to projects affected, with a view to ease implementation and minimize delays.

26. Accessibility also continued to be facilitated through the application of the Information Disclosure Policy and the standard publication of all non-confidential FP documentation. The Policy is currently under review. The Secretariat also facilitated the registration of observers for 2020 and enabled the participation of active observers at the Informal Meeting in Liberia and B.25.

27. The Secretariat continues to improve the efficiency and speed of delivery through increased codification, standardization, streamlining and automation of our internal business processes. Pursuant to the GCF Anti-Money Laundering and Countering the Financing of

Terrorism (AML/CFT) Policy (GCF/B.18/20), and in accordance with the Standards for the implementation of the AML/CFT Policy (GCF/B.23/22), the Secretariat with the IIU is developing a standard operating procedure (SOP), including a provision addressing the review of projects against UN financial sanctions (clause 14 of the GCF AML/CFT Policy), which will be submitted to the Ethics and Audit Committee (EAC) for approval. Pending approval of the SOP by the EAC, and in order to ensure compliance with the Board-approved AML/CFT Policy and UN sanction measures, an interim due diligence protocol guides the Secretariat through the project cycle. The interim due diligence protocol focuses on a step-by-step internal process to ensure that no project for individuals, companies, and countries potentially affected by UN Sanctions can be approved without the required due diligence and knowledge of the Head of the IIU and the Executive Director of the Secretariat.

#### **1.2.5. Adopt adaptive management of portfolio implementation and strengthening GCF results management**

28. The Secretariat continued ongoing work to integrate best-practice principles for results management into the FP and CN review cycle and through relevant guidance. FP reviews have focused on ensuring consistency across projects' theories of change, selected indicators, M&E requirements and means of verification, as well as regular validation of GHG estimates. Guidance has also been included in the Programming and Operations Manual to facilitate a more consistent alignment and understanding of managing for results across AEs and GCF.

29. In parallel, the Secretariat further developed the proposed integrated Results Management Framework (IRMF) following discussions at the informal sessions of B.25 and in light of comments received from Board Members and this was released to the Board for consultation. The IRMF is being designed to strengthen GCF's overall framework for results management for GCF-1, by consolidating multiple disparate frameworks and improving alignment with the Investment Framework.

30. Building on its existing adaptive portfolio management practices, the Secretariat has advanced the development of the proposed Portfolio Performance Management System (PPMS) which will act as the main platform for portfolio management and performance checks. The PPMS will cover four key functions: i) tracking the submission of implementation reports and disbursements, ii) results management, iii) tracking 9 implementation risk areas. iv) knowledge management functions. These 9 risk areas will also allow tracking of COVID-19 impacts. Selected indicators have been developed to provide support for the identification of specific risks, early-warning signals and performance measurements to allow for early responses and corrections. In parallel, day to day portfolio management has seen the Secretariat responding to a number of requests from AEs seeking adjustments to implementation with additional requests due to COVID-19. Responses were provided in line with GCF policies seeking to minimize to the extent possible any future disruptions.

31. A total of 73 AE institutional-level reports and 71 APRs are under review and a fuller description of portfolio performance will be presented for B.27. Delivery of results is still incipient, and delays have been noticed due to adjustments in project management conditions and procurement delays, challenges with project sites requiring changes and a number of financial challenges.

#### **1.2.6. Consolidating institutional capacities and taking initial steps to position the GCF to be a global knowledge hub and policy influencer in climate finance**

32. In light of COP guidance and the actions to be undertaken by the Board in accordance to decision B.25/07, the Secretariat advanced work on achieving broader P&I coverage as a key step towards speeding up operations and project implementation. While individual country discussions have seen minimum progress, the Co-Chairs, with the support of the Secretariat, are providing the necessary information and support required in the engagement of the President

of the Conference of the Parties with the Secretary-General of the United Nations on a possible institutional linkage between the GCF and the United Nations to see that the GCF, and its officials, is granted necessary privileges and immunities. Work is on-going to produce a detailed note on the scope of the relationship that will support this engagement.

33. A series of comprehensive internal measures have been taken with regards to staff engagement, management, work culture and business continuity both prior and during the COVID-19 pandemic. This was with a view to drive a vertical integration across the organization, linking draft Strategic Plan objectives and 2020 Work Programme goals to divisional KPIs and staff performance and development systems (PMDs). Efforts followed the conclusion of internal job classification and standardization efforts kick-started in 2019. A couple of key hires for the Head of Support Services and Head of Human Resources were finalized, in addition to a new batch of interns. A number of remaining positions required re-advertising or saw an extension in the recruitment process due to low number of application and SMT members being required to dedicate additional time for maintaining operations in light of the pandemic. A dedicated People Plan has also been developed and consulted on internally with the view to outline an approach to people management that will increasingly attract, retain, nurture, grow and deploy the diverse and talented staff force required to implement the GCF-1 strategy. In parallel, an on-boarding programme is currently being developed for all staff.

34. With the introduction of Special Flexible Work Arrangements in light of COVID-19 the Secretariat increased and expanded digital and virtual access to information systems and support services, supporting Secretariat staff effectiveness in all locations 24/7. This culminated into a fuller digitalization strategy that will digitalize core business operations and means of external engagement in addition to supporting a data-driven GCF. In parallel, ICT work also advanced in piloting real-time web portals for AEs and NDAs to simplify their engagement with GCF.

35. The Senior Management Team also adopted a 9-point SMT charter to promote a supportive workplace and a culture of innovation and the Culture Circles initiative has been reinitiated to fosters facilitated exchanges between small groups of staff on issues relating to engagement, and well-being.

36. Activities related to external relations, communication and contributor engagement have been impacted by the pandemic, with communications products oriented towards explaining GCF's response to the pandemic. Global travel restrictions meant in-person participation at events was replaced with virtual attendance and also limited contributor engagement. As at 30 June, 38% of GCF-1 pledges or USD 3.8 billion have been confirmed by signed contribution agreements/arrangements and it is expected that by the end of the year 80% of contributions may be signed, down from 90% as under the 2020 Work Programme.

37. Progress has also continued in further operationalizing the knowledge management system and integrating it across all GCF operations, in addition to advancing a series of audits, with some adjustments made to the 2020 Work Programme due to shifting priorities under the COVID-19 pandemic.

38. The Secretariat has had to add a set of work priorities to its existing work programme in response to the COVID-19 pandemic, primarily oriented at ensuring personnel safety and business continuity under changing circumstances. This has kick-started with the introduction of Special Flexible Work Arrangements for staff immediately at the outset of the pandemic in Korea. As the situation in Korea has become safer, the GCF office has now fully re-opened and the vast majority of personnel have resumed working in G-Tower. A small number of personnel (under 40) continue to work remotely from other countries until they are able to return safely to the Republic of Korea.

39. Activities to ensure safety of personnel evolved to include measures to ensure a new safe working environment, including physical distancing measures within the office. In parallel

the transformation of GCF into a fully digital organisation has been advanced through the implementation of the Digital Agenda. This focuses on supporting a digitalized workplace and operations. Its implementation accelerates an existing programme of work to ensure GCF is able to operate effectively within a digital environment. This also includes measures to develop and update business continuity and emergency management plans as well as explore support required for digital meetings.

40. On-going COVID-19-related activities included extensive engagements with South Korean authorities to ensure GCF is providing a safe working environment, providing support to staff to return to Korea, developing a communications plan and maintaining continuous engagement with staff, in addition to undertaking any required budget revisions. Furthermore, a series of adaptive management measures are being taken to

## **II. Activities of the Secretariat during the reporting period**

### **2.1 Strengthening country-driven planning to originate and deliver high-quality, innovative, scalable investments**

#### **2.1.1. Accelerating operationalization of updated Readiness Strategy Readiness 2.0**

41. The Secretariat published the updated Readiness Guidebook in March 2020, which contained updated information on the revised Readiness strategy and detailed guidance on filling out the updated Readiness proposal template. The Guidebook details the entire process and the prerequisites to enable a country to apply for multiple year Readiness implementation requests, as approved by the Board in February 2019.

42. In line with the published Guidebook, the Secretariat conducted two online webinars in April 2020 which were attended by over 350 participants. Most of the participants were representatives from the NDAs, Delivery partners and other interested entities. Each session consisted of an hour-long presentation of changes pertaining to the revised Readiness strategy, and an hour-long Q&A session, during which the Secretariat answered more than 70 questions posed by participants. The two webinars which included a recorded presentation and a live Q&A session have been made available on the GCF website.

43. The Secretariat continues to support countries to develop and implement grants under the Readiness Programme designed to engage and crowd in private sector investment. There are a number of examples of approved grants that also go beyond basic private sector engagement. An increasing share of the portfolio is dedicated to undertaking reviews and improvement of regulatory frameworks, including for the increasing uptake of appropriate technology options in commercial and consumer markets. Another area of work that features private sector actors is the development of green financial services and green finance institutions, which includes green banks. Finally, countries continue to access readiness support to identify, strengthen and accredit direct access entities from the domestic private sector.

44. The Secretariat also finalized various changes to the online Readiness Proposal management platform called Fluxx, in order to both accommodate changes made to the Readiness programme vis-à-vis the revised Readiness strategy and to launch the system for online submission by the NDAs. Fluxx was officially launched for online submission in early May 2020, for NDAs to submit and resubmit proposals. NDAs have been requested to refrain from submitting proposals through email and to use the Fluxx system which provides for greater transparency and efficiency for the entire readiness grant cycle from submission to completion.

45. Since the last reporting period (31 December 2019), six additional non-adaptation planning related proposals worth USD 3.71 million have been approved. It is typical that the first quarter of each calendar year features a small number of approved proposals. In 2019, for example, over 60 percent of all approved grants were approved in the fourth quarter. It is too

early to tell how significantly COVID-19 will impact the development, submission and approval of readiness grants in light of these historical trends. The programme currently has a total of 385 grants and/or technical assistance worth USD 258.09 million. Of the 385 grants and/or technical assistance, 48 have completed and 9 have been cancelled. A total of USD 111.05 million has been disbursed to 338 grants and/or technical assistance, comprising of USD 5.33 million for 57 cancelled and completed grants, and USD 105.72 million for 281 grants under implementation. Ninety-one of the 255 grants have received subsequent disbursements.

46. As mandated by decision B.22/11, the Secretariat is preparing a paper on the progress made against the revised program strategy approved at the 22nd meeting of the Board. This paper includes a work programme that is fully aligned with the draft updated strategic plan, the successful GCF-1 replenishment outcomes and board decision B.24/02, and an annual report summarizing the progress made from both a portfolio and an operational perspective since B.22. Associated budget for 2020 and 2021 has been prepared in the work programme based on readiness request pipeline, the programmatic and operational progress made since B.22, and an additional resource allocation request of USD 162.39 million is made to the Board to ensure Readiness resources are available as needed for developing countries. The paper also proposed options for the Readiness Programme to provide support to countries for their green resilient recovery efforts. Despite the uncertainty of request submissions by countries due to the full impact of COVID-19, there are still chances by 31 August that countries will seek the full USD 1 million per annum allocation in 2020.

#### **2.1.2. Deploying Readiness to strengthen country-driven planning and programming**

47. The Secretariat has continued to manage the activities of the three consortiums contracted as a result of RFP 2018/C/010, in 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 GCF in a manner that promotes country ownership effectively. Under the guidance of the NDAs, the three consortiums are supporting the NDA and relevant national stakeholders in the development of activities which include data assessments, climate and economic risk profiling, development and analysis of emissions scenarios, climate vulnerability assessments, policy assessments, finance mapping and prioritization of projects and issues for GCF engagement.

48. The Secretariat has also further advanced development of its country programming guidelines. The guidelines are intended to help countries as they prepare their country programmes for GCF and to support their prioritization of effective climate-related investments with greatest paradigm shift potential.

49. The Secretariat has continued to work with countries developing their country programmes to identify their priority pipelines for the GCF-1 period. In spite of COVID-19 challenges, some countries have also expressed their intent to accelerate programming and access to GCF funding. Country dialogues in 2020 should result in 30–40 countries identifying high-impact projects and programmes to be brought to GCF through both international and direct access entities.

#### **2.1.3. Improving efficiency of national adaptation plans (NAPs)**

50. The Secretariat advanced work on reducing processing times for adaptation planning proposals through various initiatives, including improved and increased dialogue with NDAs and their delivery partners, and reduced turnaround times for review and for internal clearances for approval. The average turnaround time for sharing comments with an NDA and delivery partner for a first submission of an adaptation planning proposal 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 past two years.

51. The Secretariat will be giving greater focus to countries that have not yet submitted an adaptation planning proposal for 2020-21, while ensuring there are no overlaps with other streams of funding for work related to adaptation planning. As at 30 June 2020, 54 developing countries had not yet accessed this support window: 12 from Africa (5 least developed countries (LDCs), 1 small island developing States (SIDS), 28 from Asia-Pacific (6 LDCs, 9 SIDS), 1 from Eastern Europe and Central Asia, and 13 from Latin America and the Caribbean (9 SIDS).

52. Since the last reporting period (31 December 2019), twelve additional proposals worth USD 26.03 million have been approved. This represents a cumulative total of 55 approved proposals (USD 131.6 million) since 2016, with at least 16 second disbursements and 3 third disbursements made for a cumulative value of USD 36.8 million. At least 5 additional proposals have been cleared for the final phase of approval. A total of 84 proposals has been received to date from 82 countries for an approval rate of 65 per cent. Nine additional proposals are under development for full submission for the Secretariat's review and approval.

