



**GREEN
CLIMATE
FUND**

Meeting of the Board
9 – 13 November 2020
Virtual meeting
Provisional agenda item 5

GCF/B.27/Inf.12

30 October 2020

Report on the activities of the Secretariat

Summary

This report provides an update on the activities of the Secretariat for the period 1 July to 30 September 2020. It summarizes progress against the overarching goals and priorities identified in the Secretariat's 2020 work programme, as well as tracking key performance indicators identified in the work programme results framework.

The report also includes an updated key performance indicator tracker against the 2020 work programme targets (annex I); the list of GCF cooperation agreements that are currently in effect (annex II); the annual update on complementarity and coherence (annex III); and an overview of the GCF grievance architecture (annex IV).

The report also contains four addenda: the SEAH Policy Technical Assessment Report (Add.01), an update on the development of sector guidance (Add.02), the report on the execution of the 2020 administrative budget (Add.03) and the status of accreditation master agreements and funded activity agreements (limited distribution Add.04).

Table of Contents

I.	Introduction	1
	1.1 Executive summary	1
	1.2 Tracking key fund indicators	2
	1.3 Summary of progress towards the six goals	4
II.	Detailed account of activities of the Secretariat during the reporting period against the six goals	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	14
	2.3 Filling key gaps in GCF policy and governance frameworks	20
	2.4 Reducing engagement costs and time to funding by improving efficiency, effectiveness and transparency of GCF processes and speed of delivery	24
	2.5 Adopting adaptive management of portfolio implementation and strengthening GCF results management	29
	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	31
	Annex I: 2020 KPI tracker as at 30 September 2020	38
	Annex II: List of memorandums of understanding in effect as at 30 September 2020	45
	Annex III: Annual update on complementarity and coherence	47
	Annex IV: Overview of the GCF grievance architecture	56

I. Introduction

1.1 Executive summary

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 July to 30 September 2020.

2. The 2020 work programme goals continue to expand the Secretariat's focus on raising quality across its operational modalities through strengthening country and entity engagement for transformational climate programming; facilitating access to GCF resources through streamlining and improving the efficiency and transparency of its processes; improving monitoring, adaptive and results management of the fast growing GCF portfolio; as well as advancing recruitments and strengthening organizational culture.

3. Specifically, the overarching goals for 2020 are:

- (i) Strengthening country-driven planning and the partnership with national designated authorities (NDAs) 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 taking initial steps to position the GCF to be a global knowledge hub and policy influencer in climate finance.

4. At the onset of the COVID-19 pandemic, the Secretariat sought to anticipate the impact this would have on its operations in order to identify remedial measures and reprioritize activities as required. The KPI tracking sheet provided in annex I highlights progress against the annual goals as at 30 September 2020, as well as against the anticipated impacts of the COVID-19 pandemic.

5. Although the Secretariat expected 61 per cent of activities to be moderately or severely affected as of May 2020, results as of 30 September 2020 show that most of the 2020 programmatic targets are likely to be met or exceeded by year end. Funding proposal approval targets are likely to be significantly exceeded after the twenty-seventh meeting of the Board (B.27) (see table 1). Strong progress was also made in terms of project implementation, with the impact of the COVID-19 pandemic both for funding proposals and the Readiness and Preparatory Support Programme (the Readiness Programme) being substantially less severe than anticipated in May 2020. Seventy-six per cent of the GCF portfolio is currently under implementation (see table 2) compared with 59 per cent at the beginning of 2020.

6. This progress is partly due to the adaptive portfolio management initiatives rapidly rolled out and active engagement with AEs, NDAs and delivery partners during the first half of the year. In particular, engagement with AEs facing implementation challenges was exceeded by 1,080 per cent compared with the original targets. It was also a direct result of the Secretariat's efforts to map, streamline, standardize and automate internal processes for funding proposals and Readiness reviews and portfolio implementation that was initiated in 2019.

7. However, the potential for continued efficiency gains will rapidly decline without further simplification of GCF programmatic processes as well as additional investment in the programming capacity of NDAs and delivery partners. The limited uptake of the simplified approval process (SAP) is a case in point.
8. Progress on the strategic and policy agenda for 2020 remained uneven. In line with the 2020–2023 Board Work Plan and Board consultation schedule for 2020, the Secretariat supported virtual Board consultation sessions on the updated Strategic Plan and submitted 13 draft policy papers to the Co-Chairs or committees for consideration during the year. Due to COVID-19 challenges, of the 13¹ papers prepared by the Secretariat only 6² underwent Board consultation and 4 were published for a Board meeting, including one paper³ which did not require previous Board consultation.
9. In terms of institutional capacity development, the Secretariat focused on staff safety and business continuity; staff hiring in an extremely challenging context for international recruitment; and strengthening organizational culture.
10. Section 1.3 provides a summary of progress against the six goals. Section II gives a more detailed account of the activities that were carried out against each of the six goals.

1.2 Tracking key fund indicators

11. The tables below 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 as at 30 September 2020

Funding proposals		B.25 and B.26		Target for Dec. 2020	
Total number of funding proposals approved		Public: 17 proposals	Total: 21 proposals	Public: + 28–33 proposals	Total: + 40–49 proposals
		Private: 4 proposals		Private: + 12–16 proposals	
Amount of funding approved (cumulative USD total)		Public: 751 million	Total: 1.05 billion	Public: + 580–680 million	Total: 1.18–1.48 billion
		Private: 298 million		Private: + 600–800 million	
Simplified approval process	No. FP	4		11	
	Total USD	35 million		110 million	
Mobilizing Funds at Scale	No. FP	2		3	
	Total USD	35 million		130 million	
MSME approved	No. FP	–		–	
	Total USD	–		–	

¹ The figures are based on the 2020–2023 Board Work Plan, which set out 23 policy items to be developed in 2020. It does not include policy items which were added for 2020 under the 2020 Co-Chairs' Board Consultation Plan.

² Two additional papers that were not under the 23 policy items set out in the 2020-2023 Board Work Plan were also consulted in 2020, based on earlier versions that were not prepared or updated by the Secretariat in 2020

³ One paper, the "Revised Initial Financial Risk Management Framework" was published for information under document GCF/B.26/Inf.10/Add.01, as it was decided by the Risk Management Committee that the review did not dictate material policy changes and this did not require Board consultation or decision.



Funding proposals		B.25 and B.26	Target for Dec. 2020
REDD-plus approved	No. FP	2	2
	Total USD	132 million	150 million
EDA approved	No. FP	0	3-4
	Total USD	0	60 million

Abbreviations: B.25 = twenty-fifth meeting of the Board; B.26 = twenty-sixth meeting of the Board; FP = funding proposal, MSME = micro, small and medium-sized enterprise.

Table 2: Summary of core portfolio indicators for reporting period 1 July – 30 September 2020

Core indicators	As of 30 Sep 2020	Target for Dec 2020 ⁴
AMAs signed	82	87
FAAs signed	123	107
Projects under implementation ⁵ and value ⁶ (USD)	108 (4.635 billion)	101-102 (4.575-4.655 billion)
Projects receiving disbursements and total disbursed ⁷ (USD)	86 (1.369 billion)	84-99 (1.499-1.805 billion)

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

Table 3: Summary of Readiness Programme and Project Preparation Facility indicators for reporting period 1 July – 30 September 2020

Core indicators		As of 30 Sep 2020		Target for Dec 2020 ⁸	
READINESS	Proposals approved and approved amount (million USD)	Adaptation planning: 15 (33.60)	Total: 30 (42.65)	Adaptation planning: 18 (40)	Total: 68 (85)
		Readiness other than adaptation planning: 15 (9.05)		Readiness other than adaptation planning: 50 (45)	
	Total first disbursement amount ⁹ (million USD)	Adaptation planning: 11.07	Total: 29.61	Adaptation planning: 7.6	Total: 18.6
		Readiness other than adaptation planning: 18.54		Readiness other than adaptation planning: 11	
Project Preparation Facility requests	No. requests approved and approved amount (million USD)	7 (3.9 million)		10 (7 million)	
	No. requests receiving	8		n/a (4 million)	

⁴ Targets indicate total cumulative amounts as expressed in the 2020 work programme.

⁵ This refers to projects that have reached funded activity agreement effectiveness.

⁶ The value refers to the GCF funded amount.

⁷ The amounts include accredited entity fees.

⁸ 2020 work programme targets indicate additional approvals and amounts as carried out during 2020.

⁹ 2020 work programme targets refer exclusively to first disbursements carried out during 2020.

Core indicators		As of 30 Sep 2020	Target for Dec 2020 ⁸
	disbursement and amount disbursed (million USD)	(2.6 million)	

1.3 Summary of progress towards the six goals

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

12. Strengthening country-driven planning is key to enhance the quality of funding proposals at pipeline entry and achieve a paradigm shift in developing countries.

13. Technical assistance to countries for developing transformational country programmes continued to be provided through a dedicated service provider consortium throughout the reporting period. A first country programme was endorsed by the Secretariat's Climate Investment Committee (CIC) and eight more drafts are being progressed for consideration. A similar technical arrangement was used to rapidly provide dedicated PPF support to direct access entities (DAEs) for pipeline development. The Secretariat has also continued to strengthen the DAE community of practice set up in 2019 to enhance support to DAEs for pipeline development, institutional strengthening and navigating the re-accreditation process.

14. The COVID-19 pandemic was expected to significantly impact GCF's ability to engage with countries due to limited room for travel. As part of its adaptive response to COVID-19, the Secretariat piloted several virtual engagement modalities, including (i) weekly calls and surveys to maintain engagement and assess challenges faced by countries; (ii) virtual national dialogues focused on country programmes and pipeline development; and (iii) participation in virtual regional sectoral dialogues to explore high-impact programming opportunities.

15. Thanks to a continuous virtual engagement with other climate funds, annual targets on complementarity and coherence will be substantially exceeded. The Secretariat has engaged with 11 countries in complementarity and coherence activities and 20 funding proposals and concept notes (CNs) contain complementarity and coherence elements.

16. In addition to maintaining ongoing engagement with countries, significant progress was also made to accelerate access to Readiness resources. Secretariat-led efforts to streamline processes under its control for project review, approval and disbursement resulted in a 50 per cent reduction in approval times and a 22 per cent reduction in disbursement times. Despite the pandemic, the 2020 targets for first Readiness disbursement have already been exceeded and the approvals targets are on track to be met.

17. A new two-year Readiness Programme work plan and budget have also been approved by the Board, including support to climate-resilient recovery. Implementation was kick-started with virtual seminars with NDAs and delivery partners to explain opportunities under this specialized support for climate-resilient response to the COVID-19 pandemic.

18. The Readiness portfolio under implementation is growing at a fast pace and the Secretariat is to shortly conduct an overall technical assessment looking at both (i) the effectiveness and efficiency of programme implementation; and (ii) lessons learned from the first generation of Readiness proposals to inform future origination efforts.

1.3.2. **Galvanizing GCF programmatic engagement with accredited entities**

19. Entity work programmes (EWPs) are critical to responding to country programmes and contributing to improving the quality of funding proposals at pipeline entry.

20. The two key targets for 2020 under this goal were to develop at least two multi-annual EWPs, and to submit to the Board 40–49 proposals in the range of USD 1.18 billion to 1.48 billion. Despite COVID-19, the Secretariat is likely to significantly exceed both targets after B.27: 7 draft multi-year EWPs have already been endorsed internally and a further 18 EWPs are currently under review; and 21 project proposals have already been approved by the Board, worth USD 1.01 billion, and 17 additional proposals worth 1.015 billion will be considered at B.27.

21. The Secretariat has continued to work on the development of high-quality sector guides, which will complement the 2020–2023 updated Strategic Plan and inform programming and pipeline development during the first replenishment (GCF-1). A first batch of guides is being finalized and will be released for consultation in November 2020. The remaining guides will be released for consultation at the beginning of 2021.

22. The implementation status of the requests for proposal (RFPs) remained uneven. The REDD-plus RFP allocation will most likely be exhausted after B.27 and work has started on a revised proposal for the Board's consideration. The 2020 targets for the RFP on mobilizing funds at scale for B.27 are also likely to be met after B.27 but little progress has been achieved regarding micro, small and medium-sized enterprises (MSME) and enhanced direct access (EDA) because of limited uptake from AEs. As the review and approval processes of the SAP are proving as complex as the proposal approval processes, the 2020 SAP approval targets are unlikely to be met. The Secretariat shared with the Co-Chairs a policy proposal to further simplify the SAP programming modality and fully leverage its potential to facilitate access to GCF resources.

23. The Secretariat supported the work of the Accreditation Committee on the updated accreditation framework in advance of B.27. In collaboration with the Accreditation Panel, additional steps were taken to standardize and simplify the accreditation process through updated accreditation forms and re-accreditation tools, including a digital accreditation platform to be piloted by year end. Rapid progress has been made during the reporting period in finalizing accreditation master agreements (AMAs) with several AEs, and the 2020 AMA targets are expected to be met. Nonetheless, efforts to conclude AMAs with a few private sector AEs were hampered by potential conflicts between their standing prudential requirements and GCF requirements. A proposal to resolve these issues will be prepared for the twenty-eighth meeting of the Board (B.28).

1.3.3. Filling key gaps in GCF policy and governance frameworks

24. Updating the GCF strategic vision for 2020–2023 and completing the GCF policy suite is essential to improve the quality of funding proposals at pipeline entry, facilitate access to GCF resources, enhance operational effectiveness and manage for results. Policies scheduled for consideration in 2020 under the Board Work Plan seek to further simplify access to GCF funding for small-scale activities; update operational modalities for independent funding proposal review; simplify access windows and the accreditation process; enhance GCF's ability to measure climate results in GCF-1; enable large-scale programmatic activities that can more quickly meet country demands; and guide programming through investment policies.

25. During the reporting period, the Secretariat continued to support a series of small group virtual consultations led by two co-facilitators, with a view to finalize the updated Strategic Plan for consideration and adoption at B.27. In addition, the Secretariat further streamlined its internal policy development process and released 13 policy papers to the Co-Chairs and to committees in advance of Board consultation in 2020. Due to COVID-19 challenges, only six were released for Board consultation and four were published for a Board meeting. For papers that went through an initial Board and AE consultation process, the Secretariat also prepared briefing notes for the Co-Chairs to support additional consultations in advance of B.27 consideration.

26. In order to improve the quality and timeliness of policy proposals, the Secretariat is developing a Policy Manual. The draft Manual sets out all the steps of the GCF policy development process and provides guidance for the Secretariat in preparing high-quality proposals for the Board. A first full draft for internal consultation is expected by the end of 2020.

27. In parallel to policy development work, the Secretariat also worked on policy implementation and reviews. The Secretariat accelerated the implementation of the active provisions of the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH Policy) related to covered individuals, while working on the policy revisions the Board mandated at B.25. The Secretariat completed the review of best international practices and the policy is on track to be presented to the Board at B.28. (detailed in section 2.3.6 below).

28. Policy implementation activities also saw submission of the draft anti-money-laundering and countering the financing of terrorism (AML/CFT) standard operating procedures to the Ethics and Audit Committee (EAC), with an updated draft on track to be circulated to the EAC in the fourth quarter of 2020. Project review activities continued to ensure full adherence with the Gender Policy of the GCF. To complement this work, SEAH training was delivered during the first quarter of 2020, and training on the GCF Indigenous Peoples Policy was also conducted during the reporting period. The risk management framework was further developed, and initial recommendations were passed through the Risk Management Committee (RMC) and communicated to the Board at B.26. Engagement is also ongoing with the RMC on the legal risk policy with a view to shift its development to the level of internal Secretariat guidelines.

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

29. A key priority of the 2020 work programme is to streamline GCF operations to facilitate access to GCF resources and increase transparency.

30. Continuous efforts have been taking place to map, streamline, standardize and automate GCF processes throughout 2019 and 2020. These process engineering and re-engineering efforts will be codified in a set of six manuals. Three manuals were finalized during the reporting period: the internal-facing Operations Manual and Finance Manual as well as the external-facing Programming Manual. In addition, the corporate procurement guidelines came into effect in August 2020 and the draft Procurement Manual should be available by the end of the year.

31. These efforts have already led to noticeable progress in the efficiency and effectiveness of Secretariat operations and facilitated GCF's adaptive management to the COVID-19 pandemic. As of end September 2020, the annual target for signed FAAs was already exceeded (123 against 104), leading to 108 projects worth USD 4.64 billion being under implementation (compared with the work programme target of 101–102 funding proposals ranging between USD 4.57 billion – USD 4.65 billion).

32. The Secretariat further accelerated its digital journey. The work on information and communications technology (ICT) was most visible in the organization of the first virtual GCF Board meeting last August. In parallel, the Project Review and Tracking Platform was operationalized to support the screening of all funding proposals for B.26 and B.27, allowing AEs and NDAs to directly check the review status of their project proposals. Similar efforts are currently under way for building the digital accreditation platform (DAP), which will be piloted in December 2020.

33. Finally, the GCF's current portfolio under implementation is in 69 countries where it does not have privileges and immunities coverage. It is also disbursing approximately USD 1.36 billion in countries where it does not have privileges and immunities coverage. In the absence of policy requirements demanding privileges and immunities for accessing GCF resources, risks

emerging from portfolio implementation in the absence of privileges and immunities is bound to increase as the portfolio grows. Engagement continued with the United Nations Office of Legal Affairs to address this coverage gap through a linkage or relationship with the United Nations but there are fundamental challenges associated with the two possible options identified.

1.3.5. Adopting adaptive management of portfolio implementation and strengthening GCF results management

34. The year to 30 September 2020 has been particularly challenging for portfolio implementation and results management. The Secretariat had to manage a dramatic increase in the overall portfolio under implementation, further develop its results management processes and systems as well as respond to the unprecedented implementation challenges generated by the COVID-19 pandemic. The GCF implemented a series of adaptive portfolio management measures to respond to these challenges.

35. The 2020 work programme set out the ambitious targets of disbursing between USD 1.232 billion and USD 1.619 billion and engaging with five AEs experiencing implementation challenges on the adaptive management measures they need to implement. At the start of the year the Secretariat revised downwards the initial disbursement targets, anticipating significant impacts due to the pandemic. The Secretariat also anticipated that engagement would be needed with more than five AEs during the year. Up to 30 September 2020, the Secretariat actively engaged with 55 AEs, dedicating substantial more attention to processing waivers, extensions and restructuring requests. As a result of the rapid adaptive initiatives taken, the total programme disbursement is on track to meet the lower range of the original 2020 targets. Project implementation timelines and future disbursement schedules have nonetheless been affected due to individual country-level lockdowns and the Secretariat continues to monitor individual project circumstances.

