



**GREEN
CLIMATE
FUND**

Meeting of the Board

16 – 19 March 2020

Virtual meeting

Provisional agenda item 8(a)

GCF/B.28/Inf.14

16 March 2021

Report on the activities of the Co-Chairs

Summary

This document contains the report on the activities of the Co-Chairs from late November 2020 to February 2021. The report is in two parts:

- (a) Report of the 2020 Co-Chairs (late November to December 2020: Part A); and
- (b) Report of the 2021 Co-Chairs (January to 14 March 2021: Part B).

PART A: REPORT OF THE 2020 CO-CHAIRS

I. Introduction

1. This part presents the report on the activities of the 2020 Co-Chairs from late November to December 2020.

II. Implementation of the 2020 consultation plan

2. To further the implementation of the 2020 consultation plan shared by the Co-Chairs with the Board on 26 June 2020 and the Board workplan, five decisions were proposed for approval without a Board meeting. These include:

- (a) Election of Co-Chairs of the Board for 2021, approved as decision B.BM-2020/14;
- (b) Appointment of Additional Members of the Independent Technical Advisory Panel, approved as decision B.BM-2020/15;
- (c) Guidelines to facilitate Board consideration of reports by the Independent Redress Mechanism on reconsideration requests, grievances or complaints, to which objections from the Board were received;
- (d) Independent Evaluation of the Green Climate Fund's Country Ownership Approach, to which objections from the Board were received; and
- (e) Independent evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System, to which objections from the Board were received.

3. As per standard practice, the status of decisions proposed for approval without a Board meeting will be presented in the B.28 document titled "Decisions proposed between the twenty-seventh and twenty-eighth meetings of the Board". In accordance with paragraph 44 of the Rules of Procedure of the Board, decisions approved between meetings shall be recorded in the report of the following Board meeting. In accordance with paragraph 43 of the Rules of Procedure of the Board, if objecting Board members uphold their objection following discussion with the Co-Chairs, the pending proposed decision will be considered by the Board at the following meeting.

4. The following document was also transmitted to the Board for consultation:

- (a) Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in Small Island Developing States.

III. The fifth annual meeting between GCF and the constituted bodies of the United Nations Framework Convention on Climate Change

5. The Board by decision B.13/11 decided to hold an annual meeting, in accordance with paragraph 70 of the Governing Instrument for the GCF, in order to enhance cooperation and coherence of engagement between GCF and the United Nations Framework Convention on Climate Change (UNFCCC) thematic bodies. The Board by the same decision decided that the meeting will be chaired by the Co-Chairs of the GCF Board and organized by the Secretariat on an annual basis to be held in conjunction with the Conference of the Parties (COP) to UNFCCC.

6. The fifth annual meeting between GCF and UNFCCC thematic bodies took place on 26 November 2020. A summary of the meeting is presented in Annex I.

IV. The ninth report to the Conference of the Parties to the United Nations Framework Convention on Climate Change

7. As established in the Governing Instrument, GCF will submit annual reports to the UNFCCC COP for its consideration and to receive further guidance. The ninth report was presented to the Board at B.27 but was not approved. Following B.27, the Co-Chairs held consultations, following which the draft report was revised and handed over to the 2021 Co-Chairs..

PART B: REPORT OF THE 2021 CO-CHAIRS

I. Introduction

1. This part presents the report on the activities of the Co-Chairs from January to 14 March, 2021.

II. Preparations for the twenty-eighth meeting of the Board

2.1 Provisional agenda for the twenty-eighth meeting of the Board

2. Following the Co-Chairs' consultations with the Secretariat, independent units and constituencies, the provisional agenda for B.28 was transmitted to the Board as document GCF/B.28/01/Drf.01 on 16 February 2021 and published on the GCF website.
3. Following issuance of this draft, Co-Chairs further consulted with their constituencies and with the Secretariat and the independent units, and decided to issue a revised provisional agenda, as document GCF/B.28/Drf.02.
4. Following further consultations, Co-Chairs decided to issue a revised provisional agenda, as document GCF/B.28/Drf.03, along with a note to explain their views on management of the agenda and support preparations for B.28.

2.2 Engagement with the Secretariat and independent units

5. The Co-Chairs including with the support of their advisers regularly engaged with the Secretariat including the Executive Director and with the independent units in preparation for B.28. Following this engagement, the Co-Chairs were able to approve the Secretariat's transmission of the B.28 provisional agenda and, coordinate with the Secretariat and the independent units on consultations to be carried out with the Board prior to B.28 and the transmission of one decision (dates and venues for upcoming Board meetings) proposed for approval without a Board meeting.
6. The Co-Chairs have been keen to ensure that documentation for B.28 would be delivered on time, in order to ensure adherence to the Rules of Procedure. To that effect, Co-chairs have confirmed that it is not their role to review documentation prior to its publication for Board consideration, and have acted accordingly.