53. A significant number of proposals spend over 6 months with the NDA and delivery partner prior to being resubmitted, probably because of 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 schedules conference calls, where appropriate, to discuss comments generated to ensure clarity and understanding, particularly after a first submission and especially with a national or regional delivery partner. The Secretariat continued to update its guidance on adaptation planning (including publishing the revised Readiness and Preparatory Support Guidebook), engaging continuously with NDAs and their delivery partners, as well as the wider adaptation planning resource partners (e.g. the UNFCCC Least Developed Countries Expert Group). This has resulted in better understanding, particularly among delivery partners, of what is considered "quality at entry" by GCF. Newer proposals have integrated more of this guidance and, along with greater NDA involvement, have resulted in fewer comments on entry and subsequently fewer rounds of review prior to clearance by the Readiness Working Group. The Secretariat has also improved transparency in the review and process flow, including through the introduction of technology to track the review process.

54. The Secretariat has also actively facilitated disbursements for adaptation planning proposals, which resulted in the first disbursement for nine additional proposals during the reporting period. The Secretariat continues to actively communicate with NDAs and delivery partners on the need to promptly submit disbursement requests to ensure prompt disbursements on approved proposals.

55. 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. To date 11 countries have benefited from this support, with at least two, receiving approval. The Secretariat continues to experience a challenge in having countries submit proposal in a timely manner once support has been provided. Additionally, resubmissions are often lengthy, in excess of the targeted 3-month window, despite the various offers of support. Four independent consultants have been retained to assist with this process and are available to support remotely to actively respond in the face of the COVID-19 pandemic.

56. Work also advanced towards creating the space to lead a transformational, integrated and paradigm-shifting planning landscape for adaptation in leveraging the development of concept notes towards funding proposals through adaptation planning proposals. Approved proposals are supporting the development of up to 118 concept notes targeting a range of climate finance sources, including the Secretariat. This is supported by the development of up to 104 new and/or revised sectoral adaptation plans with up to 42 financing strategies for specific adaptation priorities.

#### 2.1.4. **Supporting an increase in country driven, GCF-aligned direct access entity projects**

57. The Secretariat has expanded the provision of technical assistance through the Readiness Programme for concept note and funding proposal development that is targeted at DAEs over the reporting period. With this support an additional six DAEs were supported in designing concept notes with innovative approaches and/or fine-tuned funding proposals to better align with the GCF investment criteria. Using PPF resources, the Secretariat has concluded the procurement process for providing technical assistance, particularly to DAEs to develop projects and programmes for GCF. Such technical assistance will enable DAEs to access project development services more efficiently, particularly when they are constrained in their ability to attract competent firms in the market. Such services are responding to the specific needs identified by several DAEs and will help them to accelerate the development of high-quality projects and programmes for GCF.

58. The expansion of such technical assistance from the Readiness Programme and PPF contributes to the GCF goal of supporting the development of at least 25 project/programme ideas/concepts from DAEs with the aim of increasing their share of projects and programmes in the GCF portfolio.

59. Additional activities directed at entity work programming with DAEs are further detailed in section II.2.12 below.

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

60. The Secretariat continued to engage with countries at the beginning of the year prior to travel restrictions emerging in light of the COVID-19 pandemic, with a series of in-country missions described below:

- (a) The Asia Regional Desk undertook a high-level programming Mission with the Deputy Executive Director in late January 2020. During the Mission, the Deputy Executive Director was able to share GCF's strategic direction for 2020-2023 as well as hear high level priorities from the Prime Minister, Minister of Finance, and Minister of Environment in Bangladesh. The regional desk held a technical programming mission to: i) help prioritize Bangladesh's project and entity pipelines, ii) advance readiness proposals, and iii) advance concepts and projects with Bangladesh's Direct Access Entities. Likewise, technical programming exercise was also conducted to help Nepal prioritize pipeline of projects, advance concept notes and projects with Nepal's Direct Access Entities. Asia Regional Desk has been actively reaching out to NDA's and Direct Access entities through structured surveys and calls.
- (b) On the same dates, the Latin America and the Caribbean Regional Desk participated in a regional workshop titled "Second exchange of experiences for the establishment of a regional financial mechanism", co-organized by the Deutsche Gesellschaft für Internationale Zusammenarbeit and the Central American Commission on Environment and Development. Thirty-one participants from Environmental Funds and NDA representatives of Central America attended the three-day workshop. The event focused on climate change perspectives, REDD-plus, GCF operational modalities and regional priorities from Central American Commission for Environment and Development (CCAD) and GCF.
- (c) From 17 to 21 February 2020, a mission to Ecuador was organized by the NDA and the DAE (CAF) with support from the Secretariat, with a view to: (i) engaging with the NDA and AEs to understand the country's needs and advise on readiness, accreditation support and funded activities, and advising stakeholder consultations for the development of the country programme; and (ii) visiting existing and potential project

- sites in the Galapagos Islands and providing guidance on strengthening the concept note development.
- (d) GCF participated in a regional workshop titled “Moving forward with a regional approach towards electric mobility in Latin America” with participants from 10 countries (Argentina, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Uruguay) aimed at kickstarting the joint implementation of the GCF largest regional readiness programme and reviewing the objectives, implementation arrangements and workplan. Following the launch of the workshop in Panama, several additional Latin American countries expressed interest in joining the regional initiative. The amended proposal with provisions for the participation of Colombia, the Dominican Republic, Ecuador and Mexico has been approved. During the event, GCF also sought updates from the different countries on their 2020 priorities with GCF, and advanced the origination of the following four sub regional readiness proposals: (i) NDCs enhancement support for Central American countries (five countries); (ii) five Mesoamerican forests strategic frameworks to leverage regional alignment and resources (eight countries); (iii) Latin American resilient cities (six countries); and (iv) enhancing climate finance within the banking sector in the Latin America and the Caribbean region (eight countries).
- (e) The Secretariat undertook a mission to Serbia to support the development of its country programme. It provided tailored support for the further screening and prioritization of project ideas, discussed remaining readiness gaps, and provided insights on opportunities for enhancing climate finance programming in the country. Aside from Serbian national stakeholders, the Secretariat had an opportunity to meet national experts from Albania and Montenegro who were involved in the finalization of country programmes in their countries. Having a joint discussion allowed national technical experts to share knowledge and success stories on project prioritization and pipeline development, which should further enhance the development of country programmes in their respective countries.
- (f) The Secretariat also participated in the ninth meeting of the EU–Central Asia Working Group on Environment and Climate Change, which took place in Brussels, Belgium, from 11 to 12 February 2020. The meeting sought to support the Central Asian region in finding opportunities to develop climate change activities that could be scaled up and financed by the GCF vis-à-vis existing European Union engagement in Central Asia. The Secretariat had a number of meetings with regional stakeholders, including the newly appointed Kyrgyzstan and Kazakhstan NDAs. The meetings focused on discussions for drafting country programmes, pipeline development and opportunities for additional readiness and technical support to enhance the country pipeline development process.
- (g) Two virtual sessions on the updated Readiness and Preparatory Support Programme took place on 16 and 17 April 2020 where stakeholders including NDAs and Readiness delivery partners were introduced to the revised strategic directions and operational and administrative improvements and were oriented to the revised guidebook and templates.
- (h) In lieu of an in-person Structured Programming Dialogue for Latin America, a series of weekly webinars were held from 5 to 26 June 2020 with the aim of improving engagement and communication with stakeholders in the region in the context of COVID-19 and providing countries and DAEs a platform to share their experiences working with the GCF. Topics covered include: update on regional Readiness programmes; country and entity work programmes; and nomination of entities and accreditation process. The webinars will continue in July to cover discussions on SAP and EDA; REDD+; and private sector engagement.

#### 2.1.6. Positioning Readiness to support developing countries in their response to the COVID-19 pandemic

61. In its programmatic response to the COVID-19 pandemic the Secretariat has identified the added value that the Readiness Programme can provide to developing countries in their long-term planning and response to the COVID-19 pandemic. Dedicated attention has been given to how countries can be supported in developing priority green resilient stimulus measures and exploring new types of financing structure to capitalize them. GCF is considering how it can help governments to engage with creditors, design debt swaps for climate action and identify appropriate climate investments.

62. The Readiness Programme can offer, within the scope of its approved objectives and modalities, an avenue for developing countries to rapidly access resources for green resilient recovery planning, measures and initiatives. This would be facilitated by the Secretariat through three possible options without duplication, i.e. rapid standardized readiness support, adaptive management of the existing readiness grants, and tailored technical support to NDAs and readiness delivery partners. This support could be utilized toward the following outputs, which will contribute to the related approved objectives of the Readiness Programme:

- (i) Impact of the COVID-19 on and opportunities for country's climate change strategies & plans are elaborated and validated by NDA, contributing to Objective 2;
- (ii) National strategy and measures for green resilient recovery are developed and adopted by countries, and integrated, when possible, into NDCs, stimulus packages and Country Programmes, contributing to Objective 2; and
- (iii) Concept notes that contribute to both green resilient recovery and climate mitigation & adaptation actions, up to three priority projects/programmes for each country requested this support, are developed, contributing to Objective 4.

63. Similarly, as part of the GCF support to NDC enhancement efforts, notably for COP26, the Readiness Programme can also help countries integrate NDCs into stimulus packages to secure financing for critical NDC priorities.

#### 2.1.7. Monitoring and sharing of readiness outcomes

64. Efforts continued on closely monitoring the implementation of approved Readiness and Project Preparation Facility grants by providing adequate and timely support to Delivery Partners and National Designated Authorities alike, backed by its grant management support agent "UNOPS".

65. During the reporting period, the Secretariat was able to review 84 Interim Progress Reports (IPR), and 14 Completion Report (CR), of which 8 IPRs and 3 CRs were reviewed by UNOPS in the first quarter of the year. Simultaneously, the total amount disbursed for grants under implementation has amounted to USD 12M corresponding to 38 grants.

66. As many grants encounter several challenges and delays during implementation due to varying circumstances, the Secretariat continued to receive requests for no-cost extension and other adaptive management related requests, including budget re-allocation requests, which all require timely responses to avoid causing implementation disruptions. Between 1<sup>st</sup> January and 30<sup>th</sup> June 2020, 15 budget re-allocation requests and 22 no-cost extensions were reviewed. The continuing spread of COVID-19 around the world, in addition to other related challenges, is expected to result in further implementation delays. Therefore, the Secretariat is implementing a raft of measures to streamline processes, increase speed of response and support to DPs and NDAs in their efforts to adapt the implementation of grants to the current challenging realities. Under its programmatic response to the Coronavirus pandemic the Secretariat has provided added flexibilities in budget reallocations across approved Readiness components, granting no-

cost extensions, with the measures expected to facilitate more proactive and efficient responses to the NDAs and DPs.

67. In parallel, constant improvements are being pursued to strengthen the infrastructure of the Readiness monitoring systems. The Office of Portfolio Management (OPM) is working collaboratively with the ICT Unit to further improve the Fluxx system to expand its existing features to also include portfolio management. The solutions envisaged will feature integrating online portals where DPs/NDAs can submit their requests and queries directly, trackers to facilitate the internal review of different requests, and robust modules to capture and track outcomes and outputs related information.

68. Work is also underway to develop a Readiness Results Management Framework attached to the updated Readiness Strategy and budget to better define the key outcomes and results anticipated under the revised workplan for 2020-2021.

#### **2.1.8. Enhancing complementarity and coherence with other climate finance delivery channels**

69. In pursuit of KPI 1.2 on enhancing complementarity and coherence with other climate finance delivery channels, work progressed with countries on coordinated programming across climate funds. As of 30 June 2020, 9 countries had incorporated such complementarity and coherence into their programming and it was reflected in 12 funded proposals or concept notes.

70. The coordinated engagement pilot initiative of GCF and the Global Environment Facility (GEF) is being increasingly considered and reflected in programming, including in emerging funding proposals. Currently, GCF and GEF are exploring options for identifying transformational approaches among climate funds, including with co-benefits for the Rio Conventions, such as building on the work of GEF in financing the United Nations Convention to Combat Desertification Great Green Wall initiative.

71. Further to the establishment of the Community of Practice for Direct Access Entities (CPDAE) Committee and the adoption of its charter of governance and development of an action plan, the Secretariat has been working with the Adaptation Fund secretariat and the CPDAE Committee to agree on joint measures to support the implementation of the CPDAE action plan, including access to the Readiness Programme.

72. A report jointly commissioned by GCF and the Climate Investment Funds, *Synergies Between Climate Finance Mechanisms*, published in April 2020, shows that country-driven coordination and collaboration between funds in blending finance can lead to better outcomes, enhanced efficiency and increased financing in developing countries. This work triggered discussions with the Climate Investment Funds to continue producing knowledge and promoting learning between funding mechanisms in a systematic manner. The climate funds collaboration platform on results, indicators and methodologies for measuring impact was initiated by a presentation from GCF; discussions are ongoing to establish a workplan adjusted to the current circumstances.

73. While in-person engagements with other climate funds were limited due to the exceptional circumstances arising from the COVID-19 pandemic, enhanced virtual engagements have been put in place to allow the funds to update each other and continue making progress on shared initiatives and ongoing collaborations.

## **2.2 Galvanizing GCF programmatic engagement with accredited entities**

### **2.2.1. Advancing the development of sector guidance and guiding high-quality pipeline development through partners**

74. Work continued towards the finalization of sectoral guidance across the GCF's result areas. Over the course of the second half of 2019 and during this reporting period, the secretariat completed initial technical consultations in order to further develop the overall outline of the sector guides. Technical drafts that were finalized are ready and are now being reviewed internally and translated into a set of final drafts and will soon be ready for wider consultations with the Board, CSOs, NDAs, AEs and wider stakeholders.

75. On the mitigation results area, guides on Cities, Energy generation and access, and Forestry and land use are advanced. On the adaptation results area, guides on Agriculture and food security, and Ecosystems are under advanced internal review. Based on internal clearance, the consultation with stakeholders can start in the second half of 2020.

