



GREEN
CLIMATE
FUND

Meeting of the Board

18 – 21 August 2020

Virtual meeting

Provisional agenda item 8

GCF/B.26/Inf.11

14 August 2020

Report on the activities of the Co-Chairs

Summary

This document contains the report on the activities of the Co-Chairs from March to August 2020.

I. Introduction

1. The COVID-19 pandemic has posed unprecedented challenges globally at an individual as well as organizational level. In face of this new reality, GCF has been taking the necessary measures to limit the risks of exposure and transmission of COVID-19 in its operations while being committed to continuing its activities in an agile and adaptable way. The GCF has been enhancing its ICT capabilities, which in the period allowed for the first virtual Board activity.
2. The Co-Chairs, in consultation with the Board and supported by the Secretariat, continue to be guided by the best interests of the Fund while considering the adjustments made to ensure the GCF can carry out its mandate.
3. The Co-Chairs continue efforts towards improved functioning of the Board and GCF entities, as well as greater transparency and shared participation of Board members. In Year 1 of the first replenishment period, the Co-Chairs are fully committed to achieving a sound and ambitious updated strategic plan that will have support across the Board table.
4. This document presents the report on the activities of the Co-Chairs from March to August 2020.

II. Engagement with the Secretariat

5. The Co-Chairs, and their advisers acting on behalf of the Co-Chairs, held weekly conference calls with the Secretariat to guide the implementation of the Board work plan for 2020, including preparations for the twenty-sixth meeting of the Board (B.26) as well as Board consultations on policy matters in 2020.
6. Regular engagement included weekly calls between the Co-Chairs and the Executive Director and weekly calls between the advisers of the Co-Chairs and the Office of Governance Affairs. These check-ins were to discuss the impact of COVID-19 on both Board operations and on staff, and how to continue and enhance the operations of the GCF in light of the pandemic.
7. The engagement between the Co-Chairs and the Secretariat also included setting up dry runs for the Board which included a webinar to informally discuss the role of the GCF in supporting a green resilient recovery in developing countries in the context of COVID-19, training sessions, and other efforts to test virtual platforms which are to be used for Board meetings to be held as net-meetings in 2020 as decided by the Board, and to ensure equitable access for all.

III. Decisions without a Board meeting

8. The Co-Chairs approved the transmission of decisions that they determined must be taken by the Board that should not be postponed to the next Board meeting.
9. The Co-Chairs facilitated the Board's consideration and approval on a non-objection basis of the following decisions without a Board meeting:
 - (a) The implementation of the performance evaluation and performance-related pay systems for Board-appointed officials was shared through a proposed decision on 28 March and approved by the Board on a non-objection basis. The approved decision was circulated on 21 April;
 - (b) The consideration of accreditation proposals was shared through a proposed decision on 31 March and approved on a non-objection basis. The approved decision was circulated on 24 April;

- (c) The appointment of members of the Accreditation Committee through a proposed decision shared on 29 April and approved by the Board on a non-objection basis. The approved decision was circulated on 7 May;
 - (d) The term extension of members of the Accreditation Panel through a proposed decision shared on 24 June and approved by the Board on a non-objection basis. The approved decision was circulated on 15 July;
 - (e) The audited financial statements of GCF for year ended 31 Dec 2019, and shared through a proposed decision on 3 July, and approved by the Board on a non-objection basis. The approved decision was circulated on 20 July;
 - (f) The dates and venues for GCF Board meetings in 2020 were also considered through a proposed decision shared on 8 July and approved by the Board on a non-objection basis. The approved decision was circulated on 15 July; and
 - (g) The appointment of members to the Performance Oversight Committee of the Executive Director and Heads of Independent Units through a proposed decision shared on 8 July and approved by the Board on a non-objection basis. The approved decision was circulated on 21 July.
10. Additional details on the decisions without a Board meeting can be found in document GCF/B.26/Inf.01 titled “Board decisions proposed between the twenty-fifth and twenty-sixth meetings of the Board”.

IV. Board consultations for 2020

11. Despite the challenges posed by COVID-19, the Co-Chairs focused on ensuring that GCF continues to deliver on its mandate. Therefore, in order to progress various policy matters scheduled for Board consideration in 2020, and in line with the Board decision B.23/03, which requests Co-Chairs to continue to enhance the effectiveness of pre-Board meeting consultations in an open, inclusive, consultative and transparent manner, a consultation plan has been prepared for the year 2020 which was shared with the Board on 26 June 2020 (please see annex I).