36. In terms of results monitoring, the 2020 work programme set a target of reviewing 65 annual progress reports (APRs) based on projects that were anticipated to enter implementation. As 75 entered implementation and 4 were granted extension waivers, the Secretariat finalized the review for 71 APRs received. Knowledge emerging from this work will be consolidated in the Annual Portfolio Performance.

37. To aid and facilitate timely execution of corrective actions, particularly in the context of COVID-19, and to improve portfolio performance, the Secretariat has also accelerated the development of a web-based Portfolio Performance Management System (PPMS). The PPMS will act as the main platform for tracking portfolio management status and performance checks, covering four key functions: (i) tracking the submission of implementation reports and disbursements; (ii) results management; (iii) tracking implementation risk areas; and (iv) knowledge management. The system is currently being tested and will be piloted in 2021 with the 2020 APRs.

38. Strengthening results management starts with enhancing the quality of proposals at pipeline entry, so the Secretariat continued to provide guidance to AEs on GCF's results and performance management frameworks. It also actively engaged with AEs on monitoring and evaluation methodologies, logical framework development and greenhouse gas (GHG) accounting guidance as part of the preparation of GCF Programming Manual. Furthermore, the Secretariat reviewed ex-ante GHG emission reduction calculations for 51 funding proposals (a 273 per cent improvement compared with the 5 funding proposal target in the work programme), which strengthens GCF's confidence and ability to adequately measure results in mitigation projects. In addition, work is under way to develop a project success rating tool that will support the funding proposal review process as well as portfolio monitoring, adaptive management and reporting.

39. In terms of policy development, the Secretariat continued to update the integrated results management framework (RMF) and the “Addressing gaps in the portfolio for measurement” papers based on comments from initial Board consultations along with preparing technical briefs for additional consultations with the Board in anticipation of B.27.

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

40. To further enhance its institutional capacity, the Secretariat prioritized staff safety and business continuity after the COVID-19 outbreak; filling key staff positions in the challenging COVID-19 context for international recruitment; and efforts to ensure a respectful work environment and value-based organizational culture. The Secretariat also stepped up its external engagement, partnership development and communications on fostering a climate-resilient recovery from the COVID-19 pandemic. Furthermore, it successfully advanced the signing of GCF-1 contribution agreement/arrangements.

41. The Secretariat aims to increase the number of staff to 250 positions by the end of 2021 and potentially as early as the third quarter of 2021. Fifty-five positions are in the recruitment process, including positions to be vacated next year as staff members reach retirement age. Seven positions have been filled since 1 July 2020, including the Chief Financial Officer/Director of Support Service. Despite the negative impact of COVID-19 on staff recruitment and retention, this should bring the Secretariat to an expected 215 staff by the end of 2020, compared with 210 at the end of 2019. In its recruitment efforts, the Secretariat has improved the diversity of its workforce, including by increasing female representation in leadership positions, with the four Senior Management Team (SMT) positions opened in 2020 filled by women.

42. The GCF staff engagement survey released in March 2019 highlighted the need to foster an organizational culture in line with the GCF Staff Code of Conduct and core values. In response, the Secretariat developed a People Plan earlier this year. The Plan sets out a pathway for the GCF to attract, retain and nurture the diverse and talented people it needs to deliver its ambitions for GCF-1. In the reporting period, the Secretariat has made significant progress in implementation of its People Plan, including designing a detailed onboarding programme that will cover GCF core values; developing mandatory online SEAH training; developing a set of KPIs to track progress against the Senior Management Team Charter developed in October 2019; and scaling up its mentoring programme. Engagement with staff to share their concerns improved through ‘safe spaces’ and open-door policies. A first-ever 360-degree assessment of senior managers will take place in October 2020 with a follow-up Staff Engagement Survey in November 2020. These two exercises will inform further efforts to ensure a respectful work environment and value-based organizational culture.

43. While GCF has well-established independent investigation mechanisms to address staff misconduct, its internal grievance mechanisms are more recent. The administrative appeal procedures and committee were put in place in 2019 and the new Ombudsperson recruited last August. Independent mediators are being contracted to support informal dispute resolution efforts. During the reporting period, efforts were made to enhance understanding of the GCF internal grievance architecture by clarifying the different types of grievances; the different informal and formal grievance channels; and types of outcomes. The Secretariat is also undertaking a review of its existing internal grievance mechanisms to assess and improve their effectiveness. Furthermore, it will be working with the Independent Investigation Unit (IIU) on respective responsibilities to address grievances.

44. The priority of GCF communications and outreach efforts was to support the organization’s contributions to global policy dialogues and advocacy efforts to foster a climate-resilient recovery from the COVID-19 pandemic. This comprised the preparation of dedicated knowledge and communications products as well as a series of engagements, on a virtual basis, at high-level events such as the High-Level Political Forum, in briefings to Permanent Missions to the United Nations and at more than 15 side events during the United Nations General

Assembly, including by convening a virtual Leadership Dialogue on “Tipping point or turning point: Global solidarity for an inclusive, resilient recovery” in the margins of the 75th United Nations General Assembly.

45. Additional pledges received during the reporting period enabled the GCF to exceed the USD 10 billion milestone for GCF-1 at today’s exchange rate. So far, contributions equivalent to almost USD 7.35 billion, or 75 per cent of nominal pledges for GCF, have been signed.

46. The Secretariat has also progressed in the implementation of its knowledge management strategy through dedicated taxonomy initiatives as well as advanced plans to strengthen knowledge gathered from project implementation.

47. The Secretariat has adopted a three-pronged strategy to promote personnel safety and business continuity in response to the COVID-19 pandemic: (i) a new working environment within G-Tower; (ii) a new way of working through digitalization; and (iii) a new way to ensure business continuity. The Secretariat has also secured an annex office that provides space for the staff who fulfil essential operational functions in the event that G-Tower is temporarily closed. Work is under way to update the business continuity and emergency management plans to ensure that the Secretariat can respond to further threats, whether related to COVID-19 or other issues in an effective and efficient manner.

II. Detailed account of activities of the Secretariat during the reporting period against the six goals

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

2.1.1. Accelerating operationalization of the revised Readiness and Preparatory Support Programme strategy

48. The Secretariat worked to maintain the improvements in processing efficiency demonstrated in 2018 and 2019 and has significantly reduced its response time across the review stages within its control. As outlined in table 4 below, this has led to efficiency gains of over 50 per cent over the past 3 years for the approval of all types of Readiness proposals, and 22 per cent efficiency gains over the past 2 years for processing disbursements. There are, however, limits to the Secretariat’s productivity gains as most proposals still remain with the applicant’s NDA and delivery partner for a majority of the submission-to-approval timeline. Thus, there is now significantly less scope to further increase approval processing efficiency compared with 2018. Additional efficiency gains will depend on timely revision and resubmission of proposals by NDAs and delivery partners.

Table 4: Summary of Readiness efficiency gains

Submission to approval cycle					
	Days between initial and final submission	Days between final submission and approval	Total days between initial submission and approval	Year-on-year efficiency (%)	Total efficiency gain (2018 to 2020) (%)
2018	166	91	257	6.55%	
2019	110	55	165	35.80%	
2020	79	36	115	30.30%	55.25%
Total days from approval to first disbursement					
2018	131				
2019	127				
2020	102				22.13%

49. The Secretariat anticipated that COVID-19 would severely impact the number of submissions and approvals in 2020. However, a surge of submissions before the final 2020 deadline of 31 August has brought the total pipeline back over 100 proposals as reported to the Board at B.26. Since 2020 started, 15 non-adaptation planning related proposals worth USD 9.05 million have been approved. Depending on the speed with which revised proposals are returned to the Secretariat, greater progress is expected to be made against the original 2020 targets by the end of the year.

50. Countries continue to adapt to the revised strategy adopted at B.22 and are now beginning to submit proposals in line with the Board's requests; namely, those featuring support for pipeline development, DAE technical capacity and accreditation, and strategic frameworks for enhanced investment. The Secretariat is also supporting countries to incorporate national Readiness needs assessments to enable them to subsequently submit proposals for multi-year strategic Readiness implementation requests as authorized by decision B.22/11 paragraph (h).

51. Finally, the Board also approved additional funding for the Readiness Programme to the amount of USD 162.39 million at B.26, including support for climate-resilient recovery. The Secretariat started to roll out this support to countries and organized four virtual sessions on GCF's support to climate-resilient recovery on 9–10 September 2020 to introduce NDAs and Readiness delivery partners to the support they can receive in developing climate-resilient recovery strategies through the Readiness Programme. The Readiness portfolio under implementation is growing at a fast pace and the Secretariat's work in this regard is to conduct an overall technical assessment looking at (i) the effectiveness and efficiency of programme implementation, as well as (ii) lessons from the first generation of Readiness proposals to inform future origination efforts.

2.1.2. Improving efficiency of approvals of adaptation planning proposals to formulate national adaptation plans and/or other adaptation planning processes

52. The timeline reduction trends outlined in the section above also reflect on substantial efforts by the Secretariat's to streamline the review stages within its control for adaptation planning proposals. 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.

53. Similar to non-adaptation planning proposals, a significant number of adaptation planning proposals spend over 6 months with the NDA and delivery partners prior to being resubmitted, because of a combination of capacity constraints in NDAs and processing time by NDAs and their delivery partners. The Secretariat continues to engage directly with NDAs and delivery partners, particularly national or regional, to clarify comments emerging from its technical review. Guidance on adaptation planning was also updated under the revised Readiness and Preparatory Support Guidebook and the quarterly GCF in Brief: Adaptation Planning.

54. Ongoing collaboration with NDAs and delivery partners, as well as the wider adaptation planning resource partners (e.g. the Least Developed Countries Expert Group of the United Nations Framework Convention on Climate Change (UNFCCC)) 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 have resulted in fewer comments on entry and subsequently fewer rounds of review prior to internal clearance. The Secretariat has also improved transparency in the review and process flow, including through the introduction of technology to track the review process.

55. The Secretariat will place greater focus on countries that have not yet submitted an adaptation planning proposal for 2020–2021, while ensuring there are no overlaps with other streams of funding for work related to adaptation planning. As at 30 September 2020, 53

developing countries had not yet accessed this support window. In 2020, 15 adaptation planning proposals in the total amount of USD 33.6 million were approved, with numbers on track to meet the approval targets for the year. The disbursement targets have already been exceeded.

56. The total adaptation planning proposals portfolio covers a range of adaptation planning outcomes: up to 110 new and/or revised sectoral adaptation plans with up to 48 financing strategies for adaptation priorities are anticipated, leading to the development of up to 141 CNs targeting a range of climate finance sources, including the GCF.

2.1.3. Monitoring and sharing of Readiness outcomes

57. A key consequence of the dramatic growth in GCF's portfolio under implementation, for both Readiness and funding proposals, is an increase in the implementation information requiring processing and analysis by the Secretariat. In the case of Readiness, the 2020 work programme set out a target of reviewing at least 90 Readiness progress reports. As at 30 September the Secretariat had reviewed 154 interim reports and 19 completion reports and feedback was provided to NDAs and delivery partners based on this review.

58. To ensure that all emerging information from Readiness implementation is consolidated into actionable information to inform portfolio management, the Secretariat is recruiting external consultancy services to support the independent review of the Readiness Programme's portfolio of grants under implementation. The assessment will develop a set of measurable and specific recommendations for improving the efficiency and effectiveness of how these grants are managed by (i) looking at the extent to which the Readiness Programme portfolio is fulfilling the intended objectives; (ii) reviewing GCF processes and procedures for grants management and providing recommendations to improve efficiency and effectiveness and reduce risk; and (iii) identifying successes and challenges, impacts on the beneficiaries, generate lessons learned, specific recommendations for strengthening the implementation of the Readiness Programme and the implications for the design and planning stage.

59. Parallel activities also ensured that portfolio-level dashboards are regularly presented to the SMT and the Readiness Working Group to help management take informed decisions on the endorsement of new proposals based on portfolio trend analyses. Based on the progress of grants assessed, the number of subsequent disbursements processed by the Secretariat totalled 65, amounting to USD 22 million.

2.1.4. Strengthening country-driven planning and programming

60. The Secretariat has worked throughout 2020 to ensure that countries continue to receive support for country-driven planning and programming, in spite of the COVID-19 context. It has continued to manage and oversee the activities of the three consortia contracted 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. Under the guidance of the NDAs, the three consortia are supporting the NDAs 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. Nineteen countries have been receiving virtual support from the consortia this year.

61. In spite of COVID-19 challenges, some countries have also expressed their intent to accelerate programming and access to GCF funding. To date one country programme has been presented and endorsed by the CIC. Eight country programmes have undergone review by the Secretariat and are targeted to be presented to the CIC later this year.

62. 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.

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

63. As GCF is a partnership institution, the delivery of its mandate is highly dependent on its capacity to engage with partners at the national, regional and international level. Such engagement is crucial to effectively foster the collaboration required to generate high-impact climate programmes and projects. The global COVID-19 context and limited travel possibilities raised the possibility of an “engagement gap” which would have impacted programming activities and operations.

64. The Secretariat responded by piloting various means for digital and virtual engagement based on the national and regional needs observed. Such engagement included (i) weekly calls and surveys to assess country needs; (ii) bilateral engagements on country programmes, Readiness proposals and CNs or funding proposals for projects/programmes, including technical assistance for DAEs; (iii) technical webinars; and (iv) participation in regional events organized by third parties. For example:

- (a) Weekly webinars were organized in Latin America and the Caribbean (5 June to 17 July), to strengthen engagement and address topics relevant for national and regional stakeholders, such as (i) regional readiness programmes updates; (ii) country programmes and EWPs; (iii) nomination and GCF accreditation processes; (iv) Readiness and PPF; (v) SAP and EDA; (vi) REDD-plus in Latin America; and (vii) Private Sector Facility in Latin America;
- (b) A dedicated virtual dialogue was organized with small island developing States (SIDS), the Alliance of Small Island States (AOSIS) – GCF Finance Dialogue on 10 August, aimed to foster a frank exchange across participants (NDAs, DAEs, SIDS Board members, climate change negotiators) to identify challenges and opportunities to improve SIDS access to climate finance;
- (c) Bilateral country programming engagements were oriented at identifying national pipeline priorities for GCF-1. In Afghanistan two virtual technical discussions made significant progress in the country’s pipeline prioritization exercise. The Secretariat also provided guidance to the NDA and relevant ministries on developing pre-concept notes ranging from solar panel rooftops to irrigation infrastructure projects. A high-level dialogue between GCF and the Government of Afghanistan is being planned soon to further advance the country’s programming roadmap. In Brazil, the Secretariat supported the country’s dialogues with the Inter-American Development Bank (IDB), focused on helping national development banks (NDBs) and similar partners better understand the role of the GCF, the NDA and how to support the country’s work programme; and
- (d) Technical webinars were also used to inform high-impact planning and programming in given sectors. One notable example is that of the “Scaling-up GCF Projects on Energy-Efficient and Climate Friendly Cooling”, which was hosted on 5 August 2020 by the GCF, and the United Nations Environment Programme (UNEP). The webinar how countries can scale up efforts on energy-efficient and climate-friendly cooling through specific financing and policy mechanisms. The interest it generated provides grounds for the GCF Secretariat and UNEP to discuss co-hosting a second session to reach other regions, as this first event was planned in a time slot most suitable for audiences in Africa and in parts of Asia. The discussion also highlighted the climate impacts of the cooling sector and what actions governments can take to transition to energy-efficient cooling and

climate-friendly refrigerants to ensure widespread access to cooling services while limiting their negative climate impacts.

2.1.6. Supporting an increase in country-driven, GCF-aligned direct access entity projects

65. To supplement country engagement and programming efforts, the Secretariat has expanded the provision of technical assistance to DAEs through the Readiness Programme for CN and funding proposal development.

66. Fourteen DAEs have been receiving support this year for designing CNs and/or fine-tuning 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 respond to specific needs identified by several DAEs and will help them to accelerate the development of high-quality projects and programmes for GCF.

67. 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.

68. Following the creation of a common Community of Practice for Direct Access Entities (CPDAE) in Durban in 2019, a Readiness proposal is currently being developed with the aim of strengthening CPDAE members' capacity to access climate finance and implement adaptation and mitigation programmes and projects. This will be done through a set of activities aimed at: (i) strengthening the organizational framework of CPDAE and its coordination mechanism; (ii) strengthening CPDAE members' technical capacity; (iii) improving their understanding of the re-accreditation process; (iv) providing pipeline development support; and (v) designing adequate knowledge and lessons-sharing tools to strengthen their institutional capacity.

69. Additional activities directed at entity work programming with DAEs are discussed in further detail in section 2.2.1 below.

2.1.7. Enhancing complementarity and coherence with other climate finance delivery channels

70. In pursuit of KPI 1.2, the Secretariat continued implementing the operational framework on complementarity and coherence and made important advancements in the collaboration with the Global Environment Facility (GEF), including the Least Developed Countries Fund and Special Climate Change Fund, the Climate Investment Funds (CIF) and the Adaptation Fund (AF). The GCF has also collaborated with the Nationally Appropriate Mitigation Action Facility.

71. This has resulted in the Secretariat already exceeding the 2020 operational targets on complementarity and coherence. An increasing number of funding proposals and CNs embedded complementarity and coherence elements: a total of 20 compared with the annual target of 10. Cooperation has progressed with the GEF to advance support for the Great Green Wall of Africa and collaboration on e-Mobility. Work with AF evolved in the development of a structured approach to scale up successful AF projects with GCF resources. Together, these efforts led to already meeting the annual target of having three initiatives with other climate funds to advance cooperation for the implementation of the complementarity and coherence operational framework. Also, 11 countries have been engaged in complementarity and coherence activities, exceeding the 2020 target of engagement with 5 countries.