76. In the context of complementarity and coherence, and building on the work by GEF on the Great Green Wall program since 2007, the Secretariat began collaboration with the UNCCD at the end of 2019 to explore how to systematically support efforts in the Sahel region to build on the progress and best practices achieved by the GEF. The collaboration expanded to include the GEF and other partners and in consultation with countries, accredited entities started pipeline development to address country-needs in resilient landscapes, adaptive capacity of local communities, restoration and conservation of degraded landscapes and through access to finance and markets. Accredited entities led by IFAD and supported by FAO and other partners have now started to develop projects and programmes on the Great Green Wall to address country needs. The Secretariat intends to continue outreach and consultations to advance this programming effort through 2020 to allow the Board to start considering projects and programmes related to this work in 2021.

77. Work also advanced towards establishing a Climate Investment Platform with key partners. The aim of the Platform is to provide integrated upstream and downstream support to countries to enable their realization of ambitious climate targets, with services focusing on four key building blocks or tracks: climate targets in the context of NDCs, policies and regulations, financial de-risking, and access to capital markets. The Platform is currently under discussion with partners and initial steps have been taken in establishing GCF's role and involvement over the next two years.

#### **2.2.2. Utilizing Concept Note and Funding Proposal reviews to improve pipeline quality and advance GCF's portfolio**

78. The Secretariat has set the target to review up to 70 FPs and 100 CNs in 2020 and submit between 40-49 proposals for Board consideration and approval. Portfolio growth was modest with 6 proposals approved at B.25, predominantly due to limited commitment authority at the time and a focus on pipeline development. Pipeline has continued to grow throughout the first half of the year, with 28 new FPs and 52 new CNs submitted and being reviewed along with the continuous review of the other 75 FPs and 273 CNs in the existing pipeline. Under this pipeline, 19 CNs were endorsed by CIC for FP development, 12 FPs were endorsed by CIC for interdivisional review, and 18 FPs were endorsed by CIC for the iTAP review. The Secretariat submitted 24 FPs to the iTAP, including those CIC-endorsed last year and/or re-submitted to iTAP as not recommended by iTAP last year, and 17 were recommended.

79. It is anticipated that if alternative means to face-to-face meetings are utilized by the Board for decision-making the portfolio would continue to grow throughout the year as set out in the Work Programme.

80. During the reporting period, from the interdivisional review start to the date of the submission to iTAP, 100% of the funding projects were reviewed within 75 days target for all accredited entities (AEs). For the concept note, from the date of AE submission to the date when feedback is delivered from the Secretariat, 50% of the concept note reviews met the target date – within 30 days - for all AEs, and 56% for DAEs. While adjusting to the new working environment coping with COVID-19 pandemic, some CNs were delayed in response. In

particular, remote working and home schooling combined with vacant positions which could not be filled has impacted upon productivity. The Secretariat is gearing up the new online platforms development in order to increase the efficiency and connectivity. In addition, further options are currently under consideration to adjust and adapt iTAP's operations to the existing pandemic context.

### **2.2.3. Maximizing private sector engagement and broadening the scope of private sector programming, including through dedicated RfPs**

81. The Secretariat has advanced the delivery of a number of private sector strategic objectives for 2020–2021, such as increasing the flow of bankable projects, fostering innovation, de-risking large investment projects, enhancing the private sector's role in supporting climate change adaptation measures and aligning finance with the Sustainable Development Goals (SDGs).

82. The Secretariat is working to strengthen its engagement with partners such as the International Development Finance Club (IDFC), the leading global network of development banks, and the Network for Greening the Financial System (NGFS), the network of central banks and supervisors working to improve environmental and climate risk management in the financial sector. With IDFC, the Secretariat is exploring a joint publication as well as events for knowledge-sharing among member development banks. With NGFS, it is contributing to knowledge products and exploring ways to use readiness funds to promote NGFS best practices in developing countries. The Secretariat also continues to explore ways to promote the green bank model with organizations such as the Green Bank Network and the Rocky Mountain Institute.

83. With regards to the private sector RFPs, uneven progress has been noticed. At B.25, the Board approved two additional projects on mobilizing funds at scale, including USD 25 million for the "Arbaro Sustainable Forestry Fund" in Ecuador, Ethiopia, Ghana, Paraguay, Peru, Sierra Leone and Uganda, with MUFG Bank, Ltd. (FP128) and USD 9.9 million under SAP for "Scaling Smart, Solar, Energy Access Microgrids in Haiti" with the Nordic Environment Finance Corporation (SAP013). The Secretariat continues to engage with proponents of the shortlisted projects towards developing full funding proposals for consideration by the Board.

84. No further progress has been noticed on the MSME pilot RFP since the last approvals. Three remaining shortlisted proposals under the MSME RFP are inactive because, for two of them, the respective AEs are no longer interested in proceeding, and for the third one, the AE has limited accreditation scope.

### **2.2.4. Further simplifying the Simplified Approval Process**

85. During the reporting period, the SAP pipeline continued to grow substantially. As at the reporting date, the SAP pipeline consisted of a total of 97 concept notes and funding proposals, with request GCF funding of USD 883.7 million and a total investment of USD 2 billion taking co-financing into account. Of the 97 proposals, 82 are public sector, consisting of 66 CNs and 16 funding proposals. From the private sector, there are 12 CNs and 3 funding proposal. Since the last reporting period, the number of SAP submissions (CNs and funding proposals) grew by 18.2 per cent and the corresponding increase in the amount of GCF funding requested was 14.4 per cent (from USD 772 million to USD 883.7 million).

86. Starting January 2020, the SAP and PPF workstreams have been integrated into one team within the Secretariat to enhance the quality at entry of SAP proposals through the provision of technical support to the AEs, especially DAEs. During the reporting period, three DAEs received TA support to develop and further improve their SAP concept notes and funding proposals.

87. At its 25<sup>th</sup> meeting, the Board considered the action item “Review of the simplified approval process pilot scheme” (GCF/B.25/12) and requested the Secretariat to further develop the simplified approval process for Board consideration by the twenty-sixth meeting of the Board (decision B.25/8). The Secretariat has further advanced the policy proposal and will release it for Board consultations at the earliest opportunity. The proposal will also take into account the upcoming recommendations from IEU’s evaluation of the SAP modality.

#### **2.2.5. Promoting uptake of the Enhancing Direct Access Pilot Programme**

88. As at the reporting date the EDA pipeline increased by one SAP EDA submission, and now consists of a total of 12 proposals for public sector projects with a GCF financing amount of USD 218 million.

89. The Secretariat has continued its efforts to disseminate information on the EDA pilot and to support DAEs in the origination and development of EDA pilot proposals. During the reporting period, the Secretariat actively engaged with other partners, such as the Adaptation Fund, that are engaged with EDA type of projects and programmes and/or are in the frontline in developing and supporting community-led climate actions. These partnerships and exchanges are also contributing to current efforts towards the development of the GCF EDA guidelines. These guidelines are expected to help DAEs to prepare EDA funding proposals and include an explanation of the specific EDA origination requirements.

90. The Secretariat is also exploring additional ways to provide DAEs with support in the development of impactful EDA pilot proposals, including through webinars.

#### **2.2.6. Advancing REDD + results-based payments**

91. In addition to Brazil, Ecuador, Chile and Paraguay which have approved REDD+ FPs, 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 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 B.26.

92. 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 per 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 already in by the first board meeting of 2021.

93. 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, for its consideration no later than at its last meeting of 2019. The objective of the pilot programme for REDD-plus 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”; 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 RfP will be exhausted before the end of 2022.

94. 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. The guidance is currently under development and will be circulated for broader consultation upon finalization.

### 2.2.7. Building pipeline quality through the Project Preparation Facility

95. As at the reporting date, the Secretariat was working on a pipeline of 48 active PPF applications with no-objection letters from the NDAs/focal points, of which 33 (69 per cent) are from DAEs. Thirty-one of these 48 applications have been approved, of which 21 (68 per cent) are from DAEs. The total approved amount for PPF applications was USD 19.7 million, of which USD 12.6 million had been disbursed.

96. The first PPF-developed funding proposal was approved at the nineteenth meeting of the Board, and six additional funding proposals developed through PPF support have now been submitted to the Secretariat for review. The Secretariat has continued to improve the efficiency of PPF with respect to improving access and expediting implementation, as follows:

- (a) The Secretariat is streamlining and simplifying the PPF application review and appraisal process, with the aim of achieving efficiency gains and shortened process timelines;
- (b) An additional simplified access modality to PPF is being developed to best meet the needs of AEs. This includes a simplified template and requirements for quicker review of low-value PPF applications;
- (c) The Secretariat has set up a roster of consultancy firms that can provide project preparation services to AEs. This new PPF access modality would enable the Secretariat to deploy such firms directly upon request, ensuring fast and high-quality delivery to AEs, especially DAEs, who have difficulties in taking on the implementation of PPF activities by themselves. It is expected to be operationalized in the second quarter of 2020.

### 2.2.8. Advancing a portfolio-wide approach to respond to the COVID-19 pandemic

97. In parallel with its business as usual portfolio development activities, the Secretariat has advanced an approach to support the development and approval of initiatives under its existing project pipeline that can be immediately submitted for review and approval at upcoming Board meetings to contribute to a green resilient recovery in developing countries.

98. Based on the GCF investment criteria, notably in terms of paradigm shifting and sustainable development potential, the Secretariat identified a set of indicators (expected positive economic, social, health and environmental impacts) which maximize co-benefits related to a green recovery within the context of the COVID-19 pandemic to guide the development of GCF work programmes.

99. In addition, four transitions will be actively pursued to promote and encourage green stimulus measures: (i) promoting green resilient construction projects that can deliver higher returns on public expenditures; (ii) advancing the accelerated deployment of affordable renewable energy solutions to support the delivery of key services and advance development co-benefits; (iii) encouraging investments in climate-resilient agriculture to strengthen food security, preserve livelihoods and generate new employment opportunities across supply chains; and (iv) advancing natural capital investments. The priorities will be pursued throughout the year in line with existing mandates for maintaining a balance between mitigation and adaptation investments.

100. These transitions are already a substantial part of the existing pipeline for upcoming Board meetings. Currently 18 out of the 23 proposals under preparation for B.26 have significant green stimulus related co-benefits and work is ongoing with NDAs and AEs to further incorporate green stimulus benefits into the pipeline for the twenty-seventh and twenty-eighth meetings of the Board.

### 2.2.9. Developing dedicated initiatives to support critical actions required to maintain climate ambition in the context of Covid-19

101. Cognizant of the impact of the global pandemic in creating liquidity and solvency risks for enterprises and governments and impacting on many SMEs supported by the GCF, the GCF is responding through its programmatic response to the COVID-19 pandemic by developing a set of key initiatives to provide bridge capital to address this liquidity gap and save green SMEs from bankruptcy in response to requests from its partners.

102. The Secretariat is currently looking into options for an emergency energy fund to help off-grid solar companies survive the crisis and thrive into the future (mostly in the form of bridge-loans through equity finance), by deploying its capacity to accept a higher level of risk and capitalizing such a first-loss reserve. Also by means of deploying the full range of instruments at its disposal, the GCF is currently assessing with several of its partners options for a sizeable sovereign-backed green resilient stimulus guarantee facility aimed at supporting developing countries access global capital markets at higher volumes, lower interest rates and longer maturities, thereby enhancing their financial viability in the current crisis.

103. In response to the challenges posed by the pandemic to existing health infrastructure, the GCF is also exploring options for addressing the lack of reliable and affordable energy supply to maintain critical health infrastructure, especially in low- and middle-income countries, by exploring options to provide clean, affordable, and reliable energy services.

#### **2.2.10. Developing and operationalizing an accreditation strategy and streamlining the accreditation process**

104. The Secretariat continues to support the Accreditation Committee in the development of an updated accreditation framework. The Secretariat provided to the Accreditation Committee further information on the portfolio of AEs, including analysis based on access modality, type of entity (e.g. public, private), geographic coverage in terms of operations, range of accreditation scope (e.g. fiduciary functions and instruments, size categories and environmental and social risk levels), and portfolio of projects/programmes with GCF. The Secretariat supported the Accreditation Committee to finalize the draft document via formal virtual meetings of the Accreditation Committee.

105. In addition, the Secretariat has supported the Accreditation Committee in line with decision B.BM-2020/01 by recruiting an independent consultant to design and implement a 360-degree performance review of Accreditation Panel members prior to the expiration of their terms on 17 October 2020. It also launched the call for experts to serve on the Accreditation Panel, including reviewing candidate curricula vitae, conducting interviews and providing potential candidates for the Accreditation Committee's consideration for nomination.

106. The Secretariat, in coordination with the Accreditation Panel, has finalized an updated accreditation application form, improved guidance to accreditation applicants and updated the checklists used by the Secretariat and the Accreditation Panel in stages I and II (step 1) of the accreditation process. These updated documents will be integrated into an update of the online accreditation system, which is being developed with a view to its being launched later in 2020. In addition, the Secretariat, in coordination with the Accreditation Panel, is in the process of developing the various tools related to the re-accreditation of AEs, in line with the approach adopted by the Board in decision B.24/13. The updated online accreditation system will also include the re-accreditation process. The Secretariat is also supporting the Accreditation Panel towards establishing a baseline methodology on the overall portfolio of AEs, which addresses one component of the re-accreditation process.

107. The Secretariat continues its efforts to improve the transparency and efficiency of the accreditation process through these measures and by providing prompt feedback and guidance to current and potential accreditation applicants. As with other operational aspects of the Secretariat during the reporting period, negative impacts are being experienced owing to the COVID-19 pandemic. The Secretariat has received feedback from AEs that need to apply for re-accreditation in 2020 and in early 2021 and accreditation applicants that expect delays to occur

when preparing their re-accreditation application or responses to GCF during stages I and II (step 1). To account for this, particularly regarding the re-accreditation of AEs, the Secretariat is proposing a six-month extension for AEs that need to submit their re-accreditation application in 2020 (and possibly in early 2021).