12. The plan reflects policy matters as broadly agreed in the Board Work Plan for the year 2020. It has been prepared together with the Secretariat, the independent units and in consultation with and with the endorsement of Chairs of all Board committees, who noted that proceeding in this manner will help move Board items forward. It includes documents that were, as at 26 June, (i) ready for circulation, (ii) under consideration by various Board committees, and (iii) under preparation by the Secretariat.

13. The consultation plan indicates approximately when documents for each item will be made available to the Board for consultations. The timelines and process identified for each item were outlined based on the best understanding of the current status of each document. As of 14 August 2020, 11 documents have been shared with the Board for consultations. Feedback has been received on 10 documents. For some of these documents, diverse views and concerns have been shared by members.

14. In the spirit of continuing to make progress on outstanding policy matters, The Co-Chairs are considering further consultations that will allow Board business to advance efficiently and effectively.



V. Preparations for the twenty-sixth meeting of the Board

15. The Co-Chairs monitored the pandemic situation closely, and, conscious of the impact it could have on B.26, the Co-Chairs requested the Secretariat to determine, without prejudging outcomes, the feasibility of a virtual meeting and ensuring equitable participation for all.

16. A survey was also sent out to the Board and advisers on 18 June to identify specific technical and logistical needs to facilitate the full participation of all members, alternative members of the Board and advisers in a virtual meeting. To ensure inclusivity, the Co-Chairs requested the Secretariat to carry out testing and develop workaround solutions for those facing connectivity and access challenges.

17. The Co-Chairs held extensive consultations, including with their respective constituencies, to find consensus on the decision for dates and venues for GCF meetings in 2020 (an outstanding matter from B.25). To converge on a decision, a small group was constituted, with members from both constituencies. On 2 July 2020, the Co-Chairs facilitated a virtual session for the full Board on the draft text suggested by the small group. Co-Chairs issued a revised text for approval via a decision without a Board meeting on 8 July 2020. No objections were received, and on 15 July 2020, the Board approved the decision.

18. In order to prepare for B.26, on 15 July 2020, the Co-Chairs facilitated a webinar via Zoom, as a dry run for the formal meeting. The webinar was used to informally discuss green recovery within the context of GCF. The meeting was attended by almost 100 participants, which included 17 Board members, 13 alternate members and several advisers. The webinar serving as a test run, also assisted in highlighting technical issues to be addressed prior to the formal Board meeting.

19. The draft provisional agenda was transmitted on 20 July 2020, adhering to paragraph 18 of the Rules of Procedure of the Board.

V. Updated Strategic Plan for the GCF 2020–2023

20. The Updated Strategic Plan for 2020 – 2023: Co-Chairs Proposal (document GCF/B.25/09) was considered by the Board at its twenty-fifth meeting (B.25) held in Geneva from 10 – 12 March 2020. While progress was made, due to the challenges posed by the Covid situation, the matter could not be concluded at B.25. Therefore, respecting the momentum and progress demonstrated during the informal meeting in Liberia and at then B.25, and noting decision B.24/03, paragraph (a), the Co-Chairs agreed to advance the consultation process of the Updated Strategic Plan (USP), in order to present it for consideration and approval by the Board in 2020.

21. The Co-Chairs consultation process for the USP (please see annex II) was issued on 8 July 2020. Subsequently, an introductory virtual session was facilitated by the Co-Chairs to kick start the consultation process on 17 July 2020. Board members have since been engaging in a small group process, supported by the Secretariat, which is on track as per the Co-Chair consultation process.