2.3 Consultations with the Board

7. Pursuant to decision B.23/03 paragraph (c) by which the Board requests the Co-Chairs to continue to enhance the effectiveness of pre-Board meeting consultations in an open, inclusive, consultative and transparent manner, the Co-Chairs sought to allow for and facilitate for entities charged by the Board to develop papers for the Board's consideration to also lead in document consultations with the Board and other stakeholders.
8. The Co-Chairs therefore engaged with the Secretariat and independent units accordingly. In so doing, several policy drafts were transmitted by the Secretariat and Independent Evaluation Unit for comments from the Board. The Secretariat also carried out technical sessions and engaged in bilateral consultations with Board members which informed the finalization of documents subsequently presented to the Board for consideration at B.28. The Co-Chairs allowed

for documents charged to committees to continue to advance in those bodies, while the Co-Chairs also advanced consultations within constituencies on matters charged to them and the status of which is provided below.

9. The Co-Chairs also sought to enhance transparency of the consultations by requesting the Secretariat and independent units to share written comments received as well as recordings of technical sessions carried out with the full Board.

10. The Co-Chairs convened a consultation session on evaluations reports finalized by the Independent Evaluation Unit but which are yet to be considered by the Board. The rationale for this session was detailed in a Co-Chairs' note shared with the Board. These matters have been on the Board workplan and include the following reports:

- (a) Independent synthesis of the Green Climate Fund's accreditation function;
- (b) Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme;
- (c) Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in the Small Island Developing States; and
- (d) Independent Evaluation of the Adaptation Portfolio and Approach of the GCF.

11. A report of this consultation session is included in Annex II.

12. In preparation for B.28, the Co-Chairs also convened a consultation session on some policy matters scheduled for Board consideration at B.28 including: the integrated results management framework; addressing gaps in the GCF portfolio for measurement; and the review of the Simplified approval process.

13. A report of this consultation session is included in Annex III.

III. Decisions without a Board meeting

14. In collaboration with the Secretariat and the constituencies, the Co-Chairs approved the transmission of the proposed decision on the dates and venues for upcoming Board meetings for approval between meetings.

15. In accordance with paragraph 43 of the Rules of Procedure, the Co-Chairs also engaged with the Board members who have objected to the following decisions proposed for approval without a Board meeting in 2020:

- (a) Guidelines to facilitate Board consideration of reports by the Independent Redress Mechanism on reconsideration requests, grievances or complaints to which objections from the Board were received;
- (b) Independent Evaluation of the Green Climate Fund's Country Ownership Approach, to which objections from the Board were received; and
- (c) Independent Evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System, to which objections from the Board were received.

16. The decisions proposed for approval are captured in document GCF/B.28/Inf.01/Rev.01 titled "Decisions proposed between the twenty-seventh and twenty-eighth meetings of the Board". In accordance with paragraph 43 of the Rules of Procedure of the Board, should the objecting Board members continue to uphold their objection following discussion with the Co-Chairs, the proposed decisions will be brought forward for consideration by the Board at B.28.

IV. Board mandates to the Co-Chairs

4.1 Updating the Board workplan

17. The Board by decision B.24/04 requested the Co-Chairs to update the Board workplan upon adoption of the Strategic Plan for 2020–2023 and at the first Board meeting of each year. Accordingly, the Updated 2020 – 2023 Board Workplan will be presented to the Board at B.28. To update the Board Workplan, Co-Chairs consulted with their respective constituencies and with committees, as well as with the Secretariat and the Independent Units, with the support of the Secretariat.

4.2 Updated guidelines for committees

18. By decision B.25/03 paragraph (e), the Board requested the Co-Chairs, in accordance with decision B.05/12, paragraph (b), to present updated general guidelines for committees and panels for consideration by the Board.

19. The Co-Chairs sought to address this mandate at B.28 and engaged the support of the Secretariat in doing so. Following Co-Chair consultations with their constituencies, as well as with Committee focal points within the Secretariat, the “Updated General Guidelines for Committees” have been presented for the Board’s consideration at B.28. The Co-Chairs intend to bring these guidelines back for consideration and approval at B.29, and to address the earlier part of the mandate outlined in decision B.25/03, paragraph (c), to conclude the review of committees at B.29.

4.3 Guidelines for decision-making without a Board meeting

20. By decision B.12/12, the Board requested the Co-Chairs to consult with a view to presenting, for consideration by the Board, matters related to the guidelines to determine in which cases decisions may be taken without a Board meeting, no later than its fifteenth meeting. By decision B.15/02, the Board extended the mandate given to the Co-Chairs to consult.

21. Following on the consultations undertaken during B.22 and after, through two Board member requested by the Co-Chairs to lead the consultations, the 2019 Co-Chairs at B.23 presented to the Board a revised proposal in document GCF/B.23/16 titled “Outcome of Co-Chairs consultations: Guidelines on decisions without a Board meeting”. The guidelines were however not approved.

22. In June 2020, the Co-Chairs transmitted the B.23 proposal for Board consultations, following which comments were received from the Board. At B.26, the B.23 paper was also brought forward for Board consideration, but no decision was taken under this agenda item.

23. The Co-Chairs took into consideration the comments received from the Board. A further updated proposal was issued in accordance to the second draft of the agenda for B.28. Following further consultations, the Co-Chairs removed this item from the agenda and intend to continue consultations with Board members to bring this item back to the Board for its consideration and approval no later than the end of 2021.

4.4 Status of Co-Chair mandates

24. Table 1 presents open Board mandates to the Co-Chairs and their status; table 2 lists mandates to the Secretariat to be carried out under the guidance of the Co-Chairs and their status;

table 3 presents Co-Chair mandates that have been closed; and table 4 lists standing Co-Chair mandates.