108. As at 30 June 2020, 97 entities had been approved for accreditation by the Board, and 68 AEs had fully completed the accreditation process by having a signed and effective AMA. Of the 97 entities, 58 are direct access national and regional entities, including from the private sector (60 per cent). A pipeline of 118 entities have submitted accreditation applications (including active and inactive) on the online accreditation system. Of these, 15 applications are under the Stage II (Step 1) Accreditation Panel review, 73 applications are under stage I, and a further 30 entities have submitted an application but have yet to pay accreditation application fees in order to begin stage I.

109. In decision B.24/11, paragraph (e), the Board, recalling decision B.21/15, paragraph (e), decided that its future accreditation decisions should aim to bring forward AEs that fulfil the mandate consistent with the Governing Instrument for the GCF on balance, diversity and coverage and advance the objectives of GCF, and to that end, also decided to prioritize a list of entities up to the end of B.25. As that deadline was reached on 12 March 2020, during this reporting period the review of accreditation applications has defaulted to a first come, first completed basis.

110. In line with decision B.22/16, paragraph (c), the Secretariat is in the process of updating guidance to NDAs on country programming, including on strengthening the linkage with accreditation strategies/approaches. The Secretariat is supporting NDAs in developing accreditation strategies and approaches to identifying DAEs that support the country programme and/or align with the country's climate change priorities.

111. The Secretariat is continuing to support subnational, national and regional public and private sector entities seeking, or in the process of, 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 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. The Secretariat provides targeted guidance to DAEs seeking accreditation and potential applicants on a rolling basis via conference calls, reviews and written comments to accreditation nomination letters, online accreditation system account requests and accreditation applications. As at 30 June 2020, 41 DAEs in the accreditation pipeline and 13 accredited DAEs had 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 continues discussing potential readiness support with DAEs.

#### **2.2.11. Accelerating AMA signing**

112. In total, the Board has approved 97 entities for accreditation: 58 DAEs and 39 international access entities (a ratio of 60:40 per cent). The Secretariat continues to make progress on the negotiation and signing of AMAs. Within the reporting period, the Secretariat signed AMAs with seven AEs (Alternative Energy Promotion Centre, Austrian Development Agency, Enabel (formerly Belgian Technical Cooperation – Cooperation Technique Belge), JS Bank Limited, National Committee for Sub-National Democratic Development Secretariat, Nordic Environment Finance Corporation and Pegasus Capital Advisors, L.P.) bringing the total number of AMAs signed to 76. Additionally, within the reporting period, the Secretariat made 12 AMAs effective after the respective AEs had submitted the necessary requirements, bringing the total number of AEs able to fully engage with GCF up to 68.

113. Significant efforts have been made to overcome the challenges of reconciling the GCF requirements with those of large international access private sector entities. Efforts lag in progressing AMAs with two DAEs and two international access entities owing to the respective entities resolving internal structural issues and restructuring processes. There have also been delays in moving an AMA with one DAE because of AMA consultations and approval sought by the respective NDA.

#### 2.2.12. Facilitating engagement on entity work programming

114. The Secretariat continues to engage with AEs on their programming exercise for the GCF-1 period (2020–2023) in order to progress with establishing at least two multi-annual EWPs (KPI 2.5). Regional direct access and international access entities have been requested to update their existing EWPs or develop new work programmes outlining their partnership strategy to work with GCF and providing the indicative pipeline of the priority funding proposals that the AEs plan to bring forward for GCF financing during 2020–2023. National DAEs conduct such a programming exercise as part of the country programming process led by the respective NDAs.

115. As at 30 June 2020, the Secretariat received 4 draft multi-annual EWPs from regional direct access entities and 19 draft multi-annual EWPs from international access entities, marking substantial progress towards the 2020 targets. The Climate Investment Committee has considered 4 out of the 21 draft EWPs and endorsed a set of recommendations for the respective AEs to take into account when revising their EWPs, while the remaining 17 draft EWPs are under various stages of the review process by the Secretariat or by the AEs.

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

- (a) Engagement missions with AEPC, CAF, EPIU, PKSf, and IDCOL were conducted during January – March 2020 with a focus to support in AMA negotiations, prioritising their pipeline of projects and guiding on technical assistance to advance their priority projects. The outcomes of these engagements have helped GCF to deploy project development TA consultants to advance CN/FP for AEPC, CAF, and PKSf. The Secretariat has also recently commissioned project development TA consultants to support CCCCC, FMCN, JS Bank, NRSP, and SANBI in developing PPF/CN/FP application packages.
- (b) Inter-divisional engagement missions in January and February 2020 comprising of OED, DCP, DMA, PSF and OPM to the African Development Bank (AfDB), Agence Française de Développement (AFD), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, European Bank for Reconstruction and Development (EBRD), Kreditanstalt für Wiederaufbau (KfW), Macquarie Alternative Assets Management Limited (MAAML), Société de Promotion et de Participation pour la Coopération Economique, SA (PROPARCO), and the United Nations Development Programme (UNDP) to provide feedback and guidance on their draft EWPs taking into account the emerging priorities in the draft Updated Strategic Plan and various sector guides under development, as well as to discuss implementation, monitoring and reporting matters related to their existing portfolio of GCF projects/programmes and pipeline of projects/programmes already submitted. Meetings have been productive but were also interrupted due to COVID-19 circumstances; and
- (c) Inter-divisional engagement with Conservation International (CI) at GCF Headquarters in Songdo, Republic of Korea to discuss their draft EWP.
- (d) Since the twenty-fifth meeting of the Board, missions by the Secretariat targeting AEs and visits by AEs to GCF Headquarters have not taken place due to COVID-19 circumstances, however, the Secretariat has held discussions with various AEs on instead holding virtual workshops to enhance the engagement.

## 2.3 Filling key gaps in GCF policy and governance frameworks

### 2.3.1. Enhancing accountability to the COP

117. Given the exceptional situation brought about by the COVID-19 pandemic and the limited scope for political engagement and outreach, the Secretariat had to adjust its initial plans for engagement under the UNFCCC process. As was the case with GCF, UNFCCC had to postpone or cancel events and meetings in the light of the global health crisis. The Secretariat duly noted the decision reached by the COP Bureau with its British and Italian partners to reschedule COP 26 and the fifty-second sessions of the subsidiary bodies to 2021. The Secretariat liaised with UNFCCC teams on a regular basis to discuss how best to navigate these exceptional circumstances and explore how best to adjust working modalities to be able to deliver on respective work programmes in 2020.

118. The Secretariat engaged in the UNFCCC “June Momentum for Climate Change”, a series of virtual meetings organized by the UNFCCC given the postponement of the subsidiary body sessions (SB 52) to October. Engagement ranged from Executive Director to technical level. Engagement in this process was key given GCF’s accountability to the UNFCCC.

119. In the light of the changing environment, the Secretariat made efforts to provide relevant technical inputs and information to help to advance the work of the constituted bodies intersessionally, for instance, in relation to the ongoing work by the Standing Committee on Finance to prepare the 2020 Biennial Assessment and Overview of Climate Finance Flows and the report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement.

120. In addition, and where possible, the Secretariat participated in meetings of the constituted bodies through virtual means. It attended the 11th meeting of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts to engage in discussions on relevant guidance arising from the twenty-fifth session of the COP (COP 25). In line with B.25 decisions, the Secretariat is working on approaches to engage on this matter for consideration by the Board. The Secretariat also attended the 20th meeting of the Technology Executive Committee of UNFCCC and the 15<sup>th</sup> meeting of the Climate Technology Centre & Network (CTCN) Advisory Board. In addition to updating members and observers of both bodies about how GCF has been increasingly providing support to technology development and transfer and collaborative research and development through its funding windows and Readiness Programme, the Secretariat informed the committee on the progress made in developing the GCF Climate Innovation Facility, an approach to support incubators and accelerators of climate technologies. The latter generated great interest from members and a call for GCF to continue and speed up its efforts.

121. GCF via its Private Sector Facility Division continues to develop an approach to support climate innovation through incubators and accelerators with the aim of having a proposal from an AE at B.28. Furthermore, a growing number of readiness projects were approved and are being implemented by the Climate Technology Centre and Network. Additionally, the Secretariat started to observe the increased quantity and improved quality of technology-related information in the funding proposals received in 2020 as a result of the new template developed in 2019, which aims to improve data collection in this area.

122. During B.25, the Board discussed and took note of the Co-Chairs’ proposal on guidance received by Parties at COP 25, including on the actions to be undertaken by the Board and the Secretariat in 2020 in response to the guidance, as outlined in document GCF/B.25/06. The Secretariat has been carefully monitoring and promoting progress in relation to COP guidance received, taking into consideration the changing conditions surrounding the COVID-19 pandemic.

123. As per its arrangements with the COP, GCF is to provide annual reports for consideration at each COP session on progress it has made in implementing COP guidance. Having duly noted the postponement of COP 26 to 2021, GCF still expects to deliver an annual report for the Board's consideration during the last Board meeting in 2020 in order to provide comprehensive information on how GCF has been implementing COP guidance in 2020. Depending on the decision by the Bureau on the timing of COP 26, GCF is prepared to provide another report for 2021 so that both reports can be considered by Parties and provide an input for the Standing Committee on Finance for preparing its draft guidance.

124. While the global pandemic presents a threat to the achievement of the SDGs, the work of the Rio Conventions and the UNFCCC process, it also provides an opportunity to demonstrate the important role that GCF can play in achieving the overall SDG agenda and SDG-13 in particular. In this context, the Secretariat has prepared a narrative that clearly underlines the important role of GCF post COVID-19 pandemic to help to "build back better" and as a key partner for green stimulus packages and recovery for a more resilient future.

### 2.3.2. Supporting informed Board decision-making

125. During the reporting period, the Secretariat provided support to the Co-Chairs in the preparation and running of the informal meeting which took place in Monrovia, Liberia from 5 – 7 February 2020, in the preparation and running of B.25, and in the preparations for Board matters in the light of COVID-19, including the implementation of a virtual meeting for B.26. This included regular coordination calls with the Co-Chairs, liaising with the Government of Liberia, and liaising with the Government of Switzerland, as well as supporting the preparation and issuance of informal meeting and Board meeting documents, implementing Board consultation processes between meetings, preparations for a virtual Board meeting, facilitating the issuance of decisions without a Board meeting, and post-meeting reporting.

126. In light of the extraordinary circumstances related to the coronavirus pandemic and COVID-19, the Secretariat has supported the Co-Chairs in the change in meeting venue for B.25, developing draft contingency plans for business continuity, and looking into alternative meeting arrangements for meetings to take place in 2020. The Secretariat also began logistical preparations for a virtual Board meeting, including the planning of "dry runs" and training for the Co-Chairs, surveying the Board for their anticipated technical requirements for a virtual meeting, and procuring the necessary technology.

127. Following the publication of Drf.01 of the provisional agenda for B.25, the Secretariat produced more than 26 documents for the consideration of the Board at B.25, including 5 documents related to policy matters developed for decision-making (KPI 3.2.2), in addition to funding, SAP and accreditation proposals. For B.25, 19 per cent of documents were published 21 days before the first day of the meeting (KPI 3.2.1) following clearance by the Co-Chairs. At the request of the Co-Chairs an update on the status of B.25 documentation was transmitted by the Secretariat to the Board on 21 February 2020 listing 15 outstanding documents to be published after the B.25 publication deadline along with their expected date of issuance.

128. The Secretariat also supported the Co-Chairs in the implementation of the Board consultation process for documents to be considered in 2020. These include documents shared with the Board for comments or consideration ahead of Board meetings, proposed decisions without a Board meeting, and preparations for technical sessions.

129. The decisions without a Board meeting are outlined in document GCF/B.26/Inf.01 titled "Board decisions proposed between the twenty-fifth and twenty-sixth meetings of the Board" (document pending issuance).

### 2.3.3. Supporting delivery of the GCF strategic and policy agenda and closing policy gaps

130. The Secretariat continued to support the development of the updated Strategic Plan for 2020-2023 in advance of the informal Board Meeting in Liberia in February 2020 as well as after the meeting concluded. The Secretariat revised the draft Strategic Plan under guidance from the Co-Chairs and taking note of discussions during the informal meeting. A further revised draft prepared by the Co-Chairs was subsequently discussed at B.25, with the Secretariat supporting parallel Board conversations on the outstanding issues for approval.

131. The Secretariat also continued to develop the results tracking tool (RTT) for the 2020-23 programming period, building on the work done to update the Integrated Results Management Framework. The RTT will use the climate results architecture of the IRMF, and link climate results to resourcing and organizational results, to enable holistic reporting of GCF's performance in delivering results for 2020-23. The RTT has been shared with the Board for consultation at the end of June.

132. The Strategic Plan discussions advanced but did not conclude during B.25 due to substantial meeting time being consumed by the need to formulate a GCF response to the COVID-19 pandemic. Delays in the adoption of the 2020-2023 Strategic Plan will likely have implications on a number of attached work streams due to: i) a less clear or precise engagement and communication with countries, AEs and partners on GCF's strategic directions during GCF-1, as well as ii) indirect implication on the development of work programmes for the following year, communication and engagement with AEs, countries and partners.

133. As only a limited number of policy matters were considered at B.25, this will likely have a severe impact on the delivery of the Board policy agenda for 2020 in line with the adopted four-year Board Work Plan and on the ability of the Secretariat to meet the KPI 3.2 targets. This will be further impacted by limited options to carry in-person meetings and delayed decisions on utilizing alternative virtual meeting options for decision-making.