72. As result of the third Annual Dialogue with Climate Delivery Channels (as per mandate in decision B.13/12) held in December of 2019 at the Conference of the Parties at its twenty-

fifth session (COP 25), a roadmap of activities was agreed between the funds (AF, CIF, GCF and GEF). These activities include collaboration on results, indicators and methodologies for measuring impact, but also the analysis of opportunities for knowledge management initiatives and sharing of lessons learned, including exchanges of best practices about operational processes, and how to implement them. Despite COVID-19, efforts have continued to advance the roadmap and numerous virtual dedicated dialogues have been held.

73. The annual update on the implementation of the operational framework on complementarity and coherence and the activities pursued across the four pillars of the framework is included in annex III to this report to ensure the provision of information as requested under current Board mandates (decision B.20/05).

2.2 Galvanizing GCF programmatic engagement with accredited entities

2.2.1 Facilitating engagement on entity work programming

74. Engagement with AEs on their EWPs is critical to responding to country programmes and to ensure pipeline quality at entry, because GCF's business model relies on AEs for pipeline development and implementation. The Secretariat continued to engage with AEs on their programming goals for the GCF-1 period (2020–2023) in order to make progress towards the KPI 2.5 target of developing at least two multi-annual EWPs. Within the reporting period, missions by the Secretariat to AEs and visits by AEs to GCF Headquarters have not taken place due to COVID-19 circumstances; however, the Secretariat has continued to hold discussions with AEs virtually.

75. Despite the COVID pandemic, the annual target for entity work programming has already been exceeded. Seven draft EWPs have already been endorsed internally and a further 18 EWPs are currently under review, out of a total of 25 draft EWPs received (20 from international access entities and 5 from DAEs). Two AEs have revised and completed their EWPs taking into account the recommendations from the Secretariat.

2.2.2 Utilizing concept note and funding proposal reviews to improve pipeline quality and advance the GCF portfolio

76. The 2020 work programme of the Secretariat set the targets of reviewing up to 70 funding proposals and 100 CNs in 2020 and submitting between 40 and 49 proposals for Board consideration and approval. Up until 31 September 2020, the Secretariat has reviewed 36 new funding proposals and 71 new CNs in 2020, along with the continuous review of the other 66 funding proposals and 272 CNs in the existing pipeline.

77. A rolling review cycle has been introduced to ensure GCF resources continue to be allocated and accessed by developing countries, recognizing the need for faster access in the context of the challenges posed by the COVID-19 pandemic. Under the 2020 work programme the Secretariat has also set ambitious performance benchmarks for offering first responses to AEs on their CNs and funding proposals (30 days and 75 days response targets, respectively). During the reporting period the Secretariat has reviewed roughly half of new CNs submitted and two-thirds of funding proposals within these performance benchmarks.

78. Twenty-one funding proposals have already been approved by the Board in the two 2020 Board meetings – B.25 and B.26 – and a further 17 funding proposals are on track to be presented at B.27, for a total value of USD 1.015 billion in 2020. This signals that the 2020 annual programming target on the utilization of GCF resources is likely to be substantially exceeded post B.27.

2.2.3. Advancing the development of sector guidance and guiding high-quality pipeline development

79. The provision of GCF guidance is key in informing programming and pipeline development during GCF-1, in order to complement the 2020–2023 Strategic Plan. The Secretariat continued the preparation of 11 sector guides covering GCF’s results areas. Initial drafts were streamlined into a common structure and a 20-page presentation format to facilitate consultation and feedback. The sector guides will be shared with all GCF stakeholders, including the Board and active observers, civil society and civil society organizations, NDA, and AEs.

80. The sector guides will be released for consultation with two-month timeframes. The first consultation includes the sector guides on Cities, Buildings and Urban Systems; Energy Generation and Access; and Agriculture & Food Security and is expected to start in quarter four of 2020. Consultations for the remaining guides will take place in the first quarter of 2021. The Secretariat will incorporate comments, following the consultation process, with final publication by mid-2021.

81. Further information on the process and status of the sector guides is provided in the document titled “Update on Development of sector guides and consultation process” attached to this Report as document GCF/B.27/Inf.12/Add.02.

2.2.4. Maximizing private sector engagement and broadening the scope of private sector programming, including through dedicated requests for proposals

82. The Secretariat has advanced the delivery of several private sector strategic objectives for 2020. On the portfolio-development side, a first at-scale investment to promote the uptake of low-carbon technologies in the industrial sector was approved at B.26. In order to enhance the private sector role in supporting adaptation measures, the Secretariat has also been advancing its pipeline of projects brought by private sector entities that target adaptation result areas.

83. The Secretariat also continued its engagement with the International Development Finance Club (IDFC) on several fronts. As 13 members of IDFC are AEs of GCF, the Secretariat has been leveraging the IDFC network to build a substantial pipeline of projects with NDBs, while providing additional support to DAEs. Going forward, the Secretariat will continue to share best practices through the IDFC Climate Facility and seek opportunities for hosting joint events, with the goal of leveraging the partnership to accredit more NDBs and build an impactful, country-driven portfolio of projects and programmes. A joint GCF-IDFC publication will also be finalized for the Finance in Common Summit in November, which describes the role of public development banks in climate finance along with the benefits of working with GCF and IDFC.

84. Engagement also continued with Network for Greening the Financial System and other international organizations and initiatives around promoting best practices in climate finance, including sustainable finance policy development and carbon accounting and disclosure by financial institutions.

85. With regards to the private sector RFPs, progress remained uneven. 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). Furthermore, two additional mobilizing funds at scale funding proposals will be presented for Board consideration at B.27. The Secretariat continues to engage with proponents of the shortlisted projects towards developing full funding proposals for consideration by the Board.

86. Little progress was achieved on the MSME and EDA RFPs 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, while for the third one, the AE has limited accreditation scope.

2.2.5. Further simplifying the simplified approval process

87. The Secretariat further advanced the SAP pipeline and supported policy revisions to further develop the SAP modality as requested by the Board at B.25. The SAP pipeline continued to grow during the reporting period, signalling persistent interest in principle from countries and AEs in quicker access of funding for small-scale activities. As at 30 September, the pipeline consisted of a total of 98 CNs and funding proposals, requesting GCF funding of USD 897 million and a total investment of approximately USD 2 billion taking co-financing into account.

88. In July 2020, the Secretariat released French and Spanish translations of the e-learning course “Developing GCF funding proposals for the SAP” to make the e-learning more accessible for GCF AEs and NDAs and focal points. The course provides proponents with an overview of the SAP funding proposal and its annexes and provides key guidance on developing SAP proposals.

89. The Secretariat also provided a management response to the assessment of the SAP by the Independent Evaluation Unit (IEU) and this management response was sent to the Board for consultation on 4 August 2020. Recognizing the challenges that the current SAP processes pose on meeting the growing SAP pipeline demand, the Secretariat prepared a policy proposal for the further development of the SAP as requested by decision B.25/08. The policy proposal aims to simplify the SAP programming modality and leverage its potential to facilitate access to GCF resources, taking into account the recommendations from the IEU assessment of the SAP and those from the Secretariat’s commission review of the SAP pilot scheme (GCF/B.25/12). The revised draft was shared with the Co-Chairs on 7 September 2020.

90. As the SAP review and approval process are proving as complex as the proposal approval processes the initial target of 11 SAP projects is unlikely to be met by the end of 2020. The internally adjusted target is 6 SAP funding proposals.

2.2.6. Promoting uptake of the Enhanced Direct Access Pilot Programme

91. The EDA pipeline as at the reporting date has increased by one EDA submission, and now consists of a total of 13 EDA proposals for public sector projects with a GCF financing amount of USD 240.83 million.

92. 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. The Secretariat’s newly established EDA team has drafted specific guidelines on how to prepare EDA proposals. They will be published by the end of 2020 or beginning of 2021 in order to strengthen the capacity and interest of AEs to submit EDA proposals. To enhance the relevance of the EDA in coordination with the GCF DAEs, the EDA team also engaged with the partners of the “locally-led action track” promoted by the Global Commission on Adaptation and the AF.

93. However, the initial target of 3 to 4 EDA projects to be approved by the end of 2020 will not be achieved.

2.2.7. Advancing REDD -plus results-based payments

94. Two funding proposals under the REDD-plus results-based payments pilot programme were approved at B.26, FP130 for Indonesia and FP134 for Colombia.

95. In addition to Brazil, Ecuador, Chile, Paraguay, Colombia and Indonesia, four other countries – Argentina, Costa Rica, Malaysia and Papua New Guinea – have submitted a technical annex on REDD-plus to their biennial update reports and the technical analyses of these results

are under way. Of these countries, Argentina, Costa Rica and Papua New Guinea have successfully submitted a CN for the pilot programme. Two funding proposals are prepared for submission to B.27 for Board consideration.

96. The USD 500 million that has been set aside for the pilot REDD-plus RFP is likely to be exhausted after B.27, with two funding proposals currently being reviewed and prepared for consideration by the Board. The Secretariat has started the analysis and design for continuation of the programme, building on the midterm review presented at B.25. Consultations and further briefings are being prepared for the end of 2020 and it is expected that a draft design will be available for Board consultation by early 2021. In addition, the GCF sectoral guidance on forestry and land use also includes a focus on REDD-plus in order to support countries in implementing REDD-plus and achieving results.

2.2.8. Building pipeline quality through the Project Preparation Facility

97. At the date of reporting, the Secretariat was working on 51 active PPF applications with letters of no objection from the NDAs/focal points, of which 65 per cent are from DAEs. Of these 51 applications, 34 have been approved. Among the 34 approved PPFs, 23 (68 per cent) are from DAEs. The total approved amount for PPF applications was USD 21.579 million, of which USD 14.368 million has been disbursed. Progress towards the 2020 KPIs is on track for the year.

98. Seven funding proposals developed through PPF support have now been submitted to the Secretariat. One of these projects was approved at B.19 and others are at different stages of review and revision.

99. The Secretariat has continued to further improve the efficiency of the PPF with respect to access and implementation:

- (a) The PPF application review and appraisal process has been streamlined and simplified, resulting in efficiency gains and shortened process timelines;
- (b) An additional simplified access modality to the PPF has been developed to meet the needs of AEs during the COVID-19 period;
- (c) The Secretariat has set up a roster of consultancy firms that can provide project preparation services to AEs. This new PPF access modality enables the Secretariat to deploy such firms directly upon request, ensuring fast and high-quality delivery to AEs, especially DAEs, who have difficulties in taking on the implementation of PPF activities by themselves. The roster is now operational; and
- (d) The PPF guidelines along with various templates are being updated accordingly, and a webinar is under preparation to provide guidance to partners regarding the above.

2.2.9. Developing and operationalizing an accreditation strategy and streamlining the accreditation process

100. The Secretariat continued to support the Accreditation Committee in the development of the 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 also facilitated in coordination of a virtual meeting between the Accreditation Committee and the Accreditation Panel on the IEU's recommendations for the accreditation strategy.

101. The Secretariat supported the Accreditation Committee throughout the reporting period to revise the draft document via virtual meetings of the Accreditation Committee. Following the request of the Co-Chairs to the Accreditation Committee on 29 September 2020, the Secretariat

supported the Accreditation Committee in revising the draft document and scheduled a virtual meeting of the Accreditation Committee for 7 October 2020 with the view to resolving the remaining area of divergence regarding the scope of the project-specific accreditation assessment. The revised document was transmitted to the Co-Chairs on 14 October 2020.

102. 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. The Accreditation Committee has nominated two current Accreditation Panel members and four potential new candidates as senior experts to the Accreditation Panel. The draft decision (GCF/BM-2020/12) was circulated to the Board on 28 September 2020 for consideration by the Board.

103. In coordination with the Accreditation Panel, the Secretariat has finalized an updated accreditation application form, improved guidance to accreditation applicants and updated checklists used by the Secretariat and the Accreditation Panel in Stages I and II (Step 1) of the accreditation process. In addition, the Secretariat, in coordination with the Accreditation Panel, has finalized various tools related to the re-accreditation of AEs in line with the re-accreditation process adopted by the Board in decision B.24/13. Such tools include the re-accreditation application form, guidance to AEs and checklists used by the Secretariat and Accreditation Panel. 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.

104. In order to provide flexibility during the COVID-19 pandemic, the Board decided in decision B.26/01, paragraph (h), pursuant to decision B.24/13, paragraph (a) and on an extraordinary basis, that the Secretariat may issue a one-time extension for a period of six months to the deadline for submission of a re-accreditation application, subject to a justified request from AEs. The Secretariat has issued an extension to one AE in response to its submitted request.

105. The Secretariat continues its efforts to improve the transparency and efficiency of the accreditation process by providing, as promptly as possible, feedback and guidance to current and potential accreditation applicants. The Secretariat has been working on an update of the Online Accreditation System, the DAP, with a view to it being launched in December 2020. The DAP aims to automate the current accreditation-related processes to the maximum extent with the latest technologies. The DAP integrates all updated application forms and guidance notes to applicants, as well as tailored, fit-for-purpose guidance and checklists for different types of organizations that have been finalized by the Secretariat, in consultation with the Accreditation Panel.

106. As at 30 September 2020, 99 entities had been approved for accreditation by the Board, and 72 AEs had fully completed the accreditation process by having a signed and effective AMA. Of the 99 entities, 59 (60 per cent) are direct access national and regional entities, including 22 from the private sector. A pipeline of 116 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, 72 applications are under Stage I, and a further 29 entities have submitted an application but have yet to pay accreditation application fees in order to begin Stage I.

107. In decision B.24/11, paragraph (i), 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.

108. In line with decision B.22/16, paragraph (c), the Secretariat has updated the 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.

109. 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. As at 30 September 2020, 37 DAEs in the accreditation pipeline and 9 accredited DAEs had received pre-accreditation Readiness support from GCF to meet the accreditation standards.

2.2.10. Accelerating the signing of accreditation master agreements

110. In total, the Board has approved 99 entities for accreditation: 59 DAEs and 40 international access entities (a ratio of 60:40). The reporting period has seen rapid progress on the negotiation and signing of AMAs, even considering the COVID-19 pandemic which has raised challenges for the negotiation process. All AEs with an approved project/programme to date have a signed and effective AMA with GCF.

111. Within the reporting period, the Secretariat signed AMAs with six AEs (Bhutan Trust Fund for Environmental Conservation, Cassa Depositi e Prestiti S.p.A., CRDB Bank Plc, Ecobank Ghana, Environmental Project Implementation Unit of the Ministry of Nature Protection of the Republic of Armenia, and Ministry of Water and Environment of Uganda) bringing the total number of AMAs signed to 82. The Secretariat expects to be able to meet the target of signing 87 AMAs by 31 December 2020. Following the reporting period and as at 15 October 2020, a total of 85 AMAs have been signed and one additional AMA is pending signature following completion of internal approvals by both the Secretariat and the no-objection review by the RMC.

112. The 12 pending AMAs that are still under negotiation are: 3 AMAs with private commercial banks, 6 AMAs with DAEs and 3 AMAs with AEs that were recently accredited, as follows:

- (a) For the three commercial banks challenges remain with regards to passing down of GCF standards and requirements to executing entities, as well as GCF integrity policies. Such reconciliation may require applying approaches the Board has previously approved in the AMAs of other types of AEs, or deviations from the current AMA template considered by the Board in decision B.12/31. A proposal to resolve these issues will be prepared for B.28;
- (b) For the six DAEs challenges relate to the respective entities needing to resolve internal structural issues and restructuring processes or due to AMA consultations and approval sought by the respective NDAs; and
- (c) Within the remaining three AEs, one has seen changes with respect to staffing which have led to delays in its ability to engage on the AMA; and two AEs accredited by the GCF Board in August 2020 are continuing their AMA negotiations.

113. Additionally, the Secretariat made four AMAs effective after the respective AEs (Austrian Development Agency, Cassa depositi e Prestiti S.p.A., Compañía Española de Financiación del Desarrollo, and Finanzas Y Negocios Servicios Financieros Limitada) had submitted the necessary requirements, bringing the total number of AEs able to fully engage with GCF up to

72. As at 30 September 2020, 10 AEs have signed the AMA, pending their submission of the relevant documents (e.g. legal opinions) to make their AMA effective.

2.3 Filling key gaps in GCF policy and governance frameworks

2.3.1. Enhancing accountability to the COP

114. The Secretariat advanced work on KPI 3.1, enhancing accountability to the COP, with a focus on preparing the report to COP and engaging with the constituted bodies of the UNFCCC. The draft 9th Report of the GCF to the COP is scheduled to be considered by the Board at its 27th meeting.

115. Engagement with the constituted bodies of the UNFCCC included participation in the virtual 38th meeting of the Least Developed Countries Expert Group and the 22nd meeting of the Standing Committee on Finance. In addition, the Secretariat engaged with the Standing Committee on Finance in preparation for its Forum on Nature-based Solutions (to be held in 2021), and on the UNFCCC report on the needs of developing countries.

2.3.2. Supporting informed Board decision-making

116. During the reporting period, the Secretariat undertook a range of activities to support to the Co-Chairs with respect to B.26 and B.27, as well as related to holding Board consultations on various policy matters and administrative issues as broadly agreed in the 2020 Board Work Plan.

117. In light of the extraordinary circumstances related to COVID-19, the Secretariat undertook a range of activities in preparation for the Board's first virtual meeting at B.26. This included regular coordination calls with the Co-Chairs, web-conferencing training for the Co-Chairs and their teams and providing technical support to Board members to ensure their full participation in a virtual meeting. It also included organizing a "dry run" on the GCF's role in supporting a climate-resilient recovery in the context of COVID-19. Technical guidance material was prepared for all participants facilitate a smooth virtual B.26.

118. The Secretariat also supported the Co-Chairs in the implementation of the Board consultation process for documents to be considered in 2020. This included sharing documents with the Board for comments or consideration ahead of Board meetings, organizing and supporting Board working groups for certain items, preparing for technical sessions, and supporting post-meeting reporting.

119. Following the publication of Drf.01 of the provisional agenda for B.26, the Secretariat produced 20 documents for the consideration of the Board at B.26, in addition to funding, SAP and accreditation proposals. The Board took five decisions at B.26, captured in document GCF/B.26/09 titled "Decisions of the Board – twenty-sixth meeting of the Board, 18 – 21 August 2020",¹⁰ which include the approval of funding proposals and accreditation proposals, and the adoption of the proposed work programme and additional budget amount of the Readiness Programme for 2020–2021.