Table 1: Open mandates to the Co-Chairs

	Matter	Status
1	Updating the 2020–2023 workplan of the Board <i>Decision B.24/04, para. (d)</i>	Presented at B.28
2	Review of committees, panels and groups <i>Decision B.24/04, para. (m) and B.25/03 para.s (c) and (e)</i>	Scheduled for B.29
3	Updated general guidelines for committees and panels <i>Decision B.25/03 para. (e)</i>	Presented at B.28
4	Decision-making between Board meetings <i>Decisions B.12/12, para. (a), B.15/02, para. (a), B.17/09, para. (m) and B.18/06, para. (c)(ii)</i>	Scheduled for B.29
5	Policy guidelines for programmatic approach <i>Decisions B.14/07, para. (k) and B.15/02, para. (a)</i>	Scheduled for B.29
6	Privileges and immunities <i>Decisions B.19/02, para. (d) and B.21/04, para. (d)</i>	Matter to be taken up under the agenda item on COP guidance
7	Co-Chairs proposal on the next steps in the event that a Board member expresses the view that they are unable to join consensus regarding the outcome of a confidential ballot <i>Decisions B.23/03, para. (c)</i>	Scheduled for B.30
8	Co-Chairs to continue to monitor the impact of COVID-19 on the operations of GCF, and to report to the Board appropriately <i>Decisions B.BM-2020/07, para. (n) and B.BM-2021/02, para. (f)</i>	Co-Chairs' recommendation on B.29 venue presented in B.28 document titled "Date and venues for upcoming Board meetings"

Table 2: Open mandates to the Secretariat carried out under the guidance of the Co-Chairs

	Matter	Status
1	Incremental cost calculation methodology <i>Decision B.17.10, para. (c)(i)</i>	Scheduled for B.29
2	Level of concessionality for the public sector <i>Decision B.17.10, para. (c)(iv)</i>	Scheduled for B.29
3	Project and programme eligibility and selection criteria <i>Decision B.17/10, para. (b)</i>	Scheduled for B.29
4	Guidance on the approach and scope for providing support to adaptation activities <i>Decision B.17.10, para. (c)(ii)</i>	Scheduled for B.29

Table 3: Co-Chair mandates closed

	Matter	Status
1	Updating the Strategic Plan for 2020–2023 <i>Decision B.24/03, para. (a)</i>	Adopted at B.27

Table 4: Standing Co-Chair mandates

	Matter	Status
1	Continue to enhance the effectiveness of pre-Board meeting consultations <i>Decision B.23/03, para. (c)</i>	Ongoing
2	Participation in the Performance Oversight Committee of the Executive Director and Heads of Independent Units <i>Decision B.21/13, para. (b), Annex XIV</i>	Ongoing
3	Chairing the GCF annual meeting with the UNFCCC Bodies, including proposing the agenda <i>Decision B.13/11</i>	Update on fifth annual meeting with UNFCCC thematic bodies provided in Part A of the report and in Annex I

Annex I: Report of the fifth annual meeting between the Green Climate Fund and the constituted bodies of the United Nations Framework Convention on Climate Change

I. Mandate

1. By decision B.13/11 the Board decided to hold an annual meeting, in accordance with paragraph 70 of the Governing Instrument for the Green Climate Fund (GCF), in order to enhance cooperation and coherence of engagement between the GCF and the constituted bodies of the United Nations Framework Convention on Climate Change (UNFCCC).

2. Given that the 2020 Conference of the Parties (COP 26) was deferred to 2021, the fifth annual meeting was held virtually. The meeting was chaired by the Co-Chairs of the GCF Board and attended by the GCF Secretary to the Board and Head of the Office of Governance Affairs. It was also attended by the Co-Chair of the Standing Committee on Finance (SCF), the Co-Chair of the Adaptation Committee (AC), the Chair of the Least Developed Countries Expert Group (LEG), the Chair and the Vice-Chair of the Technology Executive Committee (TEC), the Co-Chair of the Advisory Board of the Climate Technology Centre and Network (CTCN), the Co-Chairs of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (EXCOM), and the Co-Chairs of the Paris Committee on Capacity-Building (PCCB). The full list of participants is contained in the sub-annex.

II. Objective of the 2020 meeting

3. The 2020 annual meeting was held virtually as a working meeting between GCF Board Co-Chairs, GCF Secretariat and the leadership of the constituted bodies. The meeting focused on enhancing cooperation and coherence of engagement between the GCF and UNFCCC constituted bodies in order to better support developing countries to meet their commitments under the Convention and the Paris Agreement including as they cope with the COVID-19 pandemic.

III. Key highlights and outcomes

4. The fifth annual meeting served to share the challenges posed by COVID-19, revise the ongoing collaboration and explore new opportunities for collaboration in light of respective mandates. GCF shared the outcomes of the twenty-seventh meeting of the Board, including the adoption of the Updated Strategic Plan for the period 2020–2023 and the initiatives being implemented to support countries in pursuing low emission, climate resilient recovery in light of the pandemic.