134. A lack of visibility on Board processes and means of engagement for the remainder of the year will greatly impact the Board documentation and consultation processes for upcoming meetings, and thus the likelihood of publication deadlines being met, and policies being approved. Meeting the targets under KPI 3.2 is also challenged by delays in the publication of Board meeting documentation in accordance with the RoP.

135. The Secretariat is continuing to prepare policy documents in line with the Board Work Plan timeline in order to be ready to circulate documents for Board consultations in line with the agreed consultation schedule for 2020 discussed by the Secretariat with the Co-Chairs. Policies have been developed under supervision from the recently established Climate Policy Committee which seeks to: i) foster cross-Secretariat engagement and agreement on all policy proposals as well as ensure ii) consistency in the approach and format of policies developed for Board consideration.

#### **2.3.4. Reviewing the risk management framework components I-VII and the initial financial risk management framework**

136. Pursuant to decision B.24/04, paragraph (h)(iii), the Secretariat commenced the internal review of the initial financial risk management framework in January 2020 and completed the internal review in April. The Secretariat drafted a revised paper including the proposed changes to the initial framework and submitted the revised paper to the Risk Management Committee (RMC) for its consideration. The proposed changes along with the Secretariat's assessment of the materiality of the proposed changes were discussed at the RMC virtual meeting on 22 April 2020. Following its review, RMC agreed with the Secretariat's assessment that the proposed changes were deemed to be non-material and non-substantive. The Co-Chairs also reviewed the document with proposed changes and agreed with the RMC's determination that the changes are non-material. The Co-Chairs are in agreement with the RMC's recommendation to update the Board on this matter via the Report of the activities of the Committee accordingly.

137. Regarding the review of the risk management framework components I–VII, the Secretariat expects to start the internal review in the second half of 2020. The review of the framework will also reflect any major changes in investment risk management specified in the Secretariat’s internal Operations Manual and Programming Manual. The Secretariat will continue to keep RMC updated on the progress made in the above-mentioned internal review.

#### **2.3.5. Advancing work towards the completion of the Investment Framework**

138. In response to the mandates from the Board at its seventh meeting requesting the Secretariat to review the initial investment framework and at its seventeenth meeting requesting the Secretariat to develop a proposal to address, among others, the development of an incremental cost calculation methodology, guidance on the approach and scope for adaptation activities, policy on co-financing and policy on concessionality, the Secretariat has continued to develop policies to address the gaps related to the investment framework, and these have been released to the Investment Committee for consultation. In decision B.19/06, the Board requested the Secretariat to develop an integrated approach to resolve these interrelated policy matters. Since then, the Secretariat has consulted on and published numerous iterations of these policies for review by the Board at its twentieth, twenty-first and twenty-third meetings.

139. Following the adoption of the co-financing policy at B.24, the Secretariat has commenced implementation and developed a temporary annex to the funding proposal template to comply with the requirements of the policy. An update to the funding proposal and concept notes templates is intended within the year, which will integrate the policies adopted by the Board in 2020, including the policy on co-financing. The Secretariat will continue to work on the pending policy matters that are included in the 2020 workplan of the Board.

140. As per decision B.22/02, paragraph (c), the Secretariat has also further supported the development of policy guidelines on the programmatic approach. The draft version of the document was published for consideration by the Board at its twentieth, twenty-first, twenty-third and twenty-fifth meetings, and has since been modified to reflect comments received from the Board and AEs, where appropriate. In line with the Board consultation plan for 2020, shared by the Co-Chairs with the Board on 26 June, the document published for B.25 is shared for Board members consultation from 2 – 24 July. It sets out a policy on the programmatic approach of GCF to funding proposals, including a definition and principles of programme, considerations for preparing programmatic funding proposals and related subprojects, and process-related aspects for submission, review and approval of appropriate programmatic proposals, and the item will be considered by the Board at B.26.

#### **2.3.6. Supporting the implementation of existing policies**

141. In accordance with the standards for the implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy adopted by the Board in decision B.23/15, the Secretariat retained a consulting firm to develop SOPs and associated training to operationalize the standards. Originally, the time frame was to present the SOPs to the Ethics and Audit Committee by B.26 in June 2020; however, with the disruption to Secretariat operations caused by the COVID-19 pandemic, this time frame may need to be extended until October 2020. Nevertheless, a detailed outline of the SOPs was finalized by June 2020 and associated training will be conducted through to August 2020. Final SOPs are currently expected by October 2020.

142. In line with decision B.25/05 requesting the Secretariat to present to the Board proposed revisions of the SEAH Policy no later than its twenty-seventh meeting, the Secretariat is making progress on the development of a revised SEAH Policy that is in line with best practices among international financial institutions and the business model of GCF. The Secretariat has engaged external expertise to support a technical re-evaluation of the policy and advise on revisions to the SEAH Policy. In addition, internal cross-divisional engagement has

kick-started - the Secretariat has developed and presented the policy concept to the CPC for an endorsement-in-principle pending the submission of the first draft of proposed revisions which is due at the end of July. Moreover, the Secretariat is in the final stages of recruiting long-term additional resource within the Office of Risk Management and Compliance to support the review and implementation of the SEAH Policy.

143. Work continued on the operationalization of the Indigenous Peoples Policy and consultations have been underway with the Co-Chairs' teams on the set-up of the advisory group. In line with the policy, the Secretariat has also been providing technical support to the UNFCCC Local Communities and Indigenous Peoples Platform, particularly on the issue of climate finance. An online discussion was held with the UN Permanent Forum on Indigenous Peoples on GCF and climate action. In relation to implementing the policy within GCF-financed activities, the Secretariat has been providing technical support to AEs at the funding proposal stage, including through reviews of the funding proposals and is working towards developing capacity-building and information materials on the policy.

144. Work towards developing the operational guidelines to support with implementation of the gender policy is also progress. An updated version of a gender analysis/assessment guide and template is being prepared with a view to its being uploaded on the GCF website to provide guidance to AEs in their preparation of gender assessment and gender action plans as part of their funding proposal submission. The Secretariat continues to review and ensure the requirements of the gender policy are adhered to with 100% of the funding proposals being presented at B.26 having gender assessments and gender action plans. The action plans contain activities that would try to address identified gender issues through the assessment along with indicators and targets to measure expected results. The action plans have allocated human as well as financial resources to implement the gender action plans.

145. Following the RFPs for the consultancy services for the development of the GCF environmental and social safeguards, the Secretariat is evaluating the proposals received from various consulting firms. Once a firm is selected, it is expected to develop a scoping report which would review the environmental and social safeguards issues relevant to the GCF mandate as well as the analysis of the results of the Independent Evaluation Unit's evaluation of the environmental and social safeguards and the environmental and social management system, among others.

#### **2.3.7. Developing and presenting the legal risk policy for Board consideration**

146. Owing to the nature of this type of policy, discussions were held within the Secretariat under the guidance of the Executive Director on the scope and role of such a policy. Following internal consultations with the Executive Director, the Secretariat recommended to RMC at its virtual meeting in March 2020 that the draft legal risk policy be developed as an internal guidance document rather than a Board policy. This recommendation stems from the Secretariat's assessment that the draft policy does not steer action or change and is more of a principle- and guidelines-based document. RMC requested to review the draft document in order to decide on the substance and nature of the policy before deciding whether it agrees with the Secretariat's recommendation. In the light of the COVID-19 pandemic, RMC also granted the Secretariat additional time to consult internally before a draft document is shared with RMC for its consideration.

#### **2.3.8. Strengthening awareness of ethical standards**

147. Operationalization of the Ethics Senior Advisor function resulted in 10 staff-initiated engagements where advisory services were rendered, covering various forms of interpersonal disputes and general advice; follow-up regarding the resolution of issues was also undertaken, with an indication that resolution had been reached. This was a decrease of more than 50 per cent compared with the 23 engagements in the last quarter of 2019, which is largely due to the

COVID-19 pandemic with staff spread over different geographical locations and time zones, and the special flexible work arrangements not permitting in-person interactions. The terms of reference of the Ombudsperson function has been finalized and recruitment is under way, with a shortlist being finalized for the purpose of video interviews, aimed to be completed in August 2020. In collaboration with the Division of Support Services (DSS), Human Resources (HR) and Knowledge and Change Management, finalization of a list of independent mediators, to assist with informal dispute resolution within the GCF grievance mechanism process, is ongoing.

148. Exhaustive SEAH training was delivered to all personnel in person and remotely regarding the internal application of the SEAH Policy. This was done successfully in collaboration with HR and IIU (Independent Integrity Unit). Finalization of the online mandatory SEAH training, in collaboration with HR, is ongoing. A dedicated ethics training session is planned for the pilot onboarding training package. Additional dedicated ethics training on abuse of authority, workplace harassment and conflict of interest is under development and will be delivered remotely because of the COVID-19 pandemic.

## 2.4 Reducing engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery

### 2.4.1 Advancing horizontal alignment through dedicated GCF manuals to improve understanding of GCF policies and processes

149. A key initiative for 2020 was to advance the horizontal alignment of all GCF project cycle processes, operations and admin, financial and procurement practices and standards through improved codification, standardization and streamlining. Final processes will be contained in a series of Manuals and guides that will be both internal- and external-facing. During the first quarter this led to the development of the Programming Manual and the updating of the Operations Manual for the Project and Programme Lifecycle. These documents build on extensive internal and external consultations in 2019 and several iterations of drafting in early 2020. Drafts of the manuals were distributed to all Secretariat staff on April 14. Consultations took place across the Secretariat in May, including two half-day workshops open to all staff, and feedback was incorporated with the goal of finalizing the manuals in July.

150. The Programming Manual is an externally facing document that presents the GCF's programming modalities and processes and outlines the roles of key stakeholders throughout the project cycle. It has been developed with a view towards realizing synergies and reducing overlap to simplify and accelerate access to GCF resources. The key objective of the Programming Manual is to create a better understanding of how the GCF works for our key partners, notably by the project origination, development, appraisal, approval and implementation roles, responsibilities, tools and processes. The Programming Manual also provides guidance for our partners on how to prepare and submit a funding proposal that meets all GCF investment criteria.

151. The Operations Manual is a companion to the Programming Manual. The Operations Manual is an internal document, which aims to provide guidance and support to Secretariat personnel as they manage the different phases in the lifecycle of GCF projects and programmes; foster transparency by supporting frictionless access to answers to questions about the project and programme lifecycle; serve as a training resource for new staff; empower staff with regards to understanding roles and responsibilities; and establish a consistent and coherent mechanism for documenting institutional knowledge.

152. In 2019, the Secretariat established or updated the mandates of key operational committees – including the Climate Investment Committee (CIC), the Operations Committee and the Readiness and Preparatory Support and Project Preparation Facility Working Group – to

streamline the decision-making functions within the authority conferred upon the Secretariat by the Board and the Governing Instrument. In early 2020, the Secretariat took the necessary steps to operationalize these committees by providing new or updated guidance, templates and standard operating procedures (SOPs) to staff. KPI 4.8 in the 2020 Work Programme of the Secretariat targeted 4 sets of templates and SOPs to be distributed to Secretariat divisions. As of the end of April, 3 sets of templates for the CIC have been distributed, and the associated SOPs are being incorporated into the Operations Manual. Work continues on additional templates and SOPs.

#### 2.4.2. Accelerating FAA signing and project disbursements

153. The Secretariat has continued to make every effort to expedite project implementation and disbursements during the reporting period. The 2020 target of having 107 FAAs signed in 2020 has already been surpassed, with 115 FAAs signed in respect of 111 funding proposals by the end of June 2020, a noticeable progress given circumstances. Of the 111 approved funding proposals that have executed FAAs, eleven public sector projects<sup>8</sup> had FAAs signed between January and June 2020. A further 6 projects are currently at an advanced FAA negotiation stage.

154. The number of projects under implementation also increased to account for 82 per cent of the 128 approved projects worth USD 4.4 billion in GCF funding and covering 92 countries. Further details on the status of FAAs can be found in the related limited distribution document (see document GCF/B.26/Inf.09/Add.02). In addition, 8 additional FPs are expected to enter into implementation by the end of Q3 2020, which could see up to 87% of GCF's total portfolio under implementation.

155. Regarding the time taken from FAA execution to FAA effectiveness, the average number of days for projects approved in 2015-2016 was 66, but this has increased to 101 for those approved in 2019-2020, as more conditions for FAA effectiveness have been frontloaded to speed up the FAA signing process and a high number of extension requests for an average of 6 month extensions were received from AEs due to the COVID-19 pandemic, due to limited capacity to travel to countries and conclude project agreements. The Secretariat has been in constant engagement with AEs to assess the degree of impact the pandemic will have on implementation and design appropriate responses in line with its policies. Regarding the operating time taken from Board approval to implementation, overall the average number of days has gradually decreased. In parallel, from Board approval to FAA execution, the average number of days for projects approved in 2015-2016 was 607, but this has decreased to 68 for those approved in 2019-2020. 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.

156. As at 30 June 2020, disbursements totalled USD 1.2 billion, excluding AE fees of USD 61 million, have been made, accounting for 27 per cent of the GCF funding for projects under implementation. Of that amount, 42 per cent has been disbursed for private sector projects and 58 per cent for public sector projects. The estimated amount of cumulative disbursement is projected to be in the range of USD 1.3–1.6 billion by the end of 2020. With the COVID-19 crisis, the amount has been revised from USD 1.5-1.8 billion which was set in the 2020 Work Programme.

#### 2.4.3. Elaborating GCF financial policies and administrative procedures

157. Key activities entailed work directed at floating the RFP on requirements analysis and RFP development for the GCF financial management system, which is expected to address all finance needs in terms of financial management, treasury functions, budgeting and reporting.