120. The decisions without a Board meeting for the reporting period are covered in document GCF/B.26/Inf.01 titled "Board decisions proposed between the twenty-fifth and twenty-sixth meetings of the Board" and document GCF/B.27/Inf.XX titled "Board decisions proposed between the twenty-sixth and twenty-seventh meetings of the Board" (document pending issuance).

¹⁰ Available at <<https://www.greenclimate.fund/sites/default/files/document/gcf-b26-09.pdf>>.

2.3.3. Supporting delivery of the GCF strategic and policy agenda

121. Updating the GCF strategic vision for 2020–2023 and completing the GCF policy suite is essential to improving the quality of funding proposals at pipeline entry, facilitating access to GCF resources, enhancing operational effectiveness and managing results. Policies scheduled for consideration in 2020 under the Board Work Plan seek to further simplify access to GCF funding for small-scale activities; update operational modalities for independent funding proposal review; simplify access windows and the accreditation process; enhance GCF's ability to measure climate results in GCF-1; enable large-scale programmatic activities that can more quickly meet country demands; and guide programming through investment policies.

122. During the reporting period, the Secretariat continued to support a number of efforts in this regard, including (i) updated Strategic Plan consultation process and (ii) the preparation of policy papers for Board consultation and consideration in line with the 2020–2023 Board Work Plan as well as the 2020 Board consultation schedule managed by the Co-Chairs.

123. In terms of the updated Strategic Plan, under the guidance of two co-facilitators, the Secretariat helped to organize a series of virtual small group consultation sessions throughout August and September. The consultation process covered six outstanding issues as identified for discussions during B.25. In addition to logistical and organizational assistance, the Secretariat helped map existing Board decisions related to the six issues and supported evolving textual proposals.

124. In terms of the preparation of policy papers for Board consultation, the Secretariat further streamlined its internal policy development process and released 13 policy documents aligned with the 2020 Board Consultation Plan to the Co-Chairs and Committees in advance of Board consultation in 2020. As a result of the lack of in-person meetings because of COVID-19, of the 13, only six papers went through full Board consultation and four were published for a Board meeting. Of the six papers pending Board consultations, five have been prepared for Committees and one for the Co-Chairs.

125. The Secretariat's internal policy development activities included (i) facilitating cross-Secretariat collaboration in elaborating policy proposals; (ii) quality assurance of all final products to meet internal standards and requirements; and (iii) continuous oversight of the development process to ensure timely delivery. In support of advancing the B.27 agenda, the Secretariat prepared briefing packages to support further consultations on papers considered most advanced to be discussed at B.27. The Secretariat also designed and prepared for technical sessions to clarify Board questions on the policy proposals and facilitate exchanges among Board members.

126. The Secretariat has advanced work on evolving a Policy Manual, which sets out the stages for policy development and provides guidance for developing high-quality GCF policy proposals. The Manual builds on internal practices followed to date and is in process of finalization. A first full draft is scheduled to undergo internal consultations by the end of 2020.

2.3.4. Advancing work towards the completion of the investment framework and remaining policy gaps

127. The Secretariat continued to develop policies to address the policy gaps related to the investment framework, particularly those requested in decision B.17/10. This includes policy documents on the mapping of elements related to project and programme eligibility and selection criteria; an incremental cost calculation methodology and/or alternative methodologies; guidance on the approach and scope for providing support to adaptation activities; and a policy on concessionality. To provide additional background on the papers, the Secretariat has included the rationale and outcomes of prior consultations with the Board and AEs on these policy matters. The draft documents are currently in consultation within the

Investment Committee and will be shared for broader Board consultations following clearance from the Committee.

128. In line with the Board consultation plan for 2020 (shared by the Co-Chairs with the Board on 26 June) the “Programmatic approach policy guidelines” document published for B.25 was also shared for Board consultation from 2 to 24 July. As this policy item was not included in the B.26 agenda, and in anticipation of further consultations taking place within the Board in advance of B.27, the Secretariat has shared a briefing package on this policy item with the Co-Chairs. The briefing package includes an overview of the paper’s background, the development process, previous Board engagements, as well as the outstanding issues that remain to be resolved following initial consultations.

2.3.5. Reviewing the risk management framework components I–VII and the initial financial risk management framework

129. The Secretariat conducted an internal review of the initial financial risk management framework and submitted a revised paper with proposed changes to the RMC for its consideration. Following its determination that the proposed changes are not material changes to the document, the RMC updated the Board on this matter via the Report of the Activities of the Committees at B.26, in agreement with Co-Chairs.

130. Regarding the review of the risk management framework components I–VII, the Secretariat developed the terms of reference for procuring the services of a qualified firm to revise the risk management framework and relevant components.

2.3.6. Progress with respect to the implementation and review of the SEAH Policy

131. In 2019, the GCF adopted the SEAH Policy, which sets out strong provisions for covered individuals (GCF personnel and Board) and GCF third parties in the context of GCF funded activities.

132. The Secretariat continued to implement the provisions related to covered individuals, which has resulted in (i) all candidates applying to work with the GCF must make SEAH declarations; (ii) an annual declaration template for existing staff personnel has been developed and is under consultation; and (iii) all personnel undertake mandatory SEAH training in line with the policy sensitization requirements. This training will be converted into e-learning format to improve ease of access by GCF personnel and other covered individuals. The e-learning course is expected to be rolled out in the first quarter 2021.

133. Discussions on provisions that relate to third parties and are applicable to safeguarding funded activities have been ongoing since the adoption of the policy. As the GCF’s business model implies a very high number of third parties, the approach to be adopted must not create an unmanageable range of legal and financial liabilities for the organization.

134. In recognition of these challenges, decision B.25/05 requested the Secretariat to revise the third parties’ provisions under the policy, based on best practice and the best means to address potential liabilities. In addition, the Independent Redress Mechanism (IRM) Advisory Note presented at B.26 highlights that the existing GCF policy framework – in particular, relevant provisions of the Gender and Environmental and Social policies – sufficiently mitigates SEAH risk and provides safeguarding in funded activities. This signals that the ongoing revisions to remaining SEAH Policy provisions do not generate a gap in safeguarding at the project level.

135. In line with decision B.25/05, the Secretariat has made significant progress towards carrying out a comparative analysis of the practices of international financial institutions, and an assessment of the SEAH Policy in order to develop recommendations on policy revisions. The comparative analysis and technical assessment are attached to this report as addendum GCF/B.27/Inf.12/Add.01 and provide further information.

136. External counsel has also been secured to assess the draft policy revisions and provide a legal opinion on the legal risks and liabilities deriving from the scope of the draft recommended policy revisions. The Secretariat anticipates that the finalized revised SEAH Policy and recommended revisions will be ready for consideration by the Board at B.28.

2.3.7. Supporting implementation of existing policies

137. The Secretariat continued to implement existing policies, including the AML/CFT standards, the Indigenous Peoples Policy, the Gender Policy, and the environmental and social standards.

138. The Secretariat provided technical support to the UNFCCC Local Communities and Indigenous Peoples Platform, particularly on the issue of climate finance, as part of its effort to operationalize the Indigenous Peoples Policy. The Secretariat has also been providing technical support to AEs at the funding proposal stage, including through reviews of the funding proposals, and is developing capacity-building and information material on the policy to strengthen implementation.

139. The Secretariat continues to ensure all the requirements of the Gender Policy are fully adhered to. All funding proposals prepared for B.27 include the required gender assessments and gender action plans. The gender action plans contain activities that address issues identified through the gender assessments. The plans include indicators and targets to measure expected gender-related results. The plans also include human as well as financial resources to ensure their implementation. Some of the actions are oriented around (i) the gender responsiveness of institutional and policy frameworks; (ii) community-level investment to enhance the capabilities of women and encourage engagement in alternative activities (e.g. in the garment sector, engaging in bigger markets); (iii) investments in technological innovations by women; and (iv) community sensitization on gender-based roles. Recognizing the risk of gender-based violence, some action plans institute measures to mitigate these risks and ensure women have access to grievance mechanisms. The operational guidelines for policy implementation will be completed with an updated version of a gender analysis/assessment guide.

140. The Secretariat continues to conduct environmental and social due diligence on funding proposals to ensure that they meet the requirements for managing environmental and social risks and impacts, pursuant to the environmental and social safeguards (ESS) standards and the Environmental and Social Policy. A procurement process is under way to select a firm to support the Secretariat in revising the interim ESS framework per Board decision B.23/02.

141. In late August 2020, the Secretariat presented to the EAC an initial draft of the standard operating procedures (SOPs) for implementing of the AML/CFT Policy and standards as mandated by decision B.23/22 paragraph (c). This draft SOPs covered areas relating to the identification, assessment and mitigation of money laundering and financing terrorism, as well as procedures relating to the United Nations Security Council Sanctions Regimes under the Readiness Programme, funding proposals and disbursements. An updated draft of the SOPs addressing the remaining AML/CFT standards is anticipated to be presented to the EAC for its consideration and review by in October or November 2020. In addition to including procedures relating to United Nations sanctions, the Secretariat has contracted a specialized legal firm on bilateral sanctions to provide information to the Secretariat on possible risk and remedial measures.

2.3.8. Developing and presenting the legal risk policy for Board consideration

142. The Secretariat continued to advance its position on the issue of legal risk within the risk management framework. A review of the policies of several institutions similar to the GCF highlighted that there are no other institutions that have adopted a comprehensive stand-alone policy document on legal risk. Instead, the general approach is to address legal risks through appropriate legal risk management guidance or statements.

143. Accordingly, the effort to develop a Legal Risk Policy is transitioning to the development of legal risk management guidelines, which could be addressed in the form of internal guidance, rather than a Board-approved policy. The legal risk management guidance would take into account those elements of risk management and controls of legal risks that are already undertaken by the Secretariat. The Secretariat plans to present this guidance to the RMC at its October 2020 meeting for review and to discuss the way forward.

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 Finalizing GCF manuals to improve understanding of GCF policies and processes and streamlining internal review processes

144. A key priority of the 2020 work programme is to streamline and automate GCF operations to facilitate access to GCF resources and increase transparency. Continuous efforts to streamline and strengthen internal systems have led to progress in the efficiency and effectiveness of Secretariat operations. These process re-engineering efforts are being codified in six manuals, three of which, the Programming Manual, the Operations Manual and the Finance Manual, were finalized during the reporting period.

145. Developed through a consultative process involving the Secretariat, the independent units and GCF partners, the external-facing Programming Manual outlines the roles of key stakeholders throughout the project approval cycle and provides guidance on how to prepare and submit a funding proposal that meets all GCF investment criteria. The Programming Manual aims to make project origination, development, appraisal, approval and implementation processes more transparent and predictable, as well as to simplify and accelerate access to GCF resources. The internal-facing Operations Manual aims to streamline, standardize and automate operational practices in order to improve consistency in delivery and result tracking and to accelerate access to GCF resources for developing countries. The Secretariat plans to hold several webinars during the latter part of 2020 to familiarize stakeholders with the Programming Manual and provide them with an opportunity to engage directly with staff with respect to the salient parts of the content.

146. Since its establishment in September 2019 the Secretariat's CIC has overseen the development, management and financial planning of the pipeline of CNs and funding proposals, in order to improve project quality in alignment with the GCF portfolio-level goals and Board decisions on financial planning. Beginning with B.25, all funding proposals now receive CIC review and endorsement prior to submission to the independent Technical Advisory Panel (TAP) and the Board, and the CIC has met 52 times in 2020, as of 30 September 30. SOPs and templates have been developed for the three CIC meeting checkpoints for project ideas, CNs and funding proposals prior to submission to the TAP and the Board and distributed to the staff through the Operations Manual, as indicated in KPI 4.8. After publication of the 2020 work programme, the number of CIC meeting checkpoints was streamlined from four to three to enhance efficiency.

2.4.2 Strengthening and standardizing procurement practices

147. The revised corporate procurement guidelines came into effect on 31 August 2020. They introduce (i) principles for sustainable procurement; (ii) "best and final offer" approaches to evaluation; (iii) bidder debrief and complaints mechanisms; and (iv) regulations on engaging individual consultants. The revised guidelines are expected to enhance transparency, stewardship, corporate procurement planning and fairness in the way procurement is undertaken. The guidelines will be supported by a detailed Procurement Manual which is under development and is expected to be finalized within the fourth quarter of 2020.

2.4.3. Elaborating GCF financial policies and administrative procedures

148. During the reporting period the GCF Finance Manual has been drafted, which sets out the principles and procedures followed by GCF when processing financial transactions. The Finance Manual is another important component of the GCF's suite of manuals aimed at codifying, consolidating, streamlining and automating GCF business processes. It consolidates 14 SOPs, the Administrative Guidelines on Budget and Accounting System, and the Administrative Guidelines on the commencement of Annual Reporting and External Audit into a single reference point. It also includes principles and updated procedures to reflect current practice.

149. A paper has been developed presenting an analysis of options to minimize the effects of currency fluctuations on the commitment authority of the GCF. The paper aims to set a framework within which GCF can actively manage its forex risk given the exchange rate volatility. The paper is under consultation with the Budget Committee and EAC before being submitted to the GCF Board for consideration.

150. In collaboration with the Division of Support Services (DSS) Procurement and ICT, DSS Finance secured the services of a consulting firm that will help GCF in analysing the requirements for the GCF Financial Management system. The consulting firm commenced the assignment and is scheduled to conclude the assignment in early 2021. The consulting firm will be seeking the input of various stakeholders to ensure that GCF acquires a system that will effectively support its growing Financial Management needs.

151. The preparation of the 2019 Financial Statements was successfully completed, as was the audit of the Financial Statements, which received an unqualified (clean) audit opinion. The Financial Statements were approved and authorized for issue by the GCF Board on 20 July 2020. They have been published on the GCF website. In preparation for the 2020 audit, DSS Finance also initiated the process of hiring a new external auditor, given that the term of the current auditor has expired. A recommendation for appointment of the new auditor has been submitted to EAC for endorsement prior to being submitted to the GCF Board for approval.

2.4.4. Accelerating funded activity agreement signing and project disbursements

152. The 2020 work programme set out ambitious targets for continuing to move the GCF portfolio under implementation. The process re-engineering efforts are already enhancing GCF operational efficiency and effectiveness and have facilitated GCF's adaptive management during the COVID-19 pandemic. The original targets included signing 107 FAAs and having between 101 and 102 funding proposals under implementation by the end of 2020 worth USD 4.575 billion to USD 4.655 billion in total value, approximately 70 per cent of the portfolio. As of October 2020, the annual target for signed FAAs has already been exceeded, with 123 executed FAAs for a total of 143 funding proposals being approved. The average number of days taken from approval to FAA effectiveness has gradually decreased from 584 days in 2015–2016 to 230 days in 2019–2020, as at 30 September 2020.

153. Eleven public sector projects and one private sector project¹¹ had FAAs signed between July and September 2020. A further 6 projects started implementation, bringing the cumulative number of projects under implementation to 108 (76 per cent of the GCF portfolio) and 10 projects are currently at an advanced FAA negotiation stage. Further details on the status of FAAs can be found in the related limited distribution document (see document GCF/B.27/Inf.12/Add.04).

154. In addition, a total of 10–11 additional projects are expected to enter into implementation by the end of 2020, which could lead to 118–119 projects under

¹¹ The eleven public sector projects for which FAAs have been executed during the reporting period are FP071, FP091, SAP002, FP111, SAP007, SAP011, SAP012, FP129, FP131, FP139, and SAP015. A private sector project was signed, which is FP128.

implementation in total (between 82 and 83 per cent of the current GCF portfolio and approximately 74 per cent of the total portfolio post B.27 approvals). The approved amount for projects under implementation is expected to reach USD 4.9 billion by the end of 2020. Both the current and projected shares of the portfolio under implementation are exceeding the original 2020 targets.

155. Projects under implementation are worth USD 4.6 billion in GCF funding and are being implemented across 94 countries and by 35 AEs. The European Bank for Reconstruction and Development has seven approved projects, six of which are currently under implementation, accounting for the largest share of GCF funding under implementation by a single AE (USD 1.1 billion). The United Nations Development Programme (UNDP) has 27 of its 30 approved projects under implementation, which is the largest number of projects under implementation from a single AE.

156. With regards to disbursements, the Secretariat had anticipated that the original 2020 targets of cumulative disbursements of between USD 1.5 billion and USD 1.8 billion would not be met, due to the COVID-19 pandemic. However, as of 30 September 2020 a total of USD 1.3 billion¹² had been disbursed. With revised projections indicating the number could be in the range of USD 1.4–1.5 billion by the end of 2020 and USD 1.9–2.1 billion by 2021, the Secretariat expects to be able to meet the lower bar of the original range. As of 30 September 2020, the funds reflowing from projects under implementation amount to USD 19 million.

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

157. The Secretariat continued to disclose on the GCF website the annexes to all B.26 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.

158. The Secretariat also reviewed forms submitted by AEs covering their disclosure of ESS reports for funding proposals for the Board's consideration in accordance with the requirements of the Information Disclosure Policy (IDP) 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. No reports were submitted to Board members and active observers during the reporting period.

159. The Programming Manual, which was published by the Secretariat, contained sections on disclosure requirements regarding funding proposals and ESS reports of funding proposals, including guidance for AEs on the filling out of the disclosure forms.

160. The Secretariat continued to receive and respond to a high volume of requests for disclosure of information, following the update of the GCF website in March 2020.

161. The Secretariat responded to an appeal filed by civil society active observers, who requested on 29 May 2020 the disclosure of a list of information as of B.25 about anticipated B.26 and B.27 funding proposals in the pipeline, specifically the project title, AE(s), country(ies), contact details of contact person from the AE and GCF, and brief project description section of the funding proposal, of which proposals may be submitted to the TAP. The Information Appeals Panel submitted its recommendations to the Executive Director, whose decision on the matter will be final according to the IDP.

162. With the assistance of a consultancy firm, the Secretariat is also reviewing the IDP, including the disclosure of ESS 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

¹² Excluding AE fees of USD 66 million.

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. In accordance with the IDP, the EAC, with the support of the Secretariat, will present a report to the Board on issues relating to the implementation of the IDP along with any recommendations for changes to it.