Annex I: Consultation Plan



Co-Chair's Consultation Plan 2020

26 June 2020



| | Item | Board Review Start Date | Board Review End Date | Process |
|---|---|-------------------------|-----------------------|--|
| 1 | Extension of the terms of Accreditation Panel members | 23 Jun | 14 Jul | <i>Decision without a Board meeting</i> |
| 2 | Guidelines on decision-making without a Board meeting <i>(B.23 version)</i> | 29 Jun | 19 Jul | <i>Consultation with a view to adopting a Decision</i> |
| 3 | Next steps in the event that a Board member is unable to join consensus regarding the outcome of the balloting procedure <i>(B.24 version)</i> | 29 Jun | 19 Jul | <i>Consultation</i> |
| 4 | Matters related to the results management framework: addressing gaps in the current portfolio for measurement <i>(B.25 version)</i> | 29 Jun | 19 Jul | <i>Consultation</i> |
| 5 | Investment Framework: <i>Policy guidelines on programmatic approach</i> <i>(B.25 version)</i> | 29 Jun | 19 Jul | <i>Consultation</i> |
| 6 | Matters related to the simplified approval process | | | |
| | a) <i>IEU Rapid evaluation of the SAP</i> | 29 Jun | 30 Jul | <i>Consultation</i> |
| | b) <i>Management response</i> | 4 Aug | -- | <i>For information to supplement consultation</i> |
| | c) <i>Further development of the SAP pilot programme</i> | 4 Aug | 31 Aug | <i>Consultation</i> |
| 7 | IEU's synthesis review of the GCF's accreditation process | | | |
| | a) <i>Independent evaluation report</i> | 29 Jun | 30 Jul | <i>Consultation</i> |
| | b) <i>Management response</i> | 4 Aug | -- | <i>For information to supplement consultation</i> |



| | Item | Board Review Start Date | Board Review End Date | Process |
|----|--|-------------------------|-----------------------|--|
| 8 | Updated and integrated results management framework and the results tracking tool | 30 Jun | 30 Jul | <i>Consultation</i> |
| 9 | Updated accreditation framework, including the project-specific assessment approach | 30 Jun | 30 Jul | <i>Consultation based on AC recommendation</i> |
| 10 | Audited financial statements | 1 Jul | 15 Jul | <i>Decision based on EAC/BC recommendation</i> |
| 11 | Board guidelines for the consideration of reports of the independent redress mechanism | 1 Jul | 30 Jul | <i>Consultation/Decision based on EAC recommendation</i> |
| 12 | Matters related to Country Ownership | | | |
| | <i>a) Independent Evaluation of Country Ownership Approach</i> | 2 Jul | 30 Jul | <i>Consultation</i> |
| | <i>b) Management response</i> | 2 Jul | -- | <i>For information to supplement consultation</i> |
| | <i>c) Assessment of the application and review of the guidelines on country ownership and drivenness</i> | 17 Oct | 17 Nov | <i>Consultation</i> |
| 13 | Readiness and Preparatory Support Programme – Annual Report 2019 and Work Programme and Budget 2020-2021 | 3 Jul | 24 Jul | <i>Decision without a Board meeting</i> |
| 14 | Independent evaluation of the ESS system of the GCF including evaluation of the Project Preparation Facility | | | |
| | <i>a) Independent evaluation report</i> | 6 Jul | 1 Aug | <i>Consultation</i> |
| | <i>b) Management response</i> | 13 Jul | -- | <i>For information to supplement consultation on revised ESS Management System in 2021</i> |



| | Item | Board Review Start Date | Board Review End Date | Process |
|----|---|-------------------------|-----------------------|---|
| 15 | Appointment of members of the Technical Advisory Panel | 15 Jul | 5 Aug | <i>Decision without a Board meeting based on IC recommendation</i> |
| 16 | Performance review and appointment of Accreditation Panel members | 15 Jul | 5 Aug | <i>Decision without a Board meetings based on recommendation of external evaluation</i> |
| 17 | Guidelines on extraordinary Board meetings | 20 Jul | 20 Aug | <i>Consultation</i> |
| 18 | Investment Framework: <i>Incremental and full cost</i> | 7 Aug | 30 Aug | <i>Consultation based on IC recommendation</i> |
| 19 | Investment Framework: <i>Policy on concessionality</i> | 7 Aug | 30 Aug | <i>Consultation based on IC recommendation</i> |
| 20 | Investment Framework: <i>GCF support to adaptation</i> | 7 Aug | 30 Aug | <i>Consultation based on IC recommendation</i> |
| 21 | Investment Framework: <i>Mapping eligibility and selection criteria</i> | 7 Aug | 30 Aug | <i>Consultation based on IC recommendation</i> |
| 22 | Evaluation Policy | 18 Aug | 4 Sep | <i>Consultation</i> |
| 23 | Detailed procedures and guidelines for the effective functioning of the Independent Evaluation Unit | 18 Aug | 4 Sep | <i>Consultation</i> |
| 24 | Administrative remedies and exclusions policy | 19 Aug | 15 Sept | <i>Consultation/Decision based on EAC recommendation</i> |
| 25 | Review of committees, panels and groups and updated general guidelines for committees and panels | 1 Sept | 30 Sept | <i>Consultation</i> |