---

<sup>8</sup> The eleven public sector projects whose FAAs have been executed during the reporting period are FP014, FP067, FP083, FP092, FP093, FP113, SAP008, FP124, FP125, FP126, FP127. A private sector project was signed but it is part of two FAAs for FP005, which is already counted as signed.

Evaluation of the RFP was concluded, and the successful vendor is expected to undertake the task within the third and fourth quarter of 2020.

158. In the period ending 30<sup>th</sup> June 2020, DSS-Finance prepared and coordinated the audit of the GCF 2019 annual financial statements. The external auditor concluded the audit of the Financial Statements and provided an unqualified (clean) audit opinion. Following the endorsement of the financial statements by the Ethics and Audit Committee (EAC), the Financial Statements were presented to the Board as a Between Board Meeting (BBM) decision. The Financial Statements were approved on 20<sup>th</sup> July 2020.

159. During the same period, DSS-Finance also worked on the compilation of the Finance Manual. The Finance Manual seeks to consolidate 11 stand-alone SOPs that guided the Finance operations into one document. The Manual also incorporates an update of the processes that may have changed since the preparation of the SOPs besides codifying processes that may not have been codified in the SOPs. The Manual has been reviewed by OGC and OIA and the review feedback incorporated. It will undergo OED, editorial and layout review in quarter three followed by socialization webinars for all staff. The timeline for the final approved version is quarter four.

#### **2.4.4. Strengthening and standardizing procurement practices**

160. The procurement guidelines have been reviewed to better align GCF practices with best practices, as well as provide for the evolving needs of GCF and address the gaps observed in the 2014 administrative guidelines on procurement (GCF/B.08/31). The guidelines were revised and entered into effect in May 2020. A further review to strengthen the section covering engagement of Individual Consultants and relevant areas dealing with debriefing and complaints mechanism has been done. An amendment to the revised guidelines to launch the new Procurement Guidelines is expected to be signed within the third quarter of 2020.

161. The development of the procurement strategy has been pushed back to quarter 4 of 2020 due to other emerging priorities. These included additional revisions to the revised Procurement Guidelines, Preparation of the Procurement manual and the Sustainable Procurement Manual which are to support the use of the Guidelines. In this regard, the Procurement Manual and Sustainable Procurement Manual are under consultative review pending finalization.

#### **2.4.5. Facilitating and monitoring the implementation of the Information Disclosure Policy**

162. The Secretariat continued to disclose on the GCF website the annexes to all B.25 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.

163. The Secretariat also 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. Twenty-five reports were submitted to Board members and active observers during the reporting period.

164. With the assistance of a consultancy firm, the Secretariat is also reviewing the Information Disclosure Policy, including the disclosure of environmental and social safeguards reports in the light of the provisions of the Environmental and Social Policy on the matter as well as the live webcast of formal meetings of the Board. The review focuses on policy implementation issues and proposed policy changes, taking into account new information access standards or policies developed and implemented by peer institutions and partners

regarding the range of their activities. The review includes the conduct of internal and external stakeholder consultations.

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

165. The Secretariat met with the civil society observers on the margins of B.25 to discuss their questions and concerns. Moreover, the Secretariat coordinated the process for the selection of active observers for the 2020–2021 term and liaised with the active observers on the submission of forms required under the recently adopted Policy on Ethics and Conflicts of Interest for Active Observers. The Secretariat opened the twenty-first round of applications for the accreditation of observer organizations from civil society, the private sector, and international entities. Based on the review of the applications received, recommendations were presented by the Secretariat to the Board for accrediting additional observer organizations through a decision without a Board meeting.

## **2.5 Adopting adaptive management of portfolio implementation and strengthening GCF results management**

#### **2.5.7. Developing the integrated Results Management Framework**

166. Following comments received by the Board at its twenty-fifth meeting the Secretariat has further developed the integrated results management framework and it has been released for Board consultations. The framework is intended to strengthen the ability of GCF to measure and report on the impact of its investments by updating the GCF results architecture and corresponding indicators to operate in improved alignment with the GCF investment framework and enable more consistent measurement and reporting of results from the project/programme level.

167. This proposed results architecture is designed to measure quantifiable impacts of GCF investments while allowing GCF to begin to measure its contribution to paradigm shift and to implement the objectives of UNFCCC and the Paris Agreement, per the objectives set out in the Governing Instrument. It would seek to track and enhance management for results at four levels building on each other, covering: (i) climate impact in terms of paradigm-shift; (ii) qualitative outcomes in terms of delivery of systemic change; (iii) quantitative outcomes in terms of reduced greenhouse gas emissions and increased resilience; and (iv) additional project/programme-specific outcomes and outputs.

168. Additionally, the Secretariat will, following the approval of the framework by the Board, develop a results handbook which will provide detailed guidance on credible measurement approaches and reporting protocols of actual project/programme outcomes, and means of verification.

#### **2.5.8. Reviewing FPs and CNs for results and improving consistency in result tracking**

169. At the project level, GCF has enhanced design principles by making it mandatory for AEs to provide theories of change, quality logical frameworks that show strong causal linkages between project-specific outputs and broader climate impacts/results.

170. Quality at entry was ensured through the provision of guidance, advice and feedback on the implementation, monitoring and evaluation aspects of mitigation, adaptation and cross-cutting funding proposals, in addition to readiness proposals and NAPs. Reviews included a verification that theories of change and logical frameworks are clearly articulated in such a way that will allow projects and programmes to be implemented and supervised appropriately. Additional guidance was also developed on theories of change and logical framework development in the Programming Manual and Operations Manual. Work also included the

review of ex-ante GHG emissions targets for 30 proposals during the reporting period, exceeding the KPI 1.5 2020 targets

171. Guidance to AEs on distinguishing “good” from “bad” indicators in the context of the mitigation and adaptation model and means of verification was included in the Programming Manual.

172. Finally, the Secretariat delivered four capacity-building workshops to UNDP and plans on delivering additional workshops to internal Secretariat offices and divisions on results management, theories of change and logical frameworks.

#### 2.5.9. Implementing an adaptive portfolio management

173. With a rapidly growing portfolio, the GCF continues to implement an adaptive portfolio management approach, by deploying digitized monitoring systems and developing project performance indicators. The Secretariat continued the development of a Portfolio Performance Management System (PPMS) which will allow the secretariat in assessing implementation performance as well as identifying early warning signals in projects or project performance risks from implementation. This would allow more effective remedial measures to be undertaken so problematic projects timely get back on track. The PPMS will cover four areas crucial to portfolio management, namely: (i) the status and schedule of report submission and disbursements, (ii) the delivery of results in line with the results management framework, (iii) risk areas related to portfolio implementation including COVID-19 and (iv) knowledge processing and management actions.

174. Specifically for the risk indicator, eight different sub-indicators have been identified: (i) project start-up; (ii) legal (AE’s fulfilment of conditions and compliance with covenants provided in the legal agreements, e.g. funded activity agreement and accreditation mater agreement); (iii) financial (budget reallocation, cost overruns, delay of repayments, changes in co-financing, and submission of acceptable audited financial statements); (iv) compliance with GCF policies and quality standards (AML, SEAH, gender action plans, indigenous people); (v) Environmental and Social Safeguards; (vi) political (changes in regulatory environments, including policies, organizations, and political engagements with governments and other key stakeholders); (vii) procurement (recruitments, staffing arrangements, contracting goods and services); and (viii) institutional capacity for implementation (capacity issues of executing entities and partners). The implementation risk reported by AEs will be categorized under those sub-indicators which will help devise relevant remedial actions. The risk indicators have also been developed to track COVID-19 related challenges.

175. An off-the-shelf solution called SMART ME (M&E software platform) has been procured and is being customized to suit GCF requirements and IT environment. The system will also comprise of a module to facilitate online submission of APRs. In the meantime, draft project performance indicators have been developed and upon finalization will be used in the system to assess the implementation performance of individual projects. The database that will be generated will allow the Secretariat to undertake portfolio level analysis by clustering them under different categories as applicable.

176. The Secretariat also provided guidance to AEs and delivery partners seeking changes and adjustments to implementation of Funded Activities with increased requests due to additional challenges from COVID-19. The requests included no-cost extensions for reporting and compliance obligations, waivers for submission of Inception and APR reports for projects with effective FAAs in the last quarter of 2019, budget reallocations as well as time extensions to meeting of funding conditions and changes to the original structure or design of projects. The Secretariat has also reviewed and guided minor adjustments to facilitate disbursements and compliance with Funding terms and conditions as well as target implementation performance in response to varied contextual challenges/changes and AE capacities e.g. changes in regulations, procurement challenges, etc. These measures have contributed to pre-empting potential

implementation disruptions as well as assuring continued relevance of GCF investments to evolving contexts.

#### **2.5.10. Enhancing results management**

177. Currently, 73 AE institutional-level reports and 71 APRs are undergoing reviews and feedback from the Secretariat will be shared with the relevant AEs for their response in a phased manner. At the beginning of 2020, the Secretariat developed an assessment criterion to be applied in the review of annual performance reports to ensure standardized and consistent approach in the internal review process. Some of the 102 projects have reached midpoint of the implementation period and interim evaluation reports have been received and reviewed for 3 projects. The key findings and emerging lessons from the review will be presented in the portfolio performance report to be presented at B.27.

178. At the moment it is still early to report significantly on results. Challenges related to delays in start-up and implementation in some of the projects are expected to impact the realization of projected results. Agricultural supply value chains have been disrupted due to prolonged and extended periods of drought and interspersed with severe flooding which has severely impacted on planting seasons. In addition, some projects have reported adjustments to results and timelines for realizing these due to: i) changes in the project management teams, ii) delays in the procurement of goods, works and services, iii) financial challenges related to cost escalations and over-runs, under budgeting and delays in availability of co-financing as well as iv) viability challenges related to changes in initial sites. The Secretariat continues to monitor these and provide appropriate support as required.

## **2.6 Consolidating institutional capacities and taking initial steps to position the GCF to be a global knowledge hub and policy influencer in climate**

### **2.6.1. Concluding arrangements for privileges and immunities**

179. As noted in the report on the activities of the Secretariat presented at B.25 (GCF/B.25/Inf.07) in line with the decisions taken at COP 25 GCF has been supporting the engagement between the COP President and the United Nations Secretary-General on the matter of a potential relationship between GCF and the United Nations in order to ensure that GCF is granted the necessary privileges and immunities.

180. In particular, the Executive Director and the General Counsel met with the United Nations Under-Secretary-General for Legal Affairs in January 2020 to discuss the potential relationship, including the form and scope of such a linkage. A technical-level conference call between the GCF Office of the General Counsel and the United Nations Office of Legal Affairs (OLA) was held in February 2020 to further discuss this matter. A separate conference call was held with the COP Presidency to discuss the potential relationship and to provide an update on the discussions with the Office of Legal Affairs. Between March 2020 and 30 June 2020, the Secretariat and OLA have held regular conference calls to explore possible modalities for such a relationship.

181. The Secretariat will continue providing technical support to the COP President and the United Nations Secretary-General on this important matter throughout 2020 and will report any progress made to the Board.

182. In addition, the Secretariat has continued its pursuit of finalizing and signing the bilateral agreements with countries regarding the GCF privileges and immunities. As at 30 June 2020, the Secretariat had sent draft agreements on the GCF privileges and immunities to 140 countries. To date, 24 bilateral privileges and immunities agreements have been signed, with Antigua and Barbuda, Armenia, Barbados, Belize, the Congo, Cook Islands, Georgia, Grenada,

Guyana, Honduras, Kiribati, Maldives, the Federated States of Micronesia, Mongolia, Montenegro, Namibia, Papua New Guinea, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Uruguay, Vanuatu and Zambia, meeting 20 per cent of the 2020 KPI target. Negotiations with a handful of other countries are also close to finalization.

183. However, progress during the reporting period has slowed owing to governments focusing their resources on responding to the COVID-19 pandemic and the limited capacity in the Secretariat to focus on the issue of privileges and immunities. This is compounded by the lack of incentive for countries to conclude such agreements with GCF. Such negotiations tend to be complex and it is necessary to balance the national circumstances of countries with the interests of GCF, meaning that negotiations continue to progress slowly.

#### **2.6.2. Driving vertical integration throughout the Secretariat's organizational design, enhancing staff capacity and fostering a culture of innovation**

184. A number of initiatives were taken to align HR policies and strengthen Organizational Design capabilities to better deliver on the GCF mandate in alignment with the directions of the draft updated Strategic Plan and 2020 Work Programme. A major initiative has been driving a vertical alignment across the organization to further support staff positioning vis-a-vis GCF's core mission and clarify individual contributions to organizational goals in a more consistent fashion. This is intended to guide the cascading of Secretariat KPIs into divisional KPIs as well as into individual staff Performance Management and Development Systems (PMDS).

185. The Secretariat also decided to develop its Human Resources plan, which has been titled as the GCF People Plan. This will set a pathway for strengthening people management and organization design and development practices. Its role is to help GCF become a faster, better, more resilient and smarter organization that can attract, retain, nurture, grow and deploy diverse and talented people to deliver its ambitions and goals for GCF-1. By the end of May 2020, the Plan has been endorsed by the senior Management and consultation with staff has been concluded. It has also been shared with the Heads of the Independent Units. The implementation strategy is currently being drafted.

186. In order to achieve the 95% fill ratio with high quality candidates, several improvements were made to the recruitment process, introducing mechanisms to ensure the alignment of technical backgrounds with the requirements of each position, as well as cultural alignment to corporate culture. As of 30 June 2020, job descriptions have been developed and evaluated under a standardized methodology and the necessary adjustments resulting from the 2019 organizational re-design exercise have been implemented. Key positions have been finalized, including the Head of Human Resources and the CFO and Director Support Services, in addition to the contracting of a new batch of interns. At the end of June 2020, 41 positions are under external recruitment and some challenges have been noticed due to: i) less interest in changing jobs because of the pandemic and less applications submitted for some key roles and ii) availability of panel members due to workloads and scheduling challenges. The turnover rate at the end of June remain at a low level (5% since the start of the year) but this might be expected to grow taking account of the COVID-19 situation.