2.4.6. Supporting the engagement of observer organizations with GCF

163. The Secretariat met with the civil society observers on the margins of B.26 (virtually) to discuss their questions and concerns. Moreover, the Secretariat has 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-second 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.

2.4.7. Advancing the roll-out of innovative and responsive ICT solutions and services

164. The Secretariat has further accelerated its digital journey during 2020. The Project Review and Tracking Platform has been made fully operational for the screening of all funding proposals for B.26 and B.27, which has helped the Secretariat and AEs to jointly review the funding proposal submissions in a more organized and transparent way. The review cycle information from the platform is shared in real-time in the country portals, where NDAs can also understand further the status of the funding proposal review. The platform is accessible to NDAs and AEs with funding proposals which have completed the Secretariat review stage.

165. Another major ICT initiative has been the first release of the DAP, which will streamline and automate all accreditation processes and is expected to bring efficiency gains of up to 30 per cent, in addition to significant improvements in the user experience and management reporting. The first release is currently being tested, with a limited set of functionalities, for the re-accreditation process with a focused group of AEs. Based on feedback received a full-scope version of DAP covering all accreditation processes will be released in mid-December 2020.

166. Daily ICT operation support has also included (i) the extension of service desk support for users in remote areas in different time zones for 24/7 coverage; (ii) the provision of equipment such as laptops and screens, and network equipment to users working remotely; (iii) the provision of alternative solutions to maintain Internet connectivity for virtual meetings; and (iv) provision and extension of ICT infrastructure and services in alternative GCF offices (i.e. Art Centre).

2.4.8. Concluding arrangements for privileges and immunities

167. 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. In particular, following the meeting between the Executive Director and the United Nations Secretary-General at COP 25 and the subsequent meeting between the Executive Director, the General Counsel and the Under-Secretary-General for Legal Affairs in New York in January 2020, the Secretariat has been engaging with the United Nations Office of Legal Affairs (OLA) to understand (i) the range of possible modalities to establish a potential linkage or relationship with the United Nations in order to ensure the GCF and its personnel are covered by the necessary privileges and immunities; (ii) the implications of such modalities; and (iii) how such modalities could be operationalized.

168. To date the discussions have focused on the legal aspects of the following two modalities: (i) provision of privileges and immunities for GCF personnel (but not the GCF) under Article V and VII of the 1946 Convention on the Privileges and Immunities of the United Nations (the General Convention); and (ii) GCF becoming a specialized agency of the United Nations and benefiting from the 1947 Convention on the Privileges and Immunities of the Specialized Agencies (the Specialized Agencies Convention).

169. The Secretariat is currently assessing the two modalities and their legal implications, as well as the extent to which their operationalization would be consistent with the Governing Instrument and the relevant decisions of the COP, based on the information provided by OLA. However, both modalities pose significant challenges. The first modality would, among other things, require the GCF to substantially align its Administrative Guidelines on Human Resources with the United Nations' staff regulations and rules, as well as having implications for the selection of the Executive Director by the Board. Similarly, challenges may arise in trying to implement the second modality given the fact that the Governing Instrument was not adopted as an international treaty.

170. The Secretariat will provide further updates on this matter to the Board, the COP President and the United Nations Secretary-General as the discussions with OLA progress.

171. In parallel, the Secretariat has continued its pursuit of finalizing and signing the bilateral agreements with countries regarding the GCF privileges and immunities. Since the last report on the activities of the Secretariat, no new agreements on privileges and immunities have been concluded. As at 30 September 2020, the Secretariat had sent draft agreements on the GCF privileges and immunities to 139 countries. However, progress during the reporting period continues to be slow owing to governments focusing their resources on responding to the COVID-19 pandemic. 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. In light of these constraints, it is not expected that significant progress on this matter will be made during the rest of 2020.

172. To date only 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. Negotiations with a handful of other countries are also close to finalization.

173. The risks of operating without privileges and immunities have been set out in both the Second and Third Biennial Reports on Privileges and Immunities of the GCF (submitted to COP 23 (UNFCCC document FCCC/CP/2017/5) and COP 25 (UNFCCC document FCCC/CP/2019/3), respectively). As the size of the GCF portfolio grows, so too does the risk arising from the lack of privileges and immunities. As noted in the above-mentioned second and third reports, these risks include: legal claims being brought in national courts against the GCF as well as its personnel and Board members in connection with harm caused by projects; inability to travel to project locations to develop the pipeline, monitor implementation and conduct investigations; and direct or indirect expropriation of GCF projects.

174. Not only can these risks give rise to significant financial liabilities and affect the amount of resources available for programming, they can, if materialized, materially and adversely affect the reputation of the GCF, thereby impacting on its ability to achieve its mandate. Additionally, the lack of privileges and immunities as a political risk mitigant means that the GCF often has to rely more heavily on legal risk mitigants to protect its interests.

175. As at 30 September, the GCF portfolio under implementation spans 69 countries where it does not have privileges and immunities. This means that the GCF is now disbursing USD 1.36 billion in countries where it does not have privileges and immunities coverage (worth USD 3.4

billion in total project value), with between USD 70 million and USD 147 million anticipated to be further disbursed by the end of 2020 in countries where GCF does not have privileges and immunities.

176. In the absence of any policy requirement for countries to grant privileges and immunities to the GCF in order to access GCF resources, the risk associated with the lack of privileges and immunities is bound to increase as the portfolio grows.

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

2.5.1 Enhancing portfolio and results management

177. The adaptive portfolio management systems and mechanisms rapidly put in place in the first quarter of 2020, together with active engagement with AEs, NDAs and delivery partners has allowed the Secretariat to manage a dramatic increase in the overall portfolio while responding to the implementation challenges due to the COVID-19 pandemic.

178. Earlier in the year, in response to the COVID-19 pandemic, the Secretariat revised downwards the initial disbursement targets, anticipating significant impacts due to the pandemic. At the same time the Secretariat ramped up engagement with AEs experiencing implementation challenges. These rapid responses and pre-emptive actions are now resulting in a total disbursement amount that is on track to meet the lower range of the original 2020 targets of between USD 1.232 billion and USD 1.619 billion in disbursements. Project implementation timelines and future disbursement schedules have nonetheless been affected due to individual country-level lockdowns, and the Secretariat continues to monitor individual circumstances and has adopted a dynamic adaptive management approach to aid these efforts.

179. To aid and facilitate timely execution of corrective actions, and improve portfolio performance, the Secretariat has also advanced the development of a web-based PPMS which will act as the main platform for tracking portfolio management status and performance checks. The PPMS will cover four key functions: (i) tracking the submission of implementation reports and disbursements; (ii) results management; (iii) tracking implementation risk areas; and (iv) knowledge management functions. These risk areas will help in the adoption of corrective measures and effectively monitoring the outcomes and impacts of GCF portfolio while also allowing tracking of COVID-19 impacts. This will also aid online submission of APRs and facilitate their public disclosure. The PPMS is currently being tested and will be piloted in 2021 with the 2020 APRs.

180. The 2020 work programme set out the target of engaging with 5 AEs which had implementation challenges and the GCF was most exposed to with respect to funded activities and the Readiness Programme. In response to challenges emerging from the pandemic the GCF actively engaged with 55 AEs during the year. This resulted in a progress of 1,080 per cent against the original targets.

181. The impacts were primarily observed on project implementation timelines and disbursement schedules, because of the challenges of carrying out many critical project activities in light of country-level lockdowns. Since the start of the pandemic, there has been a higher than usual number of extension and waiver requests relating to the submission of FAA-related conditions prior to disbursements, baseline assessments and inception reports. Compared with 2019, where 6 waiver, 2 report extension and 1 major restructuring requests were processed during the full year, in 2020 the Secretariat received 9 waiver, 10 extension and 6 restructuring requests up to the reporting end date of 30 September 2020. The Secretariat remains in frequent communication with AEs to monitor COVID-19 impacts and support adaptive management.

182. 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. Such adjustments have been made in response to varied contextual challenges/changes and AE capacities (e.g. changes in regulations, procurement challenges). These measures have contributed to pre-empting potential implementation disruptions as well as assuring the continued relevance of GCF investments to evolving contexts. More structured and regular engagement is being undertaken with AEs on projects and programmes under implementation. This has improved the feedback received and has provided early identification of problematic projects, with AEs consulting with the Secretariat on guidance and clarifications on reported challenges. This has led to an increase in timely resolution of projects and timely submission of reports or requests for extensions and waivers.

183. The 2020 KPI targets also set out a target of reviewing at least 65 APRs based on the implementation projections for the year. The Secretariat has fully met this target. It has reviewed 71 APRs from 75 projects under implementation in 2019, as 4 projects were granted waivers because their activities had not commenced by the end of 2019. The APRs were reviewed by the Secretariat and feedback was provided to AEs. The detailed analysis of the portfolio performance and results of the APR review is provided in the “Annual portfolio performance report for 2019” (document GCF/B.27/Inf.04).

184. Additional actions are currently being considered for 2021 to strengthen portfolio management, namely: (i) finalizing the early warning system to aid results and performance-based reporting; (ii) continue building internal monitoring systems and accelerate work to automate internal processes; (iii) undertaking ad hoc site visits and checks to strengthen and improve portfolio implementation; (iv) continue working on the integrated RMF; (v) providing increased support to DAEs to enable them to better meet project reporting requirements and facilitate effective implementation; (v) building stakeholder capacity through training, webinars and clinics; (vi) disseminating SOPs and policies for the Readiness portfolio; and (vii) improving adaptive management of grants under implementation.

2.5.2. Reviewing results and improving consistency in results tracking

185. Work on improving the quality at entry for funding proposals has included increased efforts to ensure incoming funding proposals are compliant with the existing GCF results and performance frameworks and fully equipped to track results throughout project implementation.

186. During the reporting period, the Secretariat conducted external capacity-building seminars with a number of AEs to support the further integration of Monitoring and Evaluation principles with respect to theories of change and logical frameworks grounded in the GCF RMF and the performance measurement framework. In terms of outcomes, the capacity-building efforts have led to a greater understanding by the AEs of the specific GCF requirements with respect to project design, results articulation, validation, tracking and monitoring.

187. Additional activities included early-stage engagement to ensure that the RMF and performance measurement framework are adhered to more consistently; that logical frameworks are articulated in line with those frameworks; indicators are relevant and meaningful; and that there is a focus on measurable results and changes from project interventions.

188. Specific guidance on GHG accounting and methodologies, and strengthened requirements for submission of those details, has been included in the recently published Programming Manual. This guidance was applied under the pipeline development and review work to ensure mitigation projects are adequately equipped to monitor and track the anticipated results throughout implementation. To this end, a total of 41 ex-ante GHG emission reduction calculations have been reviewed for 41 funding proposals, corresponding to a 273 per cent improvement against the annual target of 15 funding proposals.

189. In addition, the Secretariat has also engaged Moody's analytics for the development of the risk rating models (per decision B.24/04). It is also currently developing a project success rating model to estimate the likelihood of a project/programme achieving its climate impact and a credit risk rating model that will rate the loan proposals. The Secretariat is in advanced stage of finalizing the rating models and will present them to RMC before the end of 2020. The rating models will serve as one of the inputs in the Secretariat reviews of the funding proposals with the objective of advancing quality.

2.5.3. **Developing the integrated results management framework and addressing gaps in the portfolio for measurement**

190. The GCF continued to fine-tune two key draft policy papers, "Integrated results management framework" and "Addressing gaps in the portfolio for measurement", to reflect comments and feedback received from the Board and AEs during the July and August 2020 consultation period.

191. The Secretariat prepared a comments response matrix for Board and AE comments and updated the policy papers, which were subsequently shared with the Co-Chairs. The comments on and revisions to the integrated RMF were primarily oriented around the architecture of the framework, its underlying indicators and measurement approaches and proposed implementation arrangements. Comments on the paper "Addressing gaps in the portfolio for measurement" were focused on clarifying the anticipated outcomes from the remedial portfolio activities proposed in the paper as well as the sequence of the proposed activities.

192. The Secretariat has continued to support further technical consultations on the iRMF paper in advance of B.27, in line with guidance from the Co-Chairs.

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

2.6.1. **Enhancing staff capacity, fostering a culture of innovation and strengthening awareness of ethical standards**

193. Secretariat activities during the reporting period focused on three key areas: advancing the recruitment of key positions, ensuring a respectful work environment and organizational culture through implementation of the People Plan; and strengthening internal grievance mechanisms.

194. **Advancing recruitment of key positions:** In order to deliver on ambitions under GCF-1 and cope with the increased workload both in terms of project formulation and implementation, the Secretariat aims to increase its staffing to fill its 250 positions before the end of 2021 and as early as the third quarter of 2021. COVID-19 had a severe impact on recruitment efforts, particularly during the first half of the year, as applicants were reluctant to relocate during a pandemic. However, as living with COVID-19 has become a "new normal" and as misperceptions of Korea as a COVID-19 hot-spot were corrected, the Secretariat was able to accelerate recruitment efforts during the reporting period. It also streamlined and enhanced recruitment efforts, including greater outreach to new candidates through relevant professional and social networks. By the end of September, 55 recruitment processes were ongoing to fill previously unallocated positions and existing vacancies as well as to ensure succession arrangements for staff reaching retirement age in 2021. Seven positions have been filled since 1 July, including the Chief Financial Officer/Director of Support Service. The Secretariat expects to have about 215 positions filled by the end of 2020, compared with 210 at the end of 2019.

195. The Secretariat also improved the diversity of the GCF workforce, including by increasing female representation in leadership positions, with four senior management positions filled by women in 2020.

196. As COVID-19 affected the recruitment of new positions, it has also affected staff retention. With the outbreak of COVID-19 in Korea, personnel were authorized to work from their home countries in order to be close to family and health services in their native languages. When the Secretariat ended this Special Flexible Working Arrangements in June, many staff were unable to return to Korea for family reasons. The turnover rate of staff positions by the end of September was 11.2 per cent. As most staff have returned to Songdo, minimal attrition related to COVID-19 is expected in quarter four, so the Secretariat should remain well within its turnover target of 10–20 per cent.

197. **Ensuring a respectful work environment and value-based organizational culture:** Significant efforts have been made to ensure a respectful workplace and foster an organizational culture in line with the GCF Staff Code of Conduct and core values. Notably, earlier this year, the Secretariat developed and started implementation of its People Plan, which sets out a pathway for the GCF to attract, retain and nurture the diverse and talented people it needs to deliver its ambitions and goals for GCF-1 and beyond. During the reporting period, the Secretariat has advanced in designing a detailed 2-week onboarding programme that will cover (i) GCF core values and institutional frameworks (including ethical standards and the SEAH Policy); (ii) governance and operations; and (iii) climate change. The Secretariat is also developing a mandatory online SEAH training course, building on the dedicated SEAH training delivered to all staff throughout the course of the year. In order to strengthen trust in management, the SMT has developed a set of KPIs to ensure implementation, visibility and monitoring of the SMT Charter. The SMT Charter was developed in response to the findings of the staff engagement survey released in March 2019. It includes 13 commitments to promote integrity, accountability, transparency and staff empowerment. In addition, the Secretariat is scaling up its mentoring programme, building on lessons learned from its first cohort. The second cohort will include mentors outside the Secretariat and will be launched in January 2021. The Secretariat is also working to strengthen informal support mechanisms for the GCF workforce, particularly to female personnel. During the reporting period, the Secretariat launched a number of virtual well-being activities for personnel and families to enable staff to engage with each other outside of work during these challenging times.

198. In addition, multiple channels of communication have been promoted for staff to share and discuss their concerns. This includes direct communication with the Executive Director, the Head of Human Resources and the Ethics Senior Advisor; collective exchanges in all staff and team meetings; continuous engagement between senior management and the Staff Council; and creating “safe space” dialogues facilitated by the Head of Human Resources and the Ethics Senior Advisor, where staff are able to raise concerns and issues in confidence. Four safe spaces were held in the reporting period, with approximately 120 participants. Feedback from the safe spaces have enabled management to better understand and address staff concerns. During the reporting period, progress was also made to design a 360-degree survey for all senior managers and the staff engagement survey, both of which will be conducted in quarter four, 2020.

199. **Effecting an internal grievance and dispute resolution system to address concerns:** A well-functioning internal grievance architecture that is fit for purpose for the GCF Secretariat is required in order to effectively address staff concerns in a transparent and just manner. Since the GCF established the IIU and before it created internal mechanisms within the Secretariat – the administrative appeal procedures and committee were put in place in 2019 – many concerns related to workplace disputes and disagreements over administrative decisions have been taken to the IIU. Such concerns are extremely important; however, as they are outside the jurisdiction of the IIU, they have not been satisfactorily addressed. The Secretariat has taken a number of actions to strengthen its internal grievance and dispute resolution mechanisms to help resolve such concerns. First, it is supporting staff to channel their concerns to the appropriate grievance mechanism. The Secretariat developed a four-page note to clarify

the different types of grievances; the different informal and formal grievance channels; and the types of outcomes that can be expected (see annex IV). Second, the Secretariat has strengthened its internal dispute resolution capacity. The Ombudsperson position was filled in August and the recruitment of independent mediators is nearing completion. Third, the Secretariat is undertaking a review of its internal grievance mechanisms in order to assess and improve their effectiveness. Finally, communication efforts will be stepped up to enhance staff understanding. Efforts include webinars, factsheets and finalization of a handbook on the GCF grievance architecture by the end of 2020. The Secretariat is working closely with IIU in taking these efforts forward.

2.6.2. **Operationalizing the knowledge management system and initiating steps to position the GCF as a global knowledge hub and policy influencer in climate finance**

200. The Secretariat has developed a draft knowledge management strategy and action plan for the period 2020–2023, which outlines a four-year vision and implementation plan for knowledge management at the Secretariat. It aims to create a conducive, enabling environment and support the organization’s core functions. It will deliver on the GCF mandate by optimizing operations, enhancing institutional capacity and aligning resources to achieve results through fostering teams of excellence (internal outcome) and climate investment leadership (external outcome). In addition, discussions have begun regarding an online knowledge hub for integration into the GCF website. The knowledge hub will serve as a repository for knowledge products developed by GCF and its partners.