| | Item | Board Review Start Date | Board Review End Date | Process |
|----|---|-------------------------|-----------------------|--|
| 26 | Investigation Standards | 7 Sep | 6 Oct | <i>Consultation/Decision based on EAC recommendation</i> |
| 27 | Administrative budget and work programme of the Secretariat for 2021 | 21 Sep | 15 Oct | <i>Decision without a Board meeting if meeting cannot be held in 2020 after BC clearance of the budgets by the Board</i> |
| 28 | Administrative budget and work plan for 2021 and updated 3 year rolling work plan of the Independent Evaluation Unit | 21 Sep | 15 Oct | |
| 29 | Administrative budget and work plan of the Independent Redress Mechanism for 2021 | 21 Sep | 15 Oct | <i>Decision without a Board meeting if meeting cannot be held in 2020 after EAC and BC clearance of the budgets by the Board</i> |
| 30 | Administrative budget and work plan of the Independent Integrity Unit for 2021 | 21 Sep | 15 Oct | |
| 31 | Report of the Green Climate Fund to the Conference of the Parties to the UNFCCC | 1 Oct | 21 Oct | <i>Circulation timeline dependent on UNFCCC requirements</i> |
| 32 | Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment including budget for implementation of the policy | 5 Oct | 23 Oct | <i>Decision based on BC recommendation (budget component)</i> |
| 33 | The initial analysis of options to minimize currency fluctuations in 2020 | 5 Oct | 23 Oct | <i>Consultation based on BC recommendations</i> |
| 34 | Legal risk policy | 30 Oct | 20 Nov | <i>Consultation based on RMC recommendation</i> |
| 35 | IEU's evaluation of the GCF's effectiveness and relevance in the SIDS | 26 Oct | 25 Nov | <i>Consultation</i> |



| | Item | Board Review Start Date | Board Review End Date | Process |
|----|---|-------------------------|-----------------------|---|
| 36 | Updates to the operational modalities of the independent Technical Advisory Panel to accommodate the increased workload | 3 Nov | 24 Nov | <i>Consultation/Decision based on IC recommendation</i> |
| 37 | <i>Updated Strategic Plan for the GCF</i> | -- | -- | <i>[Co-Chairs consulting on process]</i> |

BC: Budget Committee | EAC: Ethics and Audit Committee | IC: Investment Committee | RMC: Risk Management Committee

Annex II: USP Consultation Process Note

Co-Chairs Note

Consultation process for the Updated Strategic Plan 2020 – 2023

Background

1. The Updated Strategic Plan for 2020 - 2023: Co-Chairs Proposal (GCF/B.25/09) was considered by the Board at its twenty-fifth meeting (B.25) held in Geneva from 10- 12 March 2020. In an attempt to find consensus on issues of divergence, the Co-Chairs requested four Board/Alternate Members¹ (two each from developed and developing countries) to facilitate discussions and find consensus on contentious issues. To ensure inclusivity and transparency, all Board/Alternate Members and Advisors were invited to participate.
2. Six areas² were identified where convergence was required and significant progress was made during the informal consultations held during B.25. While there was visible convergence on 4 of the 6 issues, due to the uncertainty posed by the exceptional circumstances, the facilitating Board/Alternate Members were unable to further the discussions and consider any bridging text on the 4 issues, or deliberate on the 2 outstanding matters.
3. During the consideration of the relevant Agenda item at B.25, the facilitating Board/Alternate Members reported that they were unable to reconvene due to circumstances posed by the COVID-19 situation and therefore were not in a position to bring any concrete options to the Board. The Agenda item was closed, with the understanding that the Co-Chairs will continue the consultation process based on the collaborative and productive One Board discussions initiated at the informal meeting in Liberia and at B. 25.

Continuing consultation in a virtual setting

4. Respecting the momentum and progress demonstrated during the informal meeting in Liberia and at B.25, and noting decision B.24/03a, the Co-Chairs are committed to advancing the consultation process of the Updated Strategic Plan (USP), in order to present it for consideration and approval by the Board in 2020.