187. As lockdown measures have been implemented in most countries, the Secretariat adapted all stages of the recruitment and onboarding process to a digital format, with the purpose to mitigate the impact of the pandemic on the fill ratio. Having ICT tools and some protocols already digitalized has allowed this adaptation to be fairly easy, with further work planned for the on-boarding process. The Secretariat is currently working towards having a comprehensive on-boarding programme for all staff to cover both GCF institutional-specific aspects as well as broader climate finance and climate science matters.

188. The Senior Management Team adopted a 9-point SMT charter to promote a supportive workplace and a culture of innovation. This has since been followed-up within an SMT training session. The Secretariat is also taking further steps to reinforce staff engagement in light of the

challenges posed by COVID-19. These include re-establishing the Culture Circles initiative which fosters engagement through exchanges between small groups of staff on issues related to engagement and well-being and the adoption of GCF's Corporate Values.

#### **2.6.3. Operationalization of the knowledge management system and initiating steps to position the GCF as a global knowledge hub and policy influencer in climate finance**

189. The Secretariat has made progress on initiating a knowledge management action plan and developing a Secretariat-wide knowledge management system. This knowledge management system combines elements of technology (ICT systems), processes (simplified policies) and people (knowledge sharing culture) to improve the efficiency and effectiveness of GCF operations, provide transparent and easy access to knowledge for stakeholders and promote peer-to-peer learning in the global climate finance landscape. A knowledge management theory of change has been finalized, and a knowledge management strategy and accompanying action plan, which will account for the impact of the COVID-19 pandemic, are being finalized. The implementation of the knowledge management system has been moderately impacted by COVID-19 as a result of the discontinuation of regular in-person consultations and workshops with stakeholders.

190. The Secretariat has continued to co-generate knowledge products with its partners. A report jointly commissioned by GCF and the Climate Investment Funds on synergies between climate mechanisms was published in April 2020. The launch of an online knowledge hub featuring knowledge products co-generated with GCF partners has been severely impacted by COVID-19 and will be delayed owing to shifting priorities for the divisions involved. However, the Secretariat has advanced its work on utilizing ICT systems to support knowledge management goals. The COVID-19 pandemic has highlighted the need for digital transformation and the Secretariat has explored the associated opportunities for knowledge management. For example, it has institutionalized the use of ICT tools for meetings, collaboration and the sharing of explicit knowledge. A GCF taxonomy has also been developed and is currently under implementation. This will support the effective cataloguing of critical knowledge.

191. Knowledge management has been integrated into roles and functions across the Secretariat and knowledge management activities are now incorporated in the job descriptions and performance management and development systems of staff. GCF has also made steps towards its long-term goal of becoming a knowledge hub to scale-up paradigm-shifting climate-compatible investments globally. The GCF communities of practice framework has enabled the Secretariat to leverage external expertise in 12 sectoral and thematic areas. The framework has also been instrumental in supporting the development of the GCF sectoral guidelines.

192. Finally, the Secretariat has revised the GCF internship programme to place a larger focus on expanding the GCF knowledge base with young, talented individuals, and has developed the concept for a GCF fellowship programme, which is being prepared for implementation.

#### **2.6.4. Advancing GCF's sustainability efforts**

193. The GCF Sustainability initiative (GSI) is continuing to work on strengthening internal sustainability efforts at headquarters, within the Secretariat and the Independent Units. In June 2020 the GSI team completed one of its key objectives for its first year: developing the [GCF Sustainability Strategy](#). The Sustainability Strategy was approved by the senior management team and consulted across all GCF staff. The GCF, led by GSI, is also in the final stage of joining the UN's Greening the Blue Initiative<sup>9</sup>. GCF will be able to share its experience and knowledge on

---

<sup>9</sup> Greening the Blue is a campaign established by the United Nations Environment Programme to assist the United Nations System of Organizations in reaching their sustainability commitments. See <<http://www.greeningtheblue.org/whathe-un-is-doing>>.

sustainability-related activities with those partners interested in pursuing the same goal such as NDAs/FPs and AEs. Additionally, GSI is working on institutionalizing its new Sustainability Strategy through policy and reporting work, environmental-related campaigns and events. These include developing GCF's baseline emissions inventory, hosting hyperlocal swap weeks, in which staff member trade used goods, and organizing green lunch dialogue sessions where staff members share knowledge and experience related to sustainability topics. Throughout the rest of the year, GSI will continue to work on its other objectives, namely on preparing a staff sustainability training module, the implementation of the sustainability strategy and adoption of the GCF environmental management system and developing sustainability procurement manual.

#### **2.6.5. Advancing the rollout of innovative and responsive ICT solutions and services**

194. During the first months of the COVID-19 pandemic, digital and virtual access to information systems and support services was increased and expanded, supporting Secretariat staff effectiveness in all locations. This has also established the groundwork for a comprehensive digitalization strategy to be pursued throughout the course of 2020, and beyond. The Secretariat expanded support services from Songdo business hours to 24-hour/7-day support for GCF personnel working in differing time zones and during the weekends. Support for video conferencing was doubled by dedicating technicians to monitor and moderate video calls and webinars. Additionally, regular communications on digital workplace related topics were introduced to familiarize GCF personnel with new digital technology tools and methods. In parallel, new video conferencing and webinar solutions were procured to meet the needs of GCF's partners and for use by Board Committees. The Secretariat has created and implemented a new Service Level Agreement to support these and future 24/7 ICT processes and services.

195. An array of new ICT initiatives continues this approach to increased resilience, both in digital systems and processes, including regular tech tip emails on productivity topics; webinars on remote working modalities and online tools; ICT's contribution to the procurement process for GFMS and Online Accreditation platforms; and a draft framework for identifying candidate processes for automation, following the release of the GCF Operations Manual. Looking ahead, the digitalization strategy aims to: i) deliver a transformational, resilient, connected, scalable digital workplace, ii) digitalize core business operations for maximized efficiency and availability, iii) develop a data-driven GCF, and iv) digitalize GCF collaboration and engagement, creating digital channels for strengthening stakeholder communication, partnerships, alliances and the GCF brand.

196. The Project Review and Tracking Platform (PRTP) is now fully operational and is successfully handling GCF Secretariat-side FP reviews for B.26 projects. It is also receiving AE's responses for the Secretariat's review comments through the platform, as well as those for FPs planned for consideration at B.27, thus improving the iterative collaboration process between the Secretariat and AEs for preparing FPs for both iTAP review and Board consideration. These improvements to the PRTP specifically enhance the overall user experience for the project team and reviewers, while directly contributing to the 2020 KPI for ensuring transparency and availability of information for external parties (see 2020 KPI 4.6). Another key initiative, the Digital Accreditation Platform (DAP), specifically targeted to boost the efficiency of pre-accreditation, accreditation and post-accreditation processes, was recently launched by ICT in collaboration with OED and their external technology partner. The automation of these accreditation processes is currently underway, and will be deployed on a state-of-the-art, foundational Intelligent Business Process Management (IBPM) platform.

197. Business Intelligence and information coordination and visualization efforts continued to expand throughout the Secretariat. In February, the Fund's KPI Framework project was moved in-house for increased control and efficiency, and a cross-divisional effort is now piloting a faster, more transparent approach. New data dashboards, planned for Q3, will apply

visualization best practices for increased clarity and effectiveness for Secretariat decision making throughout the year.

#### **2.6.6. Implementing the communications strategy**

198. DEA continued to develop and implement the Secretariat's Green Resilient Recovery Outreach and Communications Plan for proactive and strategic outreach to partners and media, critical to drive and shape the global narrative on green recovery and highlight GCF's unique role and relevance in supporting developing countries in these unprecedented times.

199. In the second quarter of 2020, new communications products were developed and disseminated to support resource mobilisation and stakeholder outreach, including customized project case studies for members of the United States Congress, regional and country factsheets featuring GCF-financed projects and their contributions to response to and recovery from the COVID-19 crisis, social media posts and other digital assets.

200. In June 2020, the Secretariat's communications team developed products (e.g., video, photo essay, web story and social media content) launched on World Environment Day to showcase how the work of GCF is relevant to prevention, response to and recovery from COVID-19 and the links between people and the planet. Implementation of the communications strategy has been only moderately affected by the COVID-19 pandemic, with the greatest impact on planned project site visits and media field trips, which aimed to capture success stories, video footage and human-interest narratives. Owing to travel restrictions, these plans have been curtailed, with more emphasis on digital assets and platforms.

201. By the end of June, the targets for two related KPIs (10 per cent increase in website page views and sessions, and a 15 per cent increase in followers on social media) had both been surpassed. Other KPIs are also progressing, including translation of communications products, development of branding signals and migration of websites to a new open source content management system. Targets under KPI 6.4 are all on progress to be met.

#### **2.6.7. Implementing the GCF partnership strategy and outreach efforts**

202. The Secretariat approved a partnerships roadmap on 25 March 2020 which provides a framework to prioritize and structure GCF approaches when engaging with external groups and partners. The approval of this roadmap is the first step towards institutionalizing a more strategic and proactive approach to outreach and partnerships throughout GCF. The newly formed Outreach and Partnerships Team within the Division of External Affairs is developing an implementation plan to operationalize the roadmap throughout the secretariat.

203. GCF continued advancing a comprehensive outreach agenda to strengthen its position in the global landscape, including the Executive Director delivering briefings to the Member States groups of Africa, Europe, LDCs and SIDS, and bilateral meetings with the United Nations Deputy Secretary-General, the President of the United Nations General Assembly and others in New York in January 2020. In addition, the Executive Director briefed the United States Senate bipartisan Climate Solutions Caucus in Washington, D.C. GCF also participated in the Partnership Consultation on Realizing NDCs through Improved Alignment with Investment Planning and Finance, hosted by the United Nations Deputy Secretary-General with support from GCF and the NDC Partnership in New York in February. The COVID-19 pandemic has disrupted all major global conferences and events which would normally provide important platforms for GCF to conduct outreach and engagement activities. Many key events have been cancelled or postponed until 2021 with a small number re-formatting to become virtual conferences with more limited agendas.

204. Despite these limitations the Secretariat has pivoted to position GCF and engage with key stakeholders through virtual engagements. These have included the Executive Director participating in the closing address of the Placencia Ambition Forum hosted by the Alliance of

Small Island States and a high-level side event on financing climate ambition in the context of the COVID-19 pandemic at the Petersberg Climate Dialogue organized by Germany and the United Kingdom of Great Britain and Northern Ireland in collaboration with Climate Policy Initiative.

205. The Secretariat is also engaging with Mark Carney and his team in his dual role as the United Kingdom Prime Minister's Finance Advisor for COP 26 and the United Nations Special Envoy for Climate Action and Finance to advance common objectives.

206. The COVID-19 pandemic has impacted KPI 6.5, especially the activities related to supporting GCF global and regional outreach and engagement with representations at least 10 regional and global events. Looking ahead, the Secretariat is pursuing opportunities to profile GCF in virtual global forums and conferences and is aiming to secure participation by Executives in 5 events, and to host at least 2 side events that convene key partners and external stakeholders.

#### **2.6.8. Mobilizing additional resources and providing further support to GCF-1 replenishment**

207. All contributor countries are facing mounting fiscal pressures and challenges as a result of the COVID-19 pandemic. The Secretariat has been informed by some of the contributor countries that, owing to the urgency of responding to the pandemic, there could be some delays around the budget allocation discussions for the climate change portfolio. At the same time, the outreach and advocacy work to be carried out by the Secretariat to mobilize additional resources is significantly restricted by the pandemic in the light of restrictions on travel and the overall challenging situation in the contributor countries. Travel restrictions, cancellation and postponement of major global forums/events and the shifting focus on the imminent priorities will dramatically reduce the opportunities to interact with contributors in the forthcoming months.

208. The above-mentioned constraints have moderately impacted KPI 6.6. As a result, the Secretariat will focus on materializing as many GCF-1 pledges as possible into signed contribution agreements, while deferring activities to mobilize additional resources, except for a limited number of contributors who have already expressed the possibility of increasing their pledges. Although work on developing the policy for contributions from philanthropic foundations and alternative sources will continue in 2020, its submission for consideration by the Board is to be deferred to 2021.

209. As at 30 June 2020, 39 per cent of GCF-1 pledges, or USD 3.8 billion, have been confirmed by signed contribution agreements/arrangements. Eighteen countries (out of 30 pledged) signed a full or partial amount of their pledges for GCF-1. While the Secretariat has been engaging proactively with the contributors to confirm the pledges, its target of 90 per cent for the amount of signed contribution agreements for GCF-1 by the end of 2020 may be moderately impacted (down to 80 per cent), reflecting the possible internal budgetary constraints faced by contributing countries.

210. Looking ahead in 2020, new communications products will be developed, and existing outreach materials will be updated to address the priorities of contributors in the context of the COVID-19 pandemic.

#### **2.6.9. Overseeing delivery of audits**

211. Owing to the impacts of COVID-19, the Office of the Internal Auditor (OIA) postponed its planned audits for 2020 to focus on advisory engagements and other non-audit work to support GCF. Nevertheless, it was able to finalize two audits (concept note and funding proposal review process; and the processes of business continuity planning, emergency management planning, security, facilities, occupational health and events management) that had been performed in

2019. OIA was not able to finalize the audit of portfolio monitoring; this has been deferred and will be revisited in the third quarter of 2020. In June, OIA reviewed and revised its workplan for the remainder of the year.