201. Knowledge management is being integrated across all Secretariat work streams. Consultations were held between the Knowledge Management Team and each division to gather an understanding of individual knowledge needs and to help articulate plans for developing knowledge products over the forthcoming year. The Knowledge Management Team has also held a two-day retreat with the Office of Portfolio Management to identify areas for closer collaboration and to promote learning from GCF projects and programmes. A key priority for 2021 is to optimize reporting mechanisms for GCF projects and analyse lessons from the Readiness Programme.

202. The COVID-19 pandemic, and resulting impacts on work patterns, has demonstrated the necessity of a transition towards a digital workplace at the Secretariat. This presents opportunities for ICT systems to help support the achievement of knowledge management goals. For example, significant progress has been made in the development of a GCF taxonomy. This will be useful in the effective cataloguing of organizational knowledge. A draft has been finalized and a system roll out is scheduled for late 2020. As part of the Secretariat’s efforts to promote digital transformation, a digital component is being developed for the GCF onboarding programme. E-learning modules and short multimedia products will equip Secretariat new staff with knowledge of climate-related issues and shared GCF values, and a clear understanding of GCF governance, policies and practices.

203. The GCF Secretariat has also helped establish the Climate Change Working Group of the Scaling Up Communities of Practice (CoP). The Scaling Up CoP contains working groups in fields ranging from agriculture to youth employment; this is the ninth working group within the Scaling Up CoP and it aims to create a community of practitioners and analysts focused on knowledge-sharing, collaboration and innovation in scaling up climate change interventions. As Chair of this working group, the GCF Secretariat will organize and facilitate meetings on a quarterly basis going forward. In November 2020, the GCF Secretariat will also host the virtual 2020 International Financial Institutions’ Knowledge Management (KM) CoP Annual Forum. This will convene KM leaders from multilateral development banks, international funds, the private sector, and other international organizations. The objective of the workshop will be to share best practices, lessons learned and experiences among practitioners in the field of KM.

204. Lastly, the GCF Fellowship Programme has been developed and an implementation plan designed. However, due to the COVID-19 pandemic, the recruitment of the first cohort of Fellows has been postponed to 2021.

2.6.3. Implementing the GCF communications and partnership strategy

205. The Division of External Affairs continued to implement communications and partnership activities during the third quarter of 2020, with a strong focus on communicating GCF's contribution towards a climate-resilient recovery from the COVID-19 pandemic. New communications products were disseminated to key stakeholders, including updates to regional and country factsheets profiling the GCF portfolio and Readiness activities, as well as new social media and other digital assets.

206. These products conveyed a strong signal that, despite the challenges posed by the pandemic, GCF is stepping up its support to maintain climate ambition in the era of COVID-19. During the reporting period KPIs for increases in website traffic and social media followers exceeded the initial 10 per cent and 15 per cent targets, respectively. The website was also migrated to a new open-source content management system.

207. On 9 July 2020, GCF organized its first virtual high-level event, "At a turning point: Catalysing climate finance in the era of COVID-19" in the side-lines of the United Nations High-Level Political Forum on Sustainable Development. Over 500 policymakers, climate change experts, development specialists and representatives from United Nations agencies, civil society organizations, research institutes and the private sector participated in the live event to explore innovative solutions to help developing countries finance a green, resilient recovery from the devastating impacts of the COVID-19 pandemic.

208. During August and September, the Executive Director and Senior Management Members held a series of briefings with key stakeholder groups of the Permanent Missions to the United Nations in New York including the African Group, the Group of Latin America and Caribbean Countries, the Small Island Developing States, and the Least Developed Countries Group. During the meetings, members expressed appreciation for the regular updates by the GCF and urged continued engagement. Key discussion points included the urgency to accelerate climate action in the light of COVID-19; ways to catalysing additional finance; increasing disbursement on the ground; and simplifying procedures and processes.

209. Together with the Ministry of Economy and Finance of the Republic of Korea, GCF co-hosted a virtual international conference "International Conference on the Green New Deal: Green stimulus in the Era of COVID-19 and beyond" on 17 September. Opened by the Deputy Prime Minister of Korea, the virtual conference enhanced global momentum for green recovery policies in the era of COVID-19 and beyond, and provided a platform to share the policy direction of Korea's Green New Deal. With key speakers such as Joseph Stiglitz (Nobel Prize winning economist), Selwin Hart (Special Adviser to the Secretary-General on Climate Action and Assistant Secretary-General for the Climate Action Team), the Minister of Environment of Egypt and the Deputy Minister of Environment of Armenia, participants discussed and shared the global trend of green recovery policies and exchanged views to guide Korea's path towards carbon neutrality and help its transformation from a global economic powerhouse to a green powerhouse of sustainable innovation.

210. The month of September, with the focus on "Financing for Development in the Era of COVID-19" and the engagements around the 75th United Nations General Assembly (UNGA75) marked a key milestone to demonstrate the GCF's contributions to green resilient recovery efforts and the achievements of the Sustainable Development Goals and the Paris Agreement. It was also a critical opportunity to reinforce the role of the GCF as a key partner for developing countries.

211. On 18 September GCF convened a virtual Leadership Dialogue on "Tipping point or turning point: Global solidarity for an inclusive, resilient recovery" in the margins of UNGA75.

Over 500 participants attended the virtual meeting live. The Leadership Dialogue featured contributions from the President of Colombia, Ivan Duque Marquez, as well as government ministers from developing and developed countries (Austria, Republic of the Congo, Grenada and the United Kingdom of Great Britain and Northern Ireland) and the UNFCCC Executive Secretary to reinforce global solidarity and collaboration to support developing countries on transformative investment pathways, leveraging the catalytic role of the GCF.

212. Upon invitation, the GCF Executive Director provided video statements for a number of events, such as the Global Fund for Coral Reefs that took place on 16 September, the Climate Investment Platform event on energy transition on 16 September, and the Austrian World Summit on 17 September.

213. In the margins of the UNGA75 and the first United Nations Summit on Biodiversity convened by the President of the General Assembly on 30 September 2020, the Executive Director participated in the Summit through a pre-recorded video statement that was aired together with those by other leaders in a segment coordinated by the President of the General Assembly, UNEP and the United Nations Convention on Biological Diversity. GCF has also developed a process to create tailored reports to be sent to champions and ambassadors for GCF advocacy. Tailored briefing documents with details of the GCF portfolio and highlighting GCF contribution to the goals of the United Nations Summit on Biodiversity were shared with the offices of key speakers.

214. In addition, in the margins of UNGA75 the GCF took part in a number of high-level events organized by GCF partners including:

- (i) “Virtual Ministerial Conference on the Great Green Wall” hosted by the United Nations Convention to Combat Desertification;
- (ii) “Cool Down to Speed Up Climate Action and Green Recovery” event hosted by the Permanent Mission of Denmark to the United Nations and the UNEP-led Cool Coalition;
- (iii) Sixth Caribbean Development Roundtable hosted by the United Nations Economic Commission for Latin America and the Caribbean;
- (iv) “Green Cities to build back better for SDGs – a new powerful venture” by the Food and Agriculture Organization of the United Nations;
- (v) The Sustainable Development Impact Summit 2020 by World Economic Forum;
- (vi) “Untapped Potential: Water innovation to advance the SDGs” by UN Water;
- (vii) “The long and short of it: Interlinkages between NDCs and mid-century decarbonization strategies” by Climate Analytics;
- (viii) High-level Virtual Roundtable, by Coalition for Climate Resilient Investment and Willis Towers Watson;
- (ix) UNDP Learning for Nature, Oceans Roundtable event hosted by multiple countries;
- (x) Climate Week NYC on 21 September (Opening Ceremony and Hub Live event);
- (xi) 2020 Lab Virtual Endorsement Meeting on 24 September, organized by Climate Policy Initiative; and
- (xii) “Build Back Better: The Plan for 2020-21” by Our Oceans, United Nations Ocean Conference and World Ocean Summit.

2.6.4. **Mobilizing additional resources and provide further support to GCF-1 replenishment**

215. Despite the challenges of the COVID-19 pandemic impact on the world economy and fiscal stability in many countries, GCF-1 exceeded the USD 10 billion mark calculated at the exchange rate as at 30 September 2020, based upon pledges from 31 contributors. During the reporting period, the Government of Austria pledged its new, additional contribution of EUR 100 million to GCF-1, making a five-fold increase compared to the initial resource mobilization. The Government of Liechtenstein also pledged an additional contribution of 50,000 Swiss francs to GCF-1.

216. The constraints arising from the COVID-19 pandemic have moderately impacted further mobilization of resources (KPI 6.6). As a result, the Secretariat is focusing on confirming the pledges for GCF-1 by signing contribution agreements. Of 31 GCF-1 contributors, 21 countries have confirmed part or all of their pledges. During the reporting period, Canada, Korea, Japan and the United Kingdom have confirmed part or the full amount of their GCF-1 pledges, amounting to approximately USD 3.56 billion equivalent. With these additional confirmed pledges, the total confirmed amount is approximately USD 7.35 billion equivalent, or 75 per cent of nominal pledges for GCF-1.

217. The Secretariat will continue to engage with a limited number of contributors who have already expressed the possibility of increasing their pledges and new contributors who have potential to make pledges to GCF-1.

2.6.5. **Overseeing delivery of audits**

218. Owing to the impacts of COVID-19, the Office of the Internal Auditor postponed its planned audits for 2020 to focus on advisory engagements and other non-audit work to support GCF. The main activities of the Office of the Internal Auditor during the reporting period include (i) completing its support to the Office of Portfolio Management in reviewing Readiness reports and AE self-assessments; (ii) commencing a self-assessment of its work in 2019, in preparation for an independent quality review due in 2021; (iii) reviewing the status, as at 30 June 2020, of management action plans arising from previous audits; (iv) working with Secretariat management to finalize the report of the audit of portfolio monitoring conducted in 2019; (v) leading the development of the SMT Charter, including the KPIs, targets and activities; (vi) continuing its work with the Office of Risk Management and Compliance to develop an institutional risk framework for the Secretariat; and (vii) reviewing the Ninth Report of the GCF to the COP and the Secretariat's operational guidelines and manuals.

2.6.6. **Advancing the GCF response to COVID-19**

219. With deep sadness it was announced that on 5 August, a GCF staff member, Leonardo Paat Jr, Environment and Social Safeguards, Gender and Indigenous Peoples Manager, passed away from COVID-19. He was a highly respected colleague with a passion for the environment and a strong dedication to GCF. During his time with GCF Leo made a huge contribution to the development of the GCF environment and social standards, Gender Policy and the Indigenous People's Policy. The Secretariat is exploring options to set up a permanent memorial that will be shared with the family.

220. During the reporting period, the Secretariat has further operationalized its three-pronged strategy to promote the safety of personnel and the continuity of GCF operations in response to the COVID-19 pandemic through (i) a new working environment within G-Tower; (ii) a new way of working through digitalization; and (iii) a new way to ensure business continuity.

221. **A new working environment within G-Tower:** The Secretariat reorganized the office environment to create greater social distancing between staff. In addition to its principles for

social distancing introduced in June, the Secretariat has adopted a flexible three-level COVID-19 response matrix that largely mirrors the national three-level social distancing system introduced by the Government of the Republic of Korea. At level one, in-person meetings are allowed according to social distancing capacity of meeting room; at level two, in-person meetings are limited to five people; while at level three – the Government’s most restrictive level – telecommuting arrangements are in place for non-essential functions. This approach provides the Secretariat with the flexibility needed to quickly respond to changes in the COVID-19 situation in Korea to ensure the safety of personnel and business continuity.

222. During the period of this report, the Secretariat moved from level 2 to level 3 on 21 August (the last day of B.26) following a spike in cases in South Korea and a case in the post office in the G-Tower building. GCF then returned to level 2 on 14 September, as national and local cases dropped, and moved to level 1 on 15 October in line with the national response.

223. **A new way of working:** The Secretariat continued to advance its digital transformation through the implementation of its Digital Agenda, which has become even more critical in the context of COVID-19. Actions have been undertaken to create a digital workplace and promote digital collaboration and engagement. The Secretariat has the capacity to organize small digital meetings as well as large events, and facilitates remote working arrangements when needed. It supported the GCF Board to successfully hold its first virtual Board meeting during B.26 in August.

224. **A new way to ensure business continuity:** The Secretariat’s Crisis Management Committee continues to closely monitor the COVID-19 situation and meets regularly to maintain a heightened level of preparedness. An annex office near to G-Tower has been secured with the support of local authorities in Incheon. This annex is now operational and provides office space for staff fulfilling essential operational functions in the event that G-Tower is temporarily closed. It was used when there was a COVID-19 case in the G-Tower building on 21 August, and the ICT team was able to successfully support the last day of B.26 from the annex. Finally, work is under way to update business continuity and emergency management plans in order to ensure that the Secretariat can respond to further threats, whether related to COVID-19 or other issues in an effective and efficient manner. Lessons learned from the Secretariat’s COVID-19 response will be part of the business continuity updating process.

Annex I: 2020 KPI tracker as at 30 September 2020

1. The table below shows progress to date against the Board-approved Key Performance Indicators (KPIs) under the 2020 work programme. In May the Secretariat estimated whether COVID-19 would have a low, moderate or severe impact upon individual KPIs. The COVID-19 impact column reflects this early estimate of the pandemic's effect upon GCF operations.

2. As described throughout the main body of the report, a number of remedial measures were taken to take account of this anticipated impact. In many cases KPIs are now on track to be achieved in spite of those challenges or have exceeded the original targets.

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
1	Strengthening country-driven planning and the partnership with national designated authorities to originate and deliver high-quality, innovative, scalable investments				
1.1	Number of countries supported through Readiness to support the goal of strengthening country-driven planning and programming (Aggregate for Readiness)			73%	Moderate
1.1a	Number of countries supported through Readiness to support the goal of strengthening country-driven planning and programming	35	44	126%	Moderate
1.1.1	No. of non-NAP Readiness requests approved	50	15	30%	Severe
1.1.2	Volume of non-NAP Readiness requests approved	45	9	20%	Severe
1.1.3	Volume of the first disbursement for non-NAP	11	21.65	197%	Severe
1.1.5	No. of NAP Readiness requests approved	18	15	83%	Moderate
1.1.6	Volume of NAP Readiness requests approved	40	32.01	80%	Moderate
1.1.7	Volume of the first disbursement- NAP	7.6	9.3	122%	Moderate
1.2	Enhanced complementarity and coherence with other climate finance delivery channels			200%	Moderate
1.2.1	Number of FPs or CNs embedding complementarity and coherence strategies	10	20	200%	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	11	220%	Low

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
1.2.3	Establish platform for climate finance and investment with partners	1	1.8	180%	Low
1.3	Review and feedback on CNs and FPs			33%	Moderate
1.3.1	CNs endorsed by CIC for FP development	70	30	43%	Moderate
1.3.2	Number of FPs endorsed by CIC for interdivisional review	95	22	23%	Moderate
1.4	Number and volume of FPs submitted for Board approval			69%	Low
1.4.1	Number of FPs submitted for Board approval (42-51)	42	21	50%	Low
1.4.2	Total USD GCF resources FPs submitted for Board approval (USD 1.2-1.5B) in \$M	1,200	1,048.66	87%	Low
1.5	Improved quality of CNs, FPs, SAPs, Readiness grants, NAPs, AMAs, FAAs			274%	Moderate
1.5.1	Projects and programmes where ex-ante GHG results verifications have been undertaken	15	41	273%	Low
1.5.2	At least 10 sector guidance documents developed and disseminated	100%	45%	45%	Low
1.6	Enhanced gender mainstreaming			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
2	Galvanizing GCF programmatic engagement with accredited entities				
2.1	Number of AMAs signed	25	13	52%	Moderate
2.2	Number project/programme ideas/concepts supporting direct access through Readiness/PPF	25	19	76%	Moderate
2.3	Major dialogues/conferences with countries and AEs (Major events: 2020 Global Private Investment Conference, Global Programming Conference; Number of structured programming dialogues)	12	2	17%	Severe
2.3.1	Structured programming dialogues (10-12)	10	2	20%	Severe

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
2.3.2	Global Programming Conference	1	0	0%	Severe
2.3.3	2020 Global Private Investment Conference	1	0	0%	Severe
2.4	Strengthened accreditation partnerships and processes			85%	Moderate
2.4.1	Development of an accreditation strategy	1	0.8	80%	Low
2.4.2	Enhanced representation of DAEs: 66 DAEs accredited or 60% of the total AE portfolio	60%	60%	99%	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	0.75	75%	Severe
2.5	Strengthen entity work planning: establish at least 2 pilot multi-annual entity work programmes	2	7	350%	Low
3	Filling key gaps in GCF policy and governance frameworks				
3.1	Accountability and reporting to the COP			63%	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	0.5	50%	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	0.75	75%	Moderate
3.2	Support for informed Board decision-making and closing policy gaps			23%	Severe
3.2.1	100% of Board meeting documents ready for publication in accordance with Board procedure	100%	0.74	36%	Severe
3.2.2	100% of policy matters in the Board Work Plan prepared and presented according to work plan schedule to facilitate higher adoption rate (*adjusted internally to reflect papers prepared and presented by the Secretariat to the Co-Chairs or Committees for consideration)	100%	13	57%	Severe

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
3.3	Review of the risk management framework components I–VII and the initial financial risk management framework			70%	Moderate
3.3.1	Complete internal review of the risk management framework components I–VII and submit to RMC for consideration	1	0.05	5%	Moderate
3.3.2	Complete internal review of initial financial risk management framework and submit to RMC for consideration	1	1	100%	Low
3.4	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			25%	Moderate
3.4.1	Preparation of policy and presentation to Board for consideration	1	0.5	50%	Moderate
3.4.2	Implementation of policy subject to Board approval	1	0.25	25%	Moderate
3.5	Supporting delivery of the GCF strategic and policy agenda			99%	Moderate
3.5.1	Finalization of a Strategic Plan for 2020–2023	1	0.95	95%	Severe
3.5.2	Finalization of Policy Manual	1	0.4	40%	Low
3.5.3	All policies submitted to the Board for B.26 and B.27 developed in line with the GCF Policy Manual (* revised internally to reflect papers finalized by the Secretariat and submitted to the Co-Chairs or Committees for further deliberation for B.26 and B.27)	16	10	63%	Low
3.6	Strengthen awareness of ethical standards: 6 ethics-related trainings and workshops.	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	Review and feedback on CNs and FPs			76%	Moderate
4.1.1	75% of CNs reviewed within 30-day target (from submission to first feedback)	75%	53%	71%	Moderate
4.1.2	75% of FPs reviewed within 75 day target (from start of interdivisional review to iTAP submission)	75%	68%	90%	Low