5. Representatives of the various constituted bodies highlighted some of their experiences during these special circumstances posed by the pandemic. These include the organization of virtual meetings and the continuing learning and adaptation process; the update of constituted bodies' plans in light of current needs; the progress made on the implementation of bodies' activities as defined in their workplans even under these circumstances; and the ongoing engagement of the constituted bodies with GCF in virtual meetings.

6. Responding to the objective of the meeting, the meeting also sought to identify key actions for continued and enhanced work between bodies and GCF. Areas for collaboration are listed below:
- (a) GCF and the AC to enhance collaboration on work relevant to methodologies for assessing needs and reviewing how those needs have been addressed effectively and sufficiently. The AC and GCF will also explore possibilities for collaboration to reach out to a broader audience in order to disseminate each other's work through communication means. The AC to share for reviews the updated 2015 report on navigating the landscape of support for national adaptation plans (NAPs);
 - (b) GCF to provide inputs to the AC's inventory of methodologies for assessing adaptation needs;
 - (c) GCF to continue collaborating with LEG in providing information on available support for least developed countries for NAP preparation and implementation, as well as to provide information on how support for NAPs can be accessed and a snapshot on the adaptation work being implemented;
 - (d) GCF to continue strengthening the support to adaptation and to update the constituted bodies at the next annual meeting on the result of the Board discussions regarding the resource allocation for adaptation in the context of the Updated Strategic Plan;
 - (e) SCF to continue discussions on how to improve and provide a strategic and consensus-based guidance to GCF and, at the same time, avoid repetitive guidance, and GCF Secretariat to continue participating in SCF meetings and contributing as requested;
 - (f) GCF Secretariat to continue engaging with EXCOM to provide clarifications on the existing opportunities in GCF further to COP 25 outcomes, including to provide an update with regards to work related to indicators in GCF;
 - (g) TEC to share a technical paper on good practices and lessons learned from the set-up of national systems of innovation and, later on, a technical paper on experiences and lessons learned from support for climate technologies, including from the operating entities of the financial mechanism;
 - (h) GCF to continue collaborating with CTCN on readiness support to better support developing countries to meet their ambitions under the Convention and the Paris Agreement including as they cope with the COVID-19 pandemic;
 - (i) GCF to accelerate its work on the climate innovation facility and technology incubators and accelerators, and to continue sharing knowledge emerging from the work on the climate innovation facility; and
 - (j) GCF to continue collaborating with PCCB on needs and gaps on capacity-building with GCF and promoting synergies with PCCB's workplan that aims to generate a space for planning and collaboration on capacity-building. GCF Secretariat to participate in the PCCB Informal Coordination Group.

SUB-ANNEX

Participants of the fifth annual meeting between the GCF and the constituted bodies of the UNFCCC

Bodies	Participants
Green Climate Fund (GCF)	Ms. Sue Szabo (Co-Chair)
	Mr. Nauman Bhatti (Co-Chair)
	Ms. Carolina Fuentes (Secretary to the Board and Head of the Office of Governance Affairs)
Standing Committee on Finance (SCF)	Mr. Ismo Ulvila (Co-Chair)
Adaptation Committee (AC)	Ms. Cecilia Silva Bernardo (Co-Chair)
Least Developed Countries Expert Group (LEG)	Ms. Hana Hamadalla Mohamed (Chair)
Technology Executive Committee (TEC)	Mr. Mareer Mohamed Husny (Chair) Mr. Stephen Minas (Vice-Chair)
Climate Technology Centre and Network (CTCN)	Ms. Moa Forstorp (Co-Chair Advisory Board) Ms. Rose Mwebaza (CTCN Director)
Executive Committee of the Warsaw International Mechanism on Loss and Damage (EXCOM)	Ms. Le-Anne Roper (Co-Chair) Mr. Malcom Ridout (Co-Chair) Mr. Valeriy Sedyakin (Member)
Paris Committee on Capacity-Building (PCCB)	Ms. Marzena Chodor (Co-Chair) Mrs. Yongxiang Zhang (Co-Chair)

Annex II: Report of the Co-Chairs consultations on evaluations

I. Introduction

1. As the Green Climate Fund (GCF) is a learning institution, the Fund's evaluation function is an essential one in ensuring that the Fund is continually improving, drawing lessons from its experiences, and making the best efforts to deliver successfully on the mandate.
2. Over the past year, and especially due to the virtual setting of Board meetings, it has proven challenging for the Board to be able to consider evaluations produced by the Independent Evaluation Unit (IEU). This has caused a backlog of outstanding evaluations and does not allow the decisions of the Board to be properly informed by the findings of these evaluations. As some of these evaluations relate to policy items that are expected to come to the Board in 2021, a session was organized on 1st March 2021 to provide Board members an opportunity to discuss the findings of these evaluations, with the intention of providing policy guidance and/or for learning and dialogue, with a view to having the guidance be incorporated into the corresponding policy items, which would support their development and bring these items closer to Board approval. Further, the session aimed to ensure that the Board can return to an appropriate schedule of consideration of upcoming evaluations in Board meetings to come.
3. The session was proceeded in a format to efficiently incorporate management responses and focus on providing policy guidance from Board members and/or for learning and dialogue. Accordingly, four presentations were delivered by IEU representatives on the four agendas, namely, Accreditation Function, Simplified Approval Process (SAP) Rapid Assessment, GCF Investment in Small Island Developing States (SIDS), and GCF Investments in Adaptation. Each agenda was comprised of a presentation delivered by IEU, management response, followed by a discussion. Evaluations relating to country ownership and to environmental and social safeguards were not included in the meeting agenda as the two sessions have been transmitted to the Board as BBM.