212. In addition to completing the two audits mentioned above, the main activities of OIA during the reporting period include: (1) reviewing the status, as at 31 December 2019, of management action plans agreed in response to audits in previous years; (2) reviewing the 2019 unaudited financial statements of GCF; (3) leading the development of an institutional risk framework for the Secretariat; and (4) providing support to the Office of Portfolio Management in filling its immediate capacity needs, particularly in reviewing Readiness reports and AE self-assessments. Other activities that OIA has undertaken include reviewing draft policies and manuals, as well as initiating its annual self-assessment for 2019 in preparation for the unit's independent quality review due in 2021.

#### **2.6.10. Additional priority measures: ensuring staff safety and business continuity in the context of COVID-19**

213. The reporting period saw exceptional measures being taken by the Secretariat in response to the evolving COVID-19 pandemic both within South Korea and globally, through a set of additional work priority measures intended to support business continuity and staff safety.

214. This started with the introduction of Special Flexible Work Arrangement allowing staff to work remotely. Efforts were also increased in terms of improving digital services and allowing work to continue virtually, the details of which are outlined in section II.6.4 above.

215. The measures were highly welcomed by staff, though some challenges have been noticed in terms of balancing both professional and personal life, which have required a great level of adaptability both from staff members and the Fund's management and may imply the re-evaluation of their decision to reside away from home. The GCF has also provided access to counselling services for staff and their dependents during this period.

216. In addition to enhanced engagement with South Korean authorities, the COVID-19 response plan has also seen additional internal management and communications measures being taken, including: i) setting up a core staff group for managing alerts and ensuring preparedness, ii) preparation of a daily communication bulletin to staff on status of pandemic in South Korea and globally and guidelines for personal safety, iii) on-going procurement of masks and safety materials to be provided to staff, in addition to iv) a close monitoring of budget and any required re-allocations.

217. The GCF office fully re-opened in June, following the introduction of new office layouts plans and social distancing guidelines to facilitate a safe workspace within G-Tower. The vast majority of staff are now working from within the GCF office. The Secretariat continues to monitor of requirements and regulations for re-entering South Korea and to provide support to assist the small number of staff who have been prevented to return to the country by the pandemic.

---

## Annex I: 2020 KPI Tracker and anticipated COVID-19 impact for 2020

KPI	Description	2020 WP Target (\$=M)	Progress (Year to date)	Progress % (Year to date)	COVID-19 Impact
<b>1</b>	<b>Strengthening country-driven planning and the partnership with national designated authorities to originate and deliver high-quality, innovative, scalable investments</b>				
1.1	<b>Number of countries supported through Readiness to support the goal of strengthening country driven planning and programming (Aggregate for Readiness)</b>			51%	Moderate
1.1a	Number of countries supported through Readiness to support the goal of strengthening country driven planning and programming	35	25	71%	Moderate
1.1.1	no. of non-NAP Readiness requests approved	50	6	12%	Severe
1.1.2	volume of non-NAP Readiness requests approved	45	3.67	8%	Severe
1.1.3	volume of the first disbursement for non-NAP	40	18.86	47%	Severe
1.1.5	no. of NAP Readiness requests approved	18	12	67%	Moderate
1.1.6	volume of NAP Readiness requests approved	40	26.03	65%	Moderate
1.1.7	volume of the first disbursement- NAP	7.6	6.32	83%	Moderate
1.2	<b>Enhanced complementarity and coherence with other climate finance delivery channels</b>			133%	Moderate
1.2.1	Number of FPs or CNs embedding complementarity and coherence strategies	10	12	120%	Low
1.2.2	Number of countries engaged in complementarity and coherence as part of their programming, including through Readiness and other preparatory resources during 2020	5	9	180%	Low
1.2.3	Establish platform for climate finance and investment with partners	1	1	100%	Low
1.3	<b>Review and feedback on CNs and FPs</b>			19%	Moderate
1.3.1	CNs endorsed by CIC for FP development	70	18	26%	Moderate
1.3.2	# FPs endorsed by CIC for interdivisional review	95	12	13%	Moderate
1.4	<b>Number and volume of FPs submitted for Board approval</b>			14%	Low

1.4.1	Number of FPs submitted for Board approval (42-51)	42	6	14%	Low
1.4.2	Total USD GCF resources FPs submitted for Board approval (USD 1.2-1.5B) in \$M	1,200	169.662	14%	Low
1.5	<b>Improved quality of CNs, FPs, SAPs, Readiness grants, NAPs, AMAs, FAAs</b>			155%	Moderate
1.5.1	Projects & programmes where ex ante GHG results verifications have been undertaken	15	21	140%	Low
1.5.2	At least 10 sector guidance documents developed and disseminated	100%	45%	45%	Low
1.6	<b>Enhanced gender mainstreaming</b>			100%	Low
1.6.1	Percentage of all FPs approved in 2020 contain gender action plans and gender disaggregated data	100%	100%	100%	Low
1.6.2	Percentage of all FPs approved in 2020 contain gender assessments	100%	100%	100%	Low
<b>2</b>	<b>Galvanizing GCF programmatic engagement with accredited entities</b>				
2.1	<b>Number of AMAs signed</b>	20	7	35%	Moderate
2.2	<b>Number project/programme ideas/concepts supporting direct access through Readiness/PPF</b>	25	4	16%	Moderate
2.3	<b>Major dialogues/conferences with countries and AEs (Major events: 2020 Global Private Investment Conference, Global Programming Conference; Number of structured programming dialogues)</b>	12	0	0%	Severe
2.3.1	Structured programming dialogues (10-12)	10	0	0%	Severe
2.3.2	Global Programming Conference	1	0	0%	Severe
2.3.3	2020 Global Private Investment Conference	1	0	0%	Severe
2.4	<b>Strengthened accreditation partnerships and processes</b>			57%	Moderate
2.4.1	Development of an accreditation strategy	1	0.4	40%	Low
2.4.2	Enhanced representation of DAEs: 66 DAEs accredited or 60% of the total AE portfolio	60%	60%	100%	Low
2.4.3	Launching the re-accreditation process for the accredited entities with AMAs made effective in 2016, pending Board consideration of the re-accreditation process one year in advance	1	0.3	30%	Severe
2.5	<b>Strengthen entity work planning: establish at least 2 pilot multi-annual entity work programmes</b>	2	4	200%	Low

<b>3</b>	<b>Filling key gaps in GCF policy and governance frameworks</b>				
3.1	<b>Accountability and reporting to the COP</b>			300%	Moderate
3.1.1	Response to COP guidance to the GCF incorporated into Secretariat operations after COP 25 and ahead of B.26 and 9th Report of the GCF to the COP submitted on time to UNFCCC Secretariat	1	2	200%	Moderate
3.1.2	Enhanced collaboration with the UNFCCC Secretariat and constituted bodies in activities to advance COP Guidance to the GCF, such as on activities related to NAPs	1	4	400%	Moderate
3.2	<b>Support for informed Board decision-making and closing policy gaps</b>			15%	Severe
3.2.1	100% of Board meeting documents ready for publication in accordance with Board procedure	100%	19%	19%	Severe
3.2.2	100% of policy matters in Board workplan prepared and presented according to workplan schedule to facilitate higher adoption rate	100%	10%	10%	Severe
3.3	<b>Review of the risk management framework components I-VII and the initial financial risk management framework</b>			65%	Moderate
3.3.1	Complete internal review of the risk management framework components I-VII and submit to RMC for consideration	1	0	0%	Moderate
3.3.2	Complete internal review of initial financial risk management framework and submit to RMC for consideration	1	0.95	95%	Low
3.4	<b>Develop and present legal risk policy for Board consideration; target revised to: Preparation of document for SMT and RMC consideration; implementation of internal document subject to SMT and RMC approval</b>			25%	Moderate
3.4.1	Preparation of policy and presentation to Board for consideration	1	0.25	25%	Moderate
3.4.2	Implementation of policy subject to Board approval	1	0.25	25%	Moderate
3.5	<b>Supporting delivery of the GCF strategic and policy agenda</b>			77%	Moderate
3.5.1	Finalization of a Strategic Plan for 2020–2023	1	0.9	90%	Severe
3.5.2	Finalization of policy manual	1	0.35	35%	Low
3.5.3	All policies submitted to the Board for B.26 and B.27 developed in line with the GCF policy manual	18	10	53%	Low
3.6	<b>Strengthen awareness of ethical standards: 6 ethics-related trainings and workshops.</b>	6	2	33%	Low

4 Reducing engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery					
4.1	<b>Review and feedback on CNs and FPs</b>			79%	Moderate
4.1.1	75% of CNs reviewed within 30-day target (from submission to first feedback)	75%	52%	70%	Moderate
4.1.2	75% of FPs reviewed within 75 day target (from start of interdivisional review to iTAP submission)	75%	82%	109%	Low
4.1.3	70% of SAP CNs receive Secretariat's feedback within the target (21 days)	70%	42%	60%	Moderate
4.2	<b>Accelerate FAA signings: 33 FAAs signed (especially focusing on signing FAAs that were unsigned at end of 2019)</b>	33	10	30%	Moderate
4.3	<b>Projected aggregate disbursements (1.2-1.6B)</b>	1,200	1162.8	97%	Moderate
4.4	<b>Privileges and Immunities (P&amp;I): 5 additional P&amp;I Agreements to be signed</b>	5	1	20%	Moderate
4.5	<b>Strengthen and standardize procurement systems to ensure value for money and transparency</b>			93%	Moderate
4.5.1	Procurement Requests are acknowledged, and procurement actions are initiated within 10 working days from receipt by Head of Procurement	100%	80%	80%	Moderate
4.5.2	100% of requested data made available within 7 days	100%	100%	100%	Moderate
4.5.3	100% of data is usable by those it is intended to serve	100%	100%	100%	Moderate
4.6	<b>Ensure transparency to non-classified information through real-time information systems</b>	78%	70%	70%	Moderate
4.6.1	80% of non-classified authoritative information made available to external parties	80%	67%	67%	Moderate
4.6.2	75% of data sets are kept current by the business owners according to targets by class	75%	73%	73%	Moderate
4.7	<b>Externally audited financial statements for 2019: Financial statements audited for the year 2019, with unqualified audit opinion</b>	1	1	100%	Moderate
4.8	<b>Templates and SOPs developed for Secretariat operations committees</b>	4	1.5	38%	Low
5 Adopting adaptive management of portfolio implementation and strengthening GCF results management					
5.1	<b>Integrated results management framework (RMF) developed</b>			0%	Moderate
5.1.1	An integrated and 'fit-for-purpose' RMF submitted to B.25 (and operationalized, subject to Board approval)	1	0	0%	Moderate

5.1.2	MRV/M&E systems finalized and guidance on MRV/M&E systems developed for use by AEs	1	0	0%	Moderate
5.2	<b>Implementation reports reviewed and 2020 APPR published</b>			267%	Low
5.2.1	At least 65 APRs reviewed	65	56	86%	Low
5.2.2	90 Readiness reports reviewed	90	74	82%	Moderate
5.2.3	Follow-up engagement on portfolio implementation issues held with each of the five entities to which GCF is most exposed with respect to funded activities and the Readiness Programme [this KPI has been revised upwards in response to COVID-19]	5	45	900%	Low
5.2.4	APPR 2020 presented to B.27	1	0	0%	Low
<b>6</b>	<b>Consolidating institutional capacities and take initial steps to position the GCF to be a global knowledge hub and policy influencer in climate finance</b>				
6.1	<b>Enhanced staff engagement and increased capacity</b>			96%	Moderate
6.1.1	95% staff with standardized Job Descriptions completed, updated and used to ensure efficiency of operations	95%	95%	100%	Moderate
6.1.2	95% average fill ratio (total available positions/actual headcount)	95%	82%	87%	Moderate
6.1.3	Maximum 10–20% turn-over of critical staff positions.	10%	5%	100%	Moderate
6.2	<b>Fostering a culture of innovation and respect: Regular assessment of implementation of SMT statement of commitment</b>	1	0.2	20%	Low
6.3	<b>Operationalization of the knowledge management system internally and externally</b>			45%	Moderate
6.3.1	KM action plan initiated and GCF KM system launched	1	0.65	65%	Low
6.3.2	Online knowledge hub launched featuring co-generated knowledge products developed with partners	1	0.25	25%	Moderate
6.4	<b>Implement communications strategy</b>	1	0.33	33%	Moderate
6.4.1	Adopt new branding guidelines	1	0.6	60%	Low
6.4.2	15% increase in followers on social media	15%	78%	520%	Low
6.4.3	10% increase in website pageviews and sessions	10%	73%	730%	Low
6.5	<b>Develop partnership strategy &amp; commence implementation</b>			100%	Moderate

6.5.1	Partnership strategy endorsed and implementation plan prepared	1	0.6	60%	Low
6.5.2	Support GCF global and regional outreach and engagements with representation at least 10 regional and global events (including at least two side events on the margins of these event organized by the GCF)	10	4	40%	Severe
6.6	<b>Mobilize additional resources and provide further support to GCF-1 replenishment</b>			12%	Moderate
6.6.1	Long-term resource mobilization plan for GCF developed and endorsed	1	0	0%	Moderate
6.6.2	Submission of policies for contributions from alternative sources to board	1	0	0%	Moderate
6.6.3	Finalize contribution agreements/arrangements for least 90% of the pledges made	90%	44%	48%	Moderate
6.6.4	Throughout the GCF-1 period, continue resource mobilization efforts aiming to reach at least the level of IRM pledges	1	0%	0%	Severe

## Annex II: List of memorandums of understanding in effect

*\*No new MoUs signed during the reporting period*

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 BSC 'Closed' and the GCF	21 October 2018	2 years	Non-binding	To provide a framework for collaboration between the parties to develop and promote joint initiatives in support of the parties' respective mandates in the areas of cooperation

No	MOU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
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