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
4.1.3	70% of SAP CNs receive Secretariat's feedback within the target (21 days)	70%	47%	67%	Moderate
4.2	Accelerate FAA signings: 33 FAAs signed (especially focusing on signing FAAs that were unsigned at end of 2019)	33	23	70%	Moderate
4.3	Projected aggregate disbursements (1.2-1.6B)	1,200	1,349	112%	Moderate
4.4	Privileges and Immunities (P&I): 5 additional P&I Agreements to be signed	5	1	20%	Moderate
4.5	Strengthen and standardize procurement systems to ensure value for money and transparency			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	Ensure transparency to non-classified information through real-time information systems	78%	77%	99%	Moderate
4.6.1	80% of non-classified authoritative information made available to external parties	80%	77%	96%	Moderate
4.6.2	75% of data sets are kept current by the business owners according to targets by class	75%	76%	101%	Moderate
4.7	Externally audited financial statements for 2019: financial statements audited for the year 2019, with unqualified audit opinion	1	1	100%	Moderate
4.8	Templates and SOPs developed for Secretariat operations committees	4	3	75%	Low
5	Adopting adaptive management of portfolio implementation and strengthening GCF results management				
5.1	Integrated results management framework (RMF) developed			78%	Moderate
5.1.1	An integrated and 'fit-for-purpose' RMF submitted to B.25 (and operationalized, subject to Board approval)	1	0.85	85%	Moderate

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
5.1.2	MRV/M&E systems finalized and guidance on MRV/M&E systems developed for use by AEs	1	0.7	70%	Moderate
5.2	Implementation reports reviewed and 2020 APPR published			341%	Low
5.2.1	At least 65 APRs reviewed	65	71	109%	Low
5.2.2	90 Readiness reports reviewed	90	159	177%	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 internally revised upwards in response to COVID-19]	5	54	1,080%	Low
5.2.4	APPR 2020 presented to B.27	1	0	0%	Low
6	Consolidating institutional capacities and taking initial steps to position the GCF to be a global knowledge hub and policy influencer in climate finance				
6.1	Enhanced staff engagement and increased capacity			81%	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%	78%	82%	Moderate
6.1.3	Maximum 10–20% turnover of critical staff positions.	20%	12%	60%	Moderate
6.2	Fostering a culture of innovation and respect: Regular assessment of implementation of SMT statement of commitment	1	0.5	50%	Low
6.3	Operationalization of the knowledge management system internally and externally			73%	Moderate
6.3.1	KM action plan initiated and GCF KM system launched	1	0.90	90%	Low
6.3.2	Online knowledge hub launched featuring co-generated knowledge products developed with partners	1	0.55	55%	Moderate
6.4	Implement communications strategy	1	0.78	78%	Moderate
6.4.1	Adopt new branding guidelines	1	0.60	60%	Low

KPI	Description	2020 WP Target (\$=USD millions)	Progress (Year to date)	Progress % (Year to date)	Initial COVID-19 Impact estimate
6.4.2	15% increase in followers on social media	15%	101%	671%	Low
6.4.3	10% increase in website page views and sessions	10%	16%	160%	Low
6.5	Develop partnership strategy & commence implementation			88%	Moderate
6.5.1	Partnership strategy endorsed and implementation plan prepared	1	0.75	67%	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	10	100%	Severe
6.6	Mobilize additional resources and provide further support to GCF-1 replenishment			21%	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%	75%	83%	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 as at 30 September 2020

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.

Annex III: Annual update on complementarity and coherence

I. Introduction

1. The Board adopted (decision B.17/04) an operational framework on complementarity and coherence (hereafter “operational framework”) with a view to strengthen complementarity and enhance coherence among operations and processes across climate finance institutions. The Board also requested the Secretariat to present a report on the progress made and outputs from the operational framework for consideration by the Board in 2018, and to provide an annual update thereafter. This annex responds to that request.
2. The operational framework is based on four pillars:
 - (i) Pillar I: Board-level discussions on fund-to-fund arrangements;
 - (ii) Pillar II: enhanced complementarity at the activity level;
 - (iii) Pillar III: promotion of coherence at the national programming level; and
 - (iv) Pillar IV: complementarity at the level of delivery of climate finance through an established dialogue.
3. The implementation of the operational framework has focused on collaboration with Global Environment Facility (GEF), including the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), Climate Investment Funds (CIF) and Adaptation Fund (AF). In addition, collaboration with the Nationally Appropriate Mitigation Action Facility has begun.
4. Progress on these mandates is included in this report with a summary of activities outlined in table 1 below.

Table 1: Summary and update on 2019-2020 activities			
	Global Environment Facility, including LDCF	Adaptation Fund	Climate Investment Funds
Coordination of support and programming	In the context of the coordinated engagement initiative, besides actively monitoring and seeking synergies with pilot countries, the GCF and GEF have identified opportunities for maximizing synergies with the GEF's 7 "Global Programme to Support Countries with the Shift to Electric Mobility " and counted with the GEF's contribution by their experience with Great Green Wall (GGW) for the development of the GCF's GGW programme. Also, the GCF enhanced understanding of interactions in funding proposals to apply lessons to programming, including through the coordinated engagement initiative, with 6 countries actively engaging to proactively seek synergies between the two funds.	In coordination with the AF, the GCF is supporting the Community of Practice of Direct Access Entities (CPDAE) committee for the development of a Readiness proposal to fund the initiative's action plan to strengthening DAEs. The Secretariats are also in advanced stage of discussions for establishing a " Coordinated Scaling Up Approach " with the objective of facilitating the scaling up of AF projects with GCF resources.	In relation to the new CIF programming areas for 2021 and beyond, their ongoing consultation with donors, and the GCF updated Strategic Plan 2020–2023, both Secretariats are communicating to coordinate synergic interventions in countries and sectors.
Learning and information-sharing, including on M&E and policies and procedures	Given the exceptional circumstances of the COVID-19 pandemic, exchanges among AF, GCF and GEF are often scheduled to understand how it is affecting climate funds' operations and what measures are being implemented to counteract the negative effects and support countries to craft green recovery responses.		Building on a previous experience of jointly commissioning a study, the Secretariats are establishing a " Climate Finance Synergies Partnership " (CFSP) aiming to provide a forum for continuous and systematic learning and knowledge management between climate funds, countries, and other relevant stakeholders.
	In the context of a collaboration platform on results, indicators, and methodologies for measuring impact, the climate funds are having regular exchanges of current practices to better understand each fund's experiences, commonalities and differences aiming at better integration in the future. Furthermore, the Annual Dialogue with Climate Funds (decision B.13/12) has been an important opportunity for the heads of each fund to meet and discuss common issues and ways to enhance cooperation for complementary and coherence. The last session took place at COP 25 in Madrid and this year's Dialogue will take place virtually in November 2020.		

II. Update on progress across the four pillars

2.1 Pillar I Board-level discussions on fund-to-fund arrangements

5. Under this pillar boards/governing bodies of the various funds can explore and pursue opportunities for complementarity and coherence that might entail changes to their existing business models, governance structures and/or key policies.

6. Representatives of the climate funds' governing bodies, including a GCF Board member and the Chair of the GEF, participated of the third annual dialogue of climate funds that took place on the side-lines of COP 25 and shared useful insights and suggestions for the discussed initiatives. In that meeting, participants shared that climate funds are under pressure to maximize impact, but that such impact through joint work can only happen with greater commitment of countries, agencies and greater participation of Board members which are crucial to make this joint work feasible.

3. The Board requested the Secretariat through decision B.20/05, paragraph (e)(ii) to "include proposals for consideration by the Board on areas where further fund-to-fund arrangements are possible to improve efficiency, effectiveness and simplicity, and to enhance the alignment of portfolios with other climate funds." The Secretariat provided input for consideration in its 2019 Annual update on complementarity and coherence for consideration by the Board in its deliberations on the updated Strategic Plan.

2.2 Pilar II-Enhancing complementarity at the activity level

7. Under this pillar, the GCF seeks to strengthen complementarity at the operational level and within the existing business models and polices of the different funds. With the recently launched "Operations Manual for the Project and Programme Lifecycle" and the "Programming Manual", an additional level of scrutiny was added to the revision of country programmes and entity work programmes to ensure that complementarity and coherence is reflected and leveraged since the beginning of the project cycle, when relevant and appropriate. A summary of updates is in table 2 below and table 3 provides more detailed information on how complementarity and coherence is being achieved, including examples of funding proposals that have been approved since the last "Annual update on complementarity and coherence".

Table 2: Progress on enhancing complementarity at the activity level

Readiness and capacity-building	<p>Readiness and Preparatory Support Programme (Readiness Programme). At B.26 was adopted the work programme and budget 2020–2021 for the Readiness Programme and the complementarity and coherence theme is embedded across the objectives: objectives 1 on capacity-building templates, in the context of the support for NDA's, enhancing complementarity and coherence between the activities of the GCF and the activities of other relevant climate finance mechanisms and institutions, to better mobilize the full range of financial and technical capacities; and objective 2 on strategic frameworks in the national context envisages enhancing collaboration with other funds through the implementation of the operational framework for aligning programming at the national level.</p> <p>Partnerships. As of September 2020, GCF has 10 delivery partners that are accredited to the GEF and 19 that are also accredited to the AF.</p>
---------------------------------	--

<p>Nationally determined contributions (NDCs), National adaptation plans (NAPs)</p>	<p>NAPs and NDCs. Countries are leveraging GCF resources under the Readiness Programme for adaptation planning to develop national strategies on adaptation finance, which then can consider various streams of finance, such as the GEF and NDC-Partnership, among others. GCF also supports countries' NDCs through Readiness grants for developing country programmes and entity work programmes; concept notes to implement NDCs; NDC update/enhancement; sectoral strategies and investment plan to implement NDCs; and enabling environment for NDCs.</p> <p>Additionally, GCF is currently partnering with, among others, United Nations Development Programme and Global Green Growth Institute to further advance the 2020 process of submitting revised or new NDCs under the Paris Agreement. As well as the NAP process, this work can contribute to other funds' investments.</p>
<p>Accredited entity (AE) matters</p>	<p>Out of the 99 entities that have been approved by the Board for accreditation as at 30 September 2020, 49 entities have undergone the fast-track accreditation process as an entity accredited to the GEF, AF or the Directorate-General for International Development and Cooperation of the European Commission. Since the last report, 3 of 11 entities have been accredited through fast-track accreditation.</p> <p>Shared AEs with other climate funds:</p> <ul style="list-style-type: none"> • AF: ADA Morocco, ADB, AfDB, BOAD, BTFEC, CABEI, CAF, CDB, CSE, DIPROSE (formerly UCAR), DoE_ATG, EBRD, EPIU, FAO, FNEC, IDB, IFAD, MCT, MFEM_COK, MOE (formerly MINIRENA), MOFEC, MWE, NABARD, NEMA, OSS, PACT, PROFONANPE, SANBI, SPREP, UNDP, UNEP, WB, WFP and WMO; • GEF: ADB, AfDB, BOAD, CAF, CI, DBSA, EBRD, FAO, FECO, FUNBIO, IDB, IFAD, IUCN, UNDP, UNEP, UNIDO, WB and WWF; and • CIF: ADB, AfDB, EBRD, IDB, IFC and WB. <p>Coordinated AE engagement. In coordination with the AF, the GCF is supporting the CPDAE Committee in the development of a Readiness proposal to fund the initiative's action plan. In the context of the pilot work with the GEF on e-mobility, the GCF and GEF Secretariats are engaging in discussions with common AEs on synergies between e-mobility projects being considered under GEF-7 and potential scaled up and/or parallel projects with GCF.</p>
<p>Monitoring and evaluation approaches and knowledge management</p>	<p>At COP 25, the first joint Pavilion between GCF and GEF proved to be instrumental to host events and engage with stakeholders to disseminate knowledge and information about both funds' operations and ways of continuing collaborating.</p> <p>Building on the joint CIF-GCF work, both organizations launched a study on "Synergies among climate finance mechanisms". As a result, both Funds are currently establishing the Climate Finance Synergies Partnership (CFSP) which aims to provide a forum for continuous and systematic learning and knowledge management between climate funds, countries and other relevant stakeholders. Some potential outcomes of this collaboration may include consultations with pilot countries, virtual meeting with countries and case studies.</p> <p>After engaging with other Funds and agreeing on relevant themes to discuss in the context of the collaboration platform on results, indicators, and methodologies for measuring impact, the first learning sessions started in</p>

	2020 and the goal is to continue enhancing the understanding of Funds' indicators and methodologies as well as prospects for the next years.
Work of the Independent Evaluation Unit (IEU)	<p>The IEU engages with stakeholders in the climate finance and evaluation space based on its four pillars (evaluations; capacity-building and advisory services; learning, communications and uptake; and building the IEU).</p> <p>At COP25, the IEU presented on the evaluation findings and recommendations, in particular those of the Forward-looking Performance Review of the GCF undertaken by the IEU in 2019. The Head of the IEU presented a keynote at the official COP Side Event "A Successful Start, An Ambitious Future. The Green Climate Fund Results over its Initial Resource Mobilization Period 2015-2019". Two IEU representatives participated in the COP Event "Reconsidering adaptation – Opportunities to manage risks and build resilience in a transforming world" at the ResilienceLab Pavilion. The Head of the IEU presented at the COP Event "What works in climate finance? Lessons from CIF and GCF" at the Worldbank Pavilion, jointly with the Evaluation Officer the CIF. The IEU also held two events at the GCF/GEF Pavilion on "What are we learning about transformational change and what are evaluations telling us? GCF and GEF share their perspectives" and "Environmental and Social Safeguards – Climate Finance, Indigenous People and Civil Society".</p>

Table 3: FPs approved since B.24 which are in complementary & coherence with other climate funds

Funding proposals (FPs) scaling up experiences and activities implemented with support of other climate funds.	<ul style="list-style-type: none"> • FP116, FAO Kyrgyzstan: The project, besides other interactions with GEF supported projects, builds on the approach, and will upscale results of the Sustainable Management of Mountainous Forest and Land Resources Under Climate Change Conditions (FAO-GEF) project, with a more specific focus on carbon sequestration. • FP127, UNDP Zimbabwe: An activity scales up innovations developed through the UNDP/GEF supported project, on targeted seasonal forecasts (based on El Nino and the Indian Ocean Dipole) and climate information dissemination (utilizing SMS communications) to smallholder farmers. Lessons learned from the GEF and other projects reveals that building the capacity of farmers to diversify into climate-resilient crop production through farmer-managed demonstrations of a variety of adaptation measures has shown successful results.
FPs implementing lessons learned in initiatives financed by other climate funds.	<ul style="list-style-type: none"> • SAP009, UNEP Lao People's Democratic Republic: Outcomes of the Integrated climate-resilient flood management strategies will be linked with the NAP process under development with GEF's support. This linkage will include joint workshops with the NAP process. Furthermore, an urban ecosystem-based adaptation project is currently being implemented in Laos by UNEP under GEF-financing, together with three other countries. • FP126, FAO Cuba: The project builds on three GEF projects by using as inputs good practices, monitoring protocols and methodologies; capacity-building for planning and budgeting; and strengthening the institutional capacities to operate and monitor the Landscape Resilience Fund created by the IRES Cuba project. • FP139, UNDP Sudan: The project builds upon the lessons learned from recent climate change adaptation projects financed by GEF/LDCF. It complements these projects and applies a similarly integrated approach to crop, water, and rangeland management that addresses recurring drought concerns and the linkages between agro-pastoralist and nomadic pastoralist livelihoods.

<p>FPs attracting co-financing from another climate funds.</p>	<ul style="list-style-type: none"> • SAP013, NEFCO Haiti: This project leverages both private sector funding and Climate Investment Funds (CIFs) via the World Bank SREP Program for Haiti. • SAP015, FAO Cote D'Ivoire (coordinated engagement pilot country): An FAO project funded by GEF will co-finance landscape restoration and traceability system and will share innovative tools and approaches for deforestation-free cocoa production.
<p>FPs being implemented in parallel and synergistically to other climate funds' interventions.</p>	<ul style="list-style-type: none"> • FP133, DOE_ATG Antigua and Barbuda: This project is complementing three current ongoing projects related to building resilience in Antigua and Barbuda (one GEF/SCCF and two Adaptation Fund projects), which support the country's efforts in strengthening its resilience to hurricanes by expanding the scope of beneficiaries that can access SIRF Fund, further revising the building codes regulation and focusing on resilience of critical public sector buildings. • FP137, UNDP Ghana: The project will be complemented by an AF project under implementation by building capacity, structure and governance in the district environment committees and the sub-basin committees to manage water resources. • FP134, FAO Colombia: The GCF project will contribute to the Colombian Amazon Vision Program which also includes previous and ongoing investments from the REDD+ Early Movers Programme, which is an initiative of German Official Development Assistance that rewards pioneers of forest and climate protection.

2.3 Pillar III-Promotion of coherence at the national programming level

8. Under pillar III, the operational framework seeks to advance promotion of coherence at the national programming level, through country programmes, pipeline development and country-driven coordination. This may include activities dedicated to promoting a GCF-GEF coordinated engagement initiative, scaling up AF projects and advancing discussions with CIF on their new action areas and GCF-1.

9. In 2019, the entity work programmes (EWP) guidelines were updated, including information on complementarity and coherence, their role in the overall climate finance landscape and on whether other climate funds either have led to the listed projects/programmes, are being accessed in parallel, or may be accessed in the future. Further information will be provided in the next reports as more EWPs are developed.

10. As countries embark on developing country programmes for the 1st GCF Replenishment period (GCF-1) period, further information will be provided in the next Report of the Secretariat as country programmes are submitted and revised by the Secretariat.

2.3.1. GCF-GEF engagement

11. The GCF and GEF continued working with pilot countries of the coordinated engagement initiative and others recently interested in exploring way to maximize potential synergies.