II. Agenda item 1: Accreditation function

4. Co-Chair opened the agenda item 1 and drew the Board's attention to the agenda on accreditation function. A presentation synthesizing the key findings and recommendations of the IEU was delivered by Mr. Archi Rastogi, Evaluation Specialist of the IEU.
5. Co-Chair invited Ms. Stephanie Kwan, the Head of Accreditation and Entity Relations Unit, to provide management response on behalf of the Secretariat. A short presentation was delivered summarizing the management response.
6. Several Board members acknowledged the need to develop an accreditation strategy and agree on the updated accreditation framework. One Board member noted that the Board needs to spell out a clear definition of accreditation and its key purposes. The Board member expressed disagreement with the Secretariat on incorporating the accreditation strategy into the Updated GCF Strategic Plan (USP), given the USP calls for additional strategic guidance as per accreditation, echoing various board decisions requesting an accreditation strategy. The Board member further suggested the Board at B.28 to mandate the Secretariat to work on the development of the accreditation strategy.

7. One Board member suggested assessing the accreditation and re-accreditation applications based on how the applicant entities and Accredited Entities (AEs) fit with the GCF mandate and drive paradigm shift in project portfolios. The member elaborated on the need to make the Accreditation Committee more effective, strengthen the Accreditation Panel, and advance the updated accreditation framework.
8. Several Board members expressed concerns regarding the low percentage of the Direct Access Entities (DAEs) receiving GCF funding, noting 62 DAEs only take 20% GCF funding. One Board member underscored that the GCF needs to be more strategic in selecting the AEs and potentially obliging the AEs undergoing accreditation to present indicative project pipelines. Several comments were raised on specific issues related to the need to enhance pre/post accreditation support and incentivizing the International Access Entities (IAEs) to support the DAEs in the country-level accreditation process.
9. A Board member underlined that the accreditation strategy is necessary to ensure high transparency. Another Board member echoed such a point and alluded to the low visibility of the GCF projects in her country, which reaffirms the need to enhance visibility and transparency of the GCF projects through collaborating with the government, local civil society organizations, and private sector.
10. Co-Chair asked the Secretariat what incentives exist to encourage collaboration between IAEs and DAEs, to which the Secretariat explained, as part of the accreditation application, IAEs are requested to provide supporting information on their intended support to DAEs; and as part of the monitoring and accountability framework, all IAEs are requested to report to the Board on an annual basis on their support already being provided to DAEs. Additionally, the Secretariat noted that the programmatic approach policy submitted at B.25 contained comprehensive programming arrangements between DAEs and IAEs, including updating the policy for AE fees in order to encourage IAEs' collaboration with DAEs. In addition, the readiness programme further elaborates on the post-accreditation support and capacity-building efforts tailored to facilitate the accreditation of the DAEs.

III. Agenda item 2: SAP Rapid Assessment

11. Co-Chair Mr. Jean-Christophe Donnellier opened the second agenda item and passed the floor to Mr. Daisuke Horikoshi of the IEU in order to brief on IEU findings and recommendations on the SAP Rapid Assessment. Subsequently, Mr. Demetrio Innocenti, the Manager of SAP, was invited to present the GCF management response to the recommendations and key findings articulated by IEU.
12. Several Board members shared concerns related to SAP not delivering its stated goals regarding scope, value-added, efficiency, and scaling up. Further concerns were raised with regard to the limited difference between SAP and a regular project approval process, to which one Board member questioned the value-added of SAP at present. Another member emphasized that the SAP should be faster than the regular process by making it more simplified. In defining the added-value of SAP, another Board member expressed that the SAP support should focus on innovation and prioritizing countries that have not yet accessed the modality.
13. While appreciating the high share of Africa, Least Developed Countries (LDCs), and DAE using the SAP modality, another Board member expressed concerns with the low share of the DAEs in the overall SAP portfolio. An idea was proposed to discuss whether the scope of the SAP support should be limited to DAEs facing capacity constraints, alluding to the fact that such constraints do not often exist in International AEs. Recalling the board discussion on enhancing GCF-AF collaboration in 2018, one Board member suggested exploring possible linkages to the other funds, such as the Adaptation Fund, to scale up projects.