¹ Ignacio Lorenzo, Richard Muyungi (Developing country constituency), Susan Krohn, Josceline Wheatley (Developed country constituency)

² 1. Strategic objectives (Paras 13(b) & (c)); 2. Shifting financial flows (Paras 7, 15, 21); 3. Project prioritization (Para 20(c)); 4. Diversifying instruments (Para 20(e)), 5. Accreditation prioritization (Para 26(a)), and 6. Efficient process management & delegation (Para 29)

5. A similar consultation process for key items is already in motion through the Consultations plan that was circulated to the Board on 26 June 2020.

6. Considering the challenges posed by COVID - 19, and the inability of the Board to meet in person, a clear, transparent and inclusive process has been identified, so that all members within both constituencies are able to meaningfully engage in the discussions.

The virtual consultation methodology and process

7. The Co-Chairs have agreed to a dual methodology approach for the USP consultation process, namely the formation of small group(s) and facilitation of virtual sessions by the Co-Chairs. Such an engagement will allow for an effective and inclusive approach for discussions, in line with decisions B.22/06 and B.24/03. This will enable the Co-Chairs to continue providing the Secretariat with guidance to streamline the updated Strategic Plan for 2020-2023 as per GCF/B.25/09.

8. Co-Chairs encourage and will facilitate Board Members and Alternates, with their Advisors, to organize into small group(s), aligning with their interest(s) in the six issues, to begin deliberations. Co-Chairs, supported by the Secretariat, will host an introductory virtual session, open to all, to kick off the consultation process and address questions. Board Members/Alternate Members will be invited to volunteer to facilitate and convene the small group(s). Following the session, the interested Board Members/Alternate Members, with their Advisors, will be requested to self-organize and work independently, with the understanding that their deliberations will feed into subsequent virtual sessions, to be facilitated by the Co-Chairs (*refer to para 10*).

9. As with the process undertaken at B.25, the small group(s) are expected to remain open, and transparent in their deliberations, keeping the invitation open for all willing to join. The group(s) will be expected to propose concrete solutions to areas of divergence that are most likely to find consensus with the larger Board membership. The Secretariat will support the small groups, as required, to ensure the full alignment of the USP with the existing decisions and policies approved by the Board.

10. In order to ensure a full consultation process with the Board on the revised recommendations and suggestions arising from the small group(s), Co-Chairs, supported by the Secretariat, will facilitate 3 virtual consultation sessions (or more, if required), open to all Board Members and Alternates to finalize the document.

11. The expectation is that Board Members and Alternates, with their Advisors, will actively engage in these fora to encourage robust discussion, which will regularly and ultimately provide guidance toward the finalization of the USP.

12. Each virtual consultation session, scheduled for two hours, is expected to consider two areas that require convergence, including consideration of their linkages to other parts of the draft Updated Strategic Plan. Following each session, Board Members/Alternate Members who maintain strong views/concerns will be requested to engage directly or through their Advisors with the small group members to suggest bridging texts on the issues. Should this not yield convergence, a follow-up consultation session will be initiated by the Co-Chairs to include all implicated members.

13. At the start of the next virtual consultation session, the text streamlined by the Secretariat, under the guidance of the Co-Chairs, on the issues already considered, will be presented by the Co-Chairs for consideration by all. Based on the feedback, bridging texts will be further refined, if needed. The Co-Chairs will continue to address the six issues in this manner over the 3 or more virtual sessions, until there is consensus on the document to the extent possible.

14. The resulting revised draft Updated Strategic Plan will be submitted to the Board for consideration and approval at the twenty-seventh Board Meeting (B.27), tentatively scheduled for November 2020.

Timelines

15. The introductory virtual session by the Co-Chairs will be held in the week starting 13 July 2020. The subsequent 3 virtual sessions envisaged for finalization of the USP are tentatively planned for no later than 10 August, 7 September and 28 September 2020. Small group discussions are expected to convene as often as needed in the weeks prior to each of these virtual sessions.

16. The consultation process for the USP will be closed on 10 October 2020. All efforts will be made to achieve consensus before the said deadline, in order to share the final version of the USP with the Board for consideration and approval at B.27.