12. Considering the need of increasing the transport sector share of GCF investments, in early 2020 the Secretariat started conversations with the GEF to maximize synergies with the GEF-7 Global e-Mobility Program and other transport related projects in their portfolio and pipeline. This joint sectoral approach led to the mapping of countries that manifested interest or are requesting support to both funds to work in this field. Therefore, efforts are currently being focused on engaging countries to elucidate ways of engaging both funds in their respective electric mobility plans according to their needs and circumstances. As of September 2020, discussions are ongoing with two countries in Latin America and the Caribbean and one in Africa. Mauritius is the country most advanced on this type of engagement, since it started to work on this in mid-2019, although due to the COVID-19 pandemic, delays are expected as informed by the accredited entity.

13. On the side-lines of COP 25, the GEF and GCF organized a high-level event at the joint GEF + GCF pavilion to take stock of the efforts of the “Coordinated Engagement” initiative. Pilot countries already participating in initiative shared their reflections on initiatives under way and views on maximizing the synergies to enhance their NDCs as they enter the GEF-7 and GCF-1 programming period.

2.3.2. GCF-AF engagement

14. Both secretariats continue to work to develop a structured approach for enhancing the efforts to scale up successful Adaptation Fund projects under implementation that could benefit from GCF support for continuation, replication and/or scalability.

15. As referenced in table 2, many approved funding proposals in 2020 are synergistic with AF investments. As for example, FP133 in Antigua and Barbuda and FP137 in Ghana.

2.3.3. GCF-CIF engagement

16. Following decision B.20/05, the Board requested the Secretariat “to collaborate with the CIF Administrative Unit (AU) to advise national designated authorities on how programming opportunities identified by CIF beneficiary countries may be brought to GCF programming”.

17. Given the recent adoption of the CIFs new action areas, the GCF has held initial conversations with the CIF administrative unit to identify synergies for cooperation in the

context of the GCF updated Strategic Plan. Both organizations agreed to return to the discussions once the GCF updated Strategic Plan is adopted by the GCF Board, meanwhile the CIF progress with fundraising for the new areas.

2.3.4. Readiness and Preparatory Support Programme

18. The promotion of coherence at the national programming level can also be seen in activities proposed under countries' GCF Readiness Programme, and examples from those proposals approved since the last annual report are included in table 4 below.

Table 4. Readiness-supported programming synergies	
Country (delivery partner)	Progress
Ecuador (GIZ)	The grant approved in November 2019 supports the NDA to improve complementarity and coherence between the activities of the GCF and the activities of other relevant institutions and to better mobilize the full range of financial and technical capacities, including by focusing on the optimization of organizational and human capacities inside the NDA, and by enhancing efficiency and transparency through digital solutions.
Bangladesh (FAO and UNDP)	A recent grant under implementation with FAO provides a suite of support to enhance programming capacities of the NDA and investment identification and development by MSMEs. In parallel, FAO is implementing a Global Environment Facility Capacity-building Initiative for Transparency (GEF-CBIT) project. FAO will coordinate with UNDP, as the delivery partner for the GCF adaptation planning grant in Bangladesh. This will ensure that efforts related to enhanced transparency framework/monitoring, verification and reporting for NDCs and NAPs will be complementary and produce synergistic benefits for the NDA.
Albania (Urban Research Institute, URI)	Albania will produce a strengthened and enhanced NDC through this approved grant. Working in sync with the support provided by NDC-Partnership, the national delivery partner URI will also improve data and coordination capacities while building high-level political will for an ambitious NDC that addresses adaptation aspects and mainstreams gender considerations.
Belize, Costa Rica, Dominican Republic, Guatemala, Honduras, El Salvador, Nicaragua and Panama (Wildlife Conservation Society)	This regional grant will identify projects and programmes for nature-based climate solutions and build the capacity of governments and indigenous and local communities to engage in national and regional decision-making and to catalyse a model for sustainable regional development in Central America that protects the Five Great Forests. It builds on previous support from GEF, World Bank, UNDP, USAID, and the Governments of Germany and the Netherlands.

2.4 Pillar IV-Complementarity at the level of delivery of climate finance through an established dialogue

19. The Secretariat advanced the operational framework through on-going targeted dialogues with the other climate funds.

20. A series of dedicated engagements took place on the side-lines of COP 25:
- (a) The third Annual Dialogue of Climate Finance Delivery Channels was held during COP 25. The meeting, which was open to members of the respective governing bodies of the institutions, was chaired by the GCF Executive Director and attended by the Chair of the AF Board, the manager of the AF Board Secretariat, the Head of the CIF, the incoming Co-Chair of the GCF Board and the CEO and Chairperson of GEF. The participants tasked staff to map out initiatives to exploit synergies, including but not limited to enhancing joint programming across the landscape; further developing opportunities for scaling up, exploring options for enhancing the adoption of blended finance, and increasing knowledge management initiatives and exchanges.
 - (b) The GCF–GEF Pavilion was the venue of several joint events like the referenced stock-taking of the coordinated engagement initiative; an event titled “Financing nature-based solutions (NBS) for enhanced climate action” that talked about how the two Funds are promoting investments in nature-based solutions at multiple scales and across different sectors (ecosystems, agriculture, land use, forestry, water) to address climate, environmental, and livelihood challenges. Testifying to the effectivity of NBS for climate action in GCF and GEF projects, representatives from Bhutan, Ghana and Uruguay presented their countries' experiences; and an event on blended finance that addressed the distinct characteristics of both Funds and their approach to deploying blended finance.
 - (c) Due to COVID-19 and the cancellation of most events in 2020, most of the predetermined opportunities for engagement were cancelled or shifted to virtual settings. Nonetheless, director-level discussions have been held among climate Funds to discuss progress on climate funds support for green recovery measures. Furthermore, given the postponement of COP26, the fourth Annual Dialogue of Climate Finance Delivery Channels is scheduled to happen virtually in November.

III. Revision of outcomes of the operational framework on complementarity and coherence

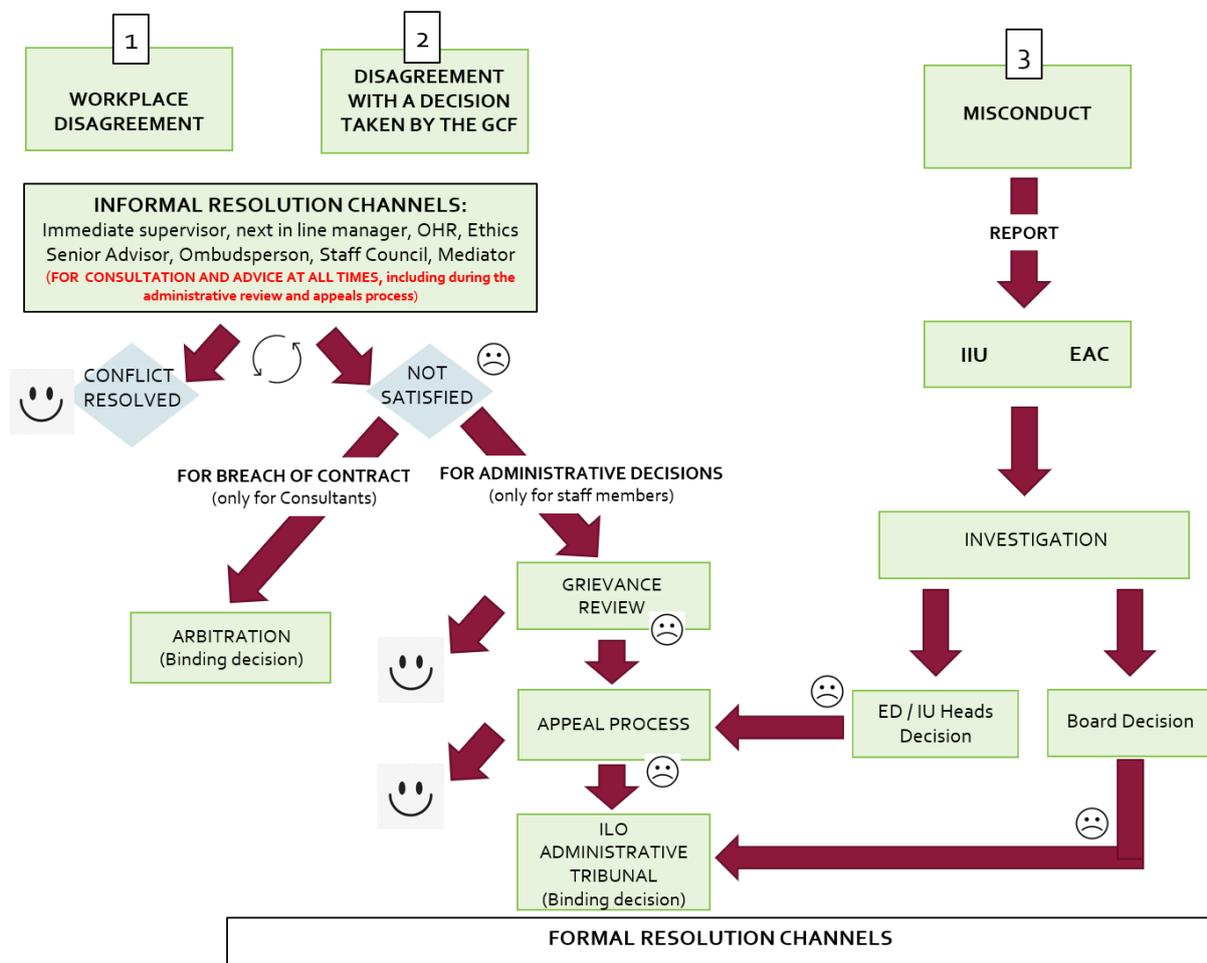
21. Given that the updated Strategic Plan has not yet been adopted by the Board, the revised set of outcomes for the operational framework that was intended for 2019 will continue on hold until clear guidance stemming from the updated Strategic Plan is provided. Meanwhile, the Secretariat will continue advancing the operational framework to replicate successful bilateral engagements approaches with other funds, when feasible; continue promoting cross-funds research exercises and organizing joint events; taking stock of complementarity and coherence information being submitted in country programmes, entity work programmes, concept notes and funding proposals to apply lessons to overall programming and collaborative programming pilots with other climate funds.

Annex IV: Overview of the GCF grievance architecture

1. The objective of the GCF grievance architecture is to have well-functioning and fit-for-purpose informal and formal channels that address workplace-related concerns, disagreements and allegations in a trusted and expeditious manner. Fostering an organizational culture in line with the GCF Staff Code of Conduct¹, embedded in the five core values of GCF (commitment to climate change, respect, responsiveness, innovation and trust) and in line with principles of fairness, transparency, communication and accountability, are equally important to maintain a harmonious and safe work environment for all GCF personnel (staff, consultants, interns).

2. This note provides an overview of the GCF grievance architecture by summarizing the types of grievances; the different informal and formal grievance channels available to GCF personnel to resolve relevant grievances; and the type of outcome that can be expected from such mechanisms. The figure below provides a simplified overview of the grievance architecture, which is described in more detail below.

Figure 1: Overview of GCF grievance architecture²



I. Workplace disagreements

3. This may include interpersonal concerns, conflicts and behavioural issues (other than concerns in respect of behaviour which constitute misconduct). In this case, the affected

¹ Section B.I.4 of the Administrative Guidelines on Human Resources

² The figure provides a simplified overview. The full process is described in the text below.

personnel would generally seek a mutually agreed resolution of the issue. Informal grievance channels are best suited to address workplace disagreements. These channels include:

- (a) *Supervisors, and next-in-line supervisors;*
 - (b) *Head of Human Resources (for staff and interns) or Director of Support Services (for consultants);*
 - (c) *Staff Council;*
 - (d) *Ethics Senior Advisor: was staffed in June 2019 (the current ESA is Morgan Pillay; mpillay@gcfund.org) and is mandated to promote good governance at the GCF by ensuring that an ethical climate is instituted and maintained by all GCF personnel. The ESA offers resources and learning opportunities to staff to ensure that they perform their functions with the highest standards of ethics as set out in the GCF Staff Code of Conduct and other relevant policies. Personnel may seek informal advice or guidance from the ESA: when unsure whether conduct is unethical; concerning avenues of recourse available to them; with concerns around a potential conflict of interest or undue influence; and general ethical practice;*
 - (e) *Ombudsperson: serves as a confidential and informal advisory resource, available to personnel to discuss work related concerns, issues related to the working environment, and challenging work relationships. Their role is to provide impartial education, training and guidance, and when requested, neutral intervention into a dispute through problem solving strategies and conflict resolution processes. The Secretariat appointed an Ombudsperson, Ms. Donna Douglass Williams in 2017 (who has left) and has recently appointed a new Ombudsperson (Kevin Brown: kbrown@gcfund.org); and*
 - (f) *Mediator: serves as an independent and impartial facilitator who assists the parties in conflict to try to resolve a workplace dispute and reach informal and voluntary agreement. Mediation is encouraged but is voluntary and can be conducted at any time. Parties must agree on the nomination of a mediator, either from a roster maintained by GCF, or any other person agreed. Mediation can stop at any time at the request of one of the parties. If there is a full or partial agreement among the parties, then this must be recorded in writing. The GCF roster is about to be published.*
4. In cases where informal grievance channels are unable to resolve the issue, other formal mechanisms may be used if the relevant disagreement arises as a result of an administrative decision (see section II below) or suspected misconduct (see section III below).

II. Disagreement with a decision taken by the GCF affecting the rights of an individual member of GCF personnel

5. This relates to decisions taken by the organization which directly and adversely affect an individual member of personnel. In the case of staff members, such decisions may include, for example, the end of probation, termination, compensation and benefits, as well as decisions relating to performance ratings. In the case of consultants, relevant decisions are ones which may be considered as a breach of the relevant consultancy contract.

6. Disagreements with a decision taken by the GCF affecting the rights of staff members may be resolved through an administrative review and appeals process, which is Guided by the Administrative Instruction on Administrative review and appeals procedures (AI DSS/HR/002/2017) and is available to staff members.

7. The *administrative review* consists of two stages:

- (i) *Informal resolution*: is the first stage. It is in the best interests of all parties to seek resolution of the relevant matter in an informal way, using any of the mechanisms set out in section I above, including in particular mediation; and
 - (ii) *Grievance review*: In the event that a satisfactory solution cannot be found through informal means, staff members may initiate a formal review process in order to have the relevant decision reconsidered or rescinded. The grievance review is a formal review of the relevant decision and is typically undertaken by the next-in-line supervisor of the person who made the decision.
8. Staff members who are not satisfied with the outcome from the grievance review process, or staff members who wish to contest the imposition of a disciplinary measure upon them, may file an appeal with the Appeals Committee.
9. *Appeals Committee*: The committee is composed of a chair and alternate (non-GCF employee), one staff member appointed by the Executive Director and one staff member appointed by the Staff Council. The Appeals Committee makes a recommendation on the relevant case, with the 'final decision' being taken by the ED, or Head of the relevant independent unit, as applicable.
10. If a staff member is not satisfied with the final decision of the ED or Head of an independent unit after having had their complaint heard by the Appeals Committee, the staff member may file a claim at the ILO Administrative Tribunal. Appeals against final decisions of the Ethics and Audit Committee (EAC) following an investigation into a Board-appointed Official may also be taken directly to the ILO AT. Judgments of the ILO AT are binding on the GCF pursuant to decision B.15/15.
11. Consultants who wish to formally challenge a decision of the GCF which they consider breaches their consultancy contract may do so in accordance with its terms which, in summary, (a) require the parties to first seek an informal resolution of the matter using any of the mechanisms set out in section I above, and (b) if that is unsuccessful, entitles the staff member to initiate an arbitration against the GCF.

III. Suspected misconduct

12. Misconduct includes prohibited practices, sexual exploitation, sexual abuse and/or sexual harassment, racism, discrimination and other types of harassment, as well as other forms of unacceptable conduct. All personnel are under an obligation to report misconduct by another member of personnel to the IIU or, in the case of Board members, alternate Board members, their advisors, the Executive Director, and the Head of IIU, to the EAC, as follows:
 - (a) *Independent Investigation Unit*: is independent of the Secretariat. It was established by, and reports directly to, the Board pursuant to paragraph 68 of the Governing Instrument for the GCF. The IIU is mandated to investigate allegations of misconduct (including prohibited practices) in line with its terms of reference (decision B.06/09). The IIU reports its findings in relation to the alleged misconduct to the Executive Director (in respect of Secretariat personnel) or the head of the relevant independent unit (in respect of personnel within their independent unit). Based on such report, the Executive Director or head of the relevant independent unit must take appropriate action with respect to GCF personnel. This may include the imposition of disciplinary measures for staff, or the exercise of contractual remedies in the case of consultants. Staff members may appeal against the imposition of a disciplinary measure directly to the Appeals Committee; and
 - (b) *Ethics and Audit Committee*: this is a committee of the GCF Board, composed of six Board members. The EAC investigates cases of alleged misconduct by covered individuals

under the GCF Policies on Ethics and Conflicts of Interest for the Board; Board-appointed officials (in respect of the Executive Director and Head of IIU); active observers and external members of GCF panels and groups. Decisions in relation to the findings of such investigations, as well as IIU investigations in relation to the Heads of IRM and IEU, are taken by the Board, in accordance with the relevant ethics policies. Board-appointed officials may appeal against the imposition of a disciplinary measure directly to the ILO AT.

13. **Protection of whistleblowers and witnesses:** All GCF personnel who report misconduct and other wrongdoing to the IIU, as well as persons who act as witnesses in connection with an IIU investigation, are protected under the Policy on Protection of Whistleblowers and Witnesses. Retaliation against such whistleblowers and witnesses is a prohibited practice, and therefore also misconduct. Additionally, the IIU may also recommend interim protective measures in order to mitigate any credible risk of retaliation against them. Under the human resources guidelines, retaliation against anyone availing themselves of the administrative review and appeals procedures is also prohibited and such behaviour constitutes misconduct.
 14. **Confidentiality:** The GCF grievance architecture also includes general requirements of confidentiality on the part of all those engaged in grievance and conflict-resolution processes. However, if during the course of discussions or correspondence with them, formally or informally, they become aware of potential misconduct, they are duty bound, pursuant to the Policy on the Protection of Whistleblowers and Witnesses, to report the same to the IIU.
 15. At the same time, it is the responsibility of the complainants to provide truthful, factual and justifiable evidence. These two considerations will ensure speedy and successful resolution of grievances.
-