14. One Board member encouraged the Secretariat to clarify how the Fund will enhance the applicability of criteria ready for scale-up and requested the Secretariat review the recommendations and report back.
15. Regarding the possibility of delegating the SAP approval authority to the Executive Director, one Board member expressed disagreement, noting their preference for SAP approval through BBMs. One Board member stressed that he supports the BBM suggestion as long as the Independent Technical Advisory Panel (ITAP) can review the proposals on a rolling basis.
16. The Board member further requested the IEU clarify how their recommendations will be integrated into the work plan of the Board as well as relevant policies. More information was requested on the scope and recommendations and how the Secretariat will implement them.
17. The Board agreed that the SAP has governance implications, and the parallel structures are necessary; however, the Board suggested the SAP review external to the Secretariat should not be pursued.
18. Co-Chair reiterated the concerns raised by Board Members with respect to the marginal difference between the SAP and the ordinary project approval cycle. The Co-Chair opened the floor for the Secretariat and IEU to respond to the comments raised by the Board.
19. The Secretariat recalled one of the key SAP mandates to develop a different modality for a low-risk project that requires less than \$10 million, which has been the case since the first iteration of the SAP in B.08. The representative of the Secretariat expressed that the issues related to the marginal difference in delivery cycles of SAP and the ordinary project approval process can be tackled if the SAP proposals can be approved via BBM.
20. On the concerns related to externalizing the review of SAP, the Secretariat noted that the GCF is looking for cost-efficient modalities for the review of SAP proposals, and additional support is needed to increase the technical capacity of the Secretariat to undertake reviews on a rolling basis. The review is still controlled by the Secretariat, rather than fully externalizing the review. The Secretariat also noted that it has initiated operational discussion with the Adaptation Fund to scale-up up Adaptation Fund projects.
21. The Secretariat explained that the SAP modalities could be leveraged to pilot certain innovative approaches, which can be up-scaled via an ordinary GCF project. The Secretariat further explained that, according to the Secretariat review of SAP projects, a high number of AEs expressed the SAP should have the ability to de-risk larger investments and pilot innovative approaches that, if successful, can be scaled up by the regular GCF project approval process.
22. As per the programming guidance, Secretariat expressed that giving predictability on the review to the AEs and enhancing efficiency in the context of ITAP and Secretariat review will help AEs develop projects faster. In this regard, the Secretariat is developing an appraisal toolkit to guide the review of the SAP projects and guide AEs undergoing project development by providing details on the type and amount of information required.

IV. Agenda item 3: GCF Investments in SIDS

23. Co-Chair introduced the third item and invited Mr. Archi Rastogi and Mr. Andreas Reumann of the IEU to present the key findings and recommendation of the independent evaluation of the relevance and effectiveness of the GCF's investment in SIDS. In response to the IEU's presentation, Mr. Clifford Polycarp, the Deputy Director of the Division of Country Programming, presented a summary of the management response to the IEU's findings.
24. Co-Chair thanked both the IEU and Secretariat for their informative presentation and opened the floor to receive the Board's comments.

25. One Board member highlighted that the priorities of the GCF projects need to be aligned with the government priorities. The member also asked how the GCF is ensuring such alignment. Another Board member suggested that the Board should endeavour to close several policy gaps mentioned during the session and further encouraged the Secretariat to incorporate the findings of the IEU and refine the relevant policies as appropriate. In addition, it was advised that the Secretariat propose measures to respond to the COP guidance aimed at minimizing loss and damage, which has close relevance to SIDS.

26. The Secretariat highlighted that the assessment by the GCF consider how the projects are aligned with the relevant national priorities such as the Nationally Determined Contributions, National Adaptation Plans, and other relevant climate change strategies/plans. The Secretariat also looks at how the projects are aligned with other sector strategies the country may have.

V. Agenda item 4: GCF Investments in adaptation

27. The Co-Chair opened the last item and invited Mr. Martin Prowse, Evaluation Specialist of the IEU, to present the key findings and recommendations for the independent evaluation of the GCF's adaptation portfolio and approach. Subsequently, the management response was elaborated by the Head of Portfolio Management, Ms. Lilian Macharia.

28. Several Board members welcomed the IEU recommendation to scale up private sector engagement in adaptation. One Board member agreed with the IEU findings that the current result management framework is not adequate at measuring the depth of impact of adaptation. Such bottleneck is expected to be addressed by the Integrated Results Management Framework, noted the Board member.

29. One Board member expressed concerns with regard to having only two private sector projects focused on adaptation, a low percentage of private sector financing for adaptation, and 0.18 dollars mobilized from the private sector for every dollar GCF invests. Another Board member asked the Secretariat how GCF is helping countries collaborate with the private sector, especially how the country and regional programs are leveraged to facilitate the accreditation of the private sector.

30. Two Board members reiterated the importance of developing a private sector strategy and dealing with the pending consideration by the Board of the updated accreditation framework. It was further noted that accreditation strategy is critical to ramping up the private sector engagement.

31. Several Board members acknowledged the need to diversify the use of instruments while building the pertinent capacity of the private sector in developing countries. Another Board member asked the Secretariat to explain the linkage between the diversification of instruments and financing private sector projects.

32. In responding to the comments made by the Board, the Secretariat explained that the private sector adaptation bottleneck is not a pipeline problem and that is working with local governments to scale up adaptation support in the private sector. The Secretariat also noted that the majority of funding proposals received from DAEs, including SIDS, are heavily focused on mitigation. As per the link between the diversification of instruments and private sector projects, the Secretariat informed the Board of the private sector's appetite for using a wider range of instruments. On the other hand, the public sector entities normally seek traditional grants and loans.

33. Related to this, IEU informed the Board of an independent evaluation of the GCF approach to the private sector, which will be presented at B.30.

Annex III: Report of the Co-Chairs consultations on policies scheduled for consideration at the twenty-eighth meeting of the Board

I. Introduction

1. In preparation to the Twenty-eighth Board Meeting, the Co-chairs combined a consultation on policies set for discussion during upcoming board meeting, in particular the updates of the Integrated Results Management Framework (IRMF) and the Simplified Approval Process (SAP) by the Secretariat.
2. The consultation took place on 9th March 2021. The Co-chairs presented this meeting as an informal space where Board Members, Alternate Board members, and advisers could ask for clarifications on the proposed policies updates after presentations from the Secretariat. The Co-Chairs organized the session to provide Board members with a space for consultation and discussion on policies, to guide and discuss the policy items, which would support their development and bring these items closer to Board approval. Copies of the presentations from the Secretariat were made available to

Agenda item 11 (a): Matters related to result management: Integrated result management framework and result tracking tool

3. Co-Chair opened the eleventh agenda item on the Integrated Result Management Framework (IRMF) and results tracking tool.
4. Before inviting the Secretariat for presentation, the Co-Chair recalled the consultation process that has been conducted on this item. This document has been discussed at several Board meetings, from B25 to B27. Last year, over the summer, the document was submitted to the Board for a written consultation. Most recently, in preparation for B.27, there was a technical session dedicated to this item, before its consideration during the Board meeting. Since B.27, the Secretariat made efforts to conduct bilateral consultations with Board members, alternate board members and advisors, and 15 consultations have been conducted in January and February. A summary of these consultations has been made available by the Secretariat and the Co-Chairs underline commitment to ensuring the effectiveness of these consultations, and to make sure that these consultations have been undertaken in an open, inclusive, consultative and transparent manner. I
5. The co-chair invited Ms Lilian Macharia, Head of Portfolio Management, to provide an update on behalf of the Secretariat on the development of the Integrated Result Management Framework. A brief presentation was held summarizing key milestones reached through the process.
6. Many Board members supported the revised Integrated Results Management Framework (IRMF) and tracking tool. Some clarifications were asked, especially on the technical aspects of the framework. One Board member asked for further elaboration on how the piloting will be handled including on if several regions would be considered and a handbook would be provided. The Secretariat responded that the piloting will be implemented in several regions across the GCF portfolio, and the result handbook is currently under development which will be refined following the pilot.

7. Some clarifications were sought on the measurement of anticipated results against achieved results in the framework. The Secretariat informed that the design of the log-frame considers the allocation of achieved results; making the measurement for achieved targets possible.
8. A Board member asked about the duration of the piloting within the presented Framework and the readiness of the result tracking tool. The Secretariat expects that piloting could last at least three months and is already engaging with a consulting firm to plan for the pilot. The Secretariat also noted that Climate Impact Assessment Network (C-NET) is supporting the development and refinement of measurement approaches for climate impacts. On the result tracking tool which enables integrated reporting of progress toward the delivery of the updated Strategic Plan of the GCF: 2020-23, they will be ready for implementation upon adoption of IRMF but will likely be used for B31 USP reporting based on available project data.
9. A Board member expressed concerns about the IRMF pointing out that scorecard exercise for paradigm shift and systemic change is a redundant exercise; there is an urgent need to make it simpler; and annexes related to paradigm shift and systemic change should be removed from the current document. He raised concerns on indicator six (6), where the language on technology does not reflect technology transfer as stated in the Paris Agreement and added that indicator eight (8) seems to be complicated to understand. The Secretariat noted that the previous narrative format lacks structured approach and the proposed scorecards enable simplified and systemic reporting with clearer guidance from the Secretariat. The proposed IRMF aims to reduce complexity foreseeing that GCF's portfolio is growing and DEAs are increasing as well.
10. A Board member asked for clarification on the removal of two indicators in comparison with the B.27 document version on biodiversity and ecosystems. The Board member noted that new supplementary indicator is too narrow in scope which could miss a measurement of the ecosystem's co-benefits. The Secretariat informed that in the latest version, the supplementary indicators in question were merged to core indicator 4 to avoid overlaps. In addition, each indicator now has one unit of measurement as opposed to multiple units to avoid confusion during reporting and aggregation. However, the Secretariat indicated its intention to revisit the framework to ensure that the concern raised by the Board member is addressed.
11. The co-chair invited Board members to contact the Secretariat if any further clarification is needed concerning the Integrated Results Management Framework.

Agenda item 11 (b): Matters related to results management: Addressing gaps in the current portfolio for measurement

12. The co-chair opened the eleventh agenda item clause b and passed the floor to Ms Lilian Macharia, Head of Portfolio Management to briefly present updates on addressing gaps in the current portfolio for measurement.
13. A Board member asked the Secretariat to clarify what is the basis for recalculation methodologies and how they will impact the baseline's projects. The Secretariat noted that the methodologies propose will be aligned with international norms, considering project-specific contexts. Nevertheless, the specificities of the project will dictate the basis for a recalculation; besides, these methodologies will be aligned with the Integrated Results Management Framework (IRMF) and Performance Measurement Frameworks (PFMs).
14. Comments were received from two Board chairs expressing support to the proposed approach and inviting the Secretariat to explicitly state in the decision text that the decision on the final budget for the remedial activities to include possibility of approval through a decision between meetings thus allowing for further expediting the remediation process.

15. The co-chair invited Board members to contact the Secretariat if any further clarification is needed concerning the Integrated Results Management Framework. Following, the item was closed.

Agenda item 18: Update of the Simplified Approval Process

16. The co-chair invited Mr Demetrio Innocenti, Manager of the SAP, to present on the Update of the Simplified Approval Process (SAP).

17. One Board Member expressed concerns about the state of the SAP. Arguing that it does not contain any significant instruments or methods to simplify and that paragraph 53 of the Governing Instrument has not been taken into consideration. The Board member also underlined that the between-meetings-decision mechanism will change the nature of the Board. The Board member informed that its constituency would share a memo elaborating on their concerns to the updated SAP and that it is difficult for the constituency to accept the conditions of this version. The Board member also notes that there is no consensus on the in-between meetings guidelines.

18. In response to concerns on decisions between board meetings, the Secretariat noted that if a Board member has any concerns on any SAP funding proposal, the Board member can express concerns within 21 days and the matter can be referred to a Board Meeting..

19. A Board member asked for clarification on documentation needs, seeking for clearness on the reference on further reduction of documentation in SAP. On programming the Board members sought clarification on the Secretariat's approach to the programming guidance document for SAP, and how this relates to the IEU proposed development of a SAP strategy. The Board member also asked clarifications on the SAP external reviews.

20. Concerning the clarification on the reduction of the documentation, the Secretariat noted that the original SAP decision asked that SAP complies to all policies, and that the AEs have had problems understanding the requirements that are needed to comply with SAPs. In view of this, the Secretariat aims to provide AEs with tailored guidance so they can allocate their resources efficiently in the development of documentation and studies according to the nature of the proposals.

21. Regarding the SAP Programming Guidance, the Secretariat confirmed that it is meant to address the areas and topics highlighted in what the IEU refers as "strategy". Therefore, the Secretariat will provide guidance on how SAP can be used with a value added in private sector projects, addressing urgent climate needs and what it is meant by scaling up through SAP of previous interventions previously financed by other climate funds or donors.

22. The Secretariat clarified that all SAP reviews are managed, and quality-controlled, internally, as any other proposal. As there is a need to ensure the Secretariat's capacity to appraise SAP on a rolling basis, a cost-effective option is to cost-effectively mobilize expert for a specific SAP review if there is a contingent capacity or an expertise gap.

23. A Board member stated its favour of getting on with the work the Board committed to completing in the USP and the Board workplan and its keen to progress on the SAP especially. Remarks that he considers the SAP in terms of three elements: simplification, facilitation and acceleration. The paper covers this, on simplification the proposed policy simplifies things by accepting greater level of risks in terms of the requirements, this approach trades off some assurance to go faster. Regarding facilitation, it corresponds to the changes to the SAP technical assistance and the capacity building provided for the countries and AEs. Finally, on acceleration, by making less requirements for the Board approval, it can save upwards of 100 days. The Board member commented on the delegation of authority, clarifying that the delegation of authority is approved on a non-objection basis.

24. The Secretariat highlighted that SAP proposals are submitted to the Board when they are recommended by the Secretariat and iTAP. The delegation of authority will enhance the speed of the approval process between Board meetings, maintaining quality control mechanisms remain solid as usual and clarified that it will be under a non-objection basis.
25. In addition, the Secretariat noted that the proposed changes in the SAP approval modalities allow SAP funding proposals that do not have any specific comment or issue for approval from the Board members to be approved faster, while keeping any Board member empowered to intervene, postponing the decision on the approval to the next available Board meeting, should any Board member have any specific concern on approval and/or prefer to propose a conditional approval.
26. An adviser to a Board member noted that the SAP is an important tool to deploy the needed climate resources and noted that compared to the previous version how the preparation is simplified is more clear.
27. Another Board member asked on which basis it is decided that a SAP proposal with limited ESS risks are approved by the Board in BBM and with minimal to no ESS risks are approved thought delegated authority to the ED. The Secretariat clarified that this option followed the recommendations from the B.25 review of the SAP pilot that benchmarked the simplification practices on delegation of authority from other organizations, climate funds and financial institutions.
28. A Board member thanked the Secretariat for the extensive work on the SAP and suggested that further consultation would be needed on this item. He also shared concerned on approving complex policies in virtual meetings.
29. A Board member stressed that SAP is of great importance for SIDS and small states and asked for confirmation on the impact on small economies of the proposed approach, and if the Secretariat is sufficiently equipped to deal with the increase of project submission under this modality. The Secretariat confirmed that the SAP is indeed considered important to support the SIDS in addressing their identified urgent climate needs, especially in adaptation. It also confirmed that considered the resources that would be needed to support the preparation and a review on a rolling basis.
30. An adviser to a Board member highlighted that the Secretariat should not develop an update of SAP based on recommendations from documents that have not been endorsed and approved by the Board, as is the case of the IEU evaluation and Management Response. The Board member noted that reducing the number of days by only 20 for a decision on SAP proposals through delegation of authority is not sufficient to modify the decision-making authority of the Board.
31. Given the limitation of time, the co-chair invited Board members to contact the Secretariat and work on the discussed clarifications, emphasizing that work is needed on this proposal, and invited the Board members working on a memo from their constituency to share the document with their recommendations.